

# MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



## AFFORDABLE HOUSING BOARD

### REGULAR MEETING

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October 15, 2019, 4:00-6:00pm  
Conference Room 1B, 215 N Mason

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#### CALL TO ORDER: 4:00PM

#### ROLL CALL

- Board Members Present: Jen Bray, Catherine Costlow, Jeff Johnson, Rachel Aldridge, Diane Cohn, Kristin Fritz
- Board Members Absent: None
- Staff Members Present: Sue Beck-Ferkiss, Jennifer Baker
- Guests: Tom Leeson, Noelle Currell, Shar Manno

#### AGENDA REVIEW

- None

#### CITIZEN PARTICIPATION

- None

#### APPROVAL OF MINUTES

Jeff moved to approve September minutes. Catherine seconded.  
Approved 5-1-0.

#### PRESENTATIONS AND DISCUSSIONS

##### **A. Wrap up of Development Fee Updates, Noelle Currell and Tom Leeson**

Tom overviewed the City's efforts to update development review fees. Prior to this year fees had been updated in an ad-hoc manner, the intent of this is to adopt new fees this year, implement them next year, and update every 5 years going forward. Part of this project was to update all three categories of fees charged, second was to simplify our fee schedule, all of this involved a lot of consolidation. The fees are designed to cover costs, the City has a 100% cost recovery policy, part of this project was to see what our true costs are and have a true understanding what they are and how we can recover them.

The costs for development review applications are spread across different areas, in this update we went through every department and staff member involved in the process to determine the costs of the application processing form. Updates include development review fees to include material costs, personnel costs, and infrastructure inspections. Another update is how utilities is charging fees, previously they were charging fees at time of building permit, we shifted this fee into development review fee to better reflect when the

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cost occurs. Building permit fees are generally going down, these will now be processed in development review and will be based on square footage. Infrastructure inspection went up because they were outdated.

Also added two new fees: erosion control and construction fees to cover construction inspection and drainage work. Each of the fees are designed for cost recovery, the City has a 100% cost cover policy. All these fees only cover costs, there is no revenue generation.

Walked through a mixed-use development and showed change due to new fee structure.

#### Questions/Q&A:

- Kristin: How did you know what to charge?
  - Tom/Noelle: Previously this was calculated on old data. Several of the fees had not been updated in several years and there was a lot of unaccounted for staff time that was spend on development review. We went through each department, spoke with staff in each department and based our fees on the amount of time a project truly took to go through the application process.
- Diane: What about construction?
  - Noelle: Fees mainly cover inspection.
- Diane: Does this cover dust?
  - Tom: That is covered by environmental services. This is not part of the fee schedule or something that we cover in this process. There is a fine that the developer is charged if you don't comply with your fugitive dust plan.
- Diane: What is the square footage fee based on? How do you know what to charge?
  - Tom: This fee is based on building type; this determines the level of service.
- Kristin: How do you define this?
  - Jeff: Your starting point can make a huge difference on what your square footage is and what you will be subsequently charge.
  - Tom: Square footage will be based on the outer exterior wall regardless of building type.
  - Kristin: So, it doesn't matter what is interior to the building?
  - Tom/Noelle: No, we are only going on the outer shell of the building and the usage type
- Catherine: Are the examples you walked us through common examples?
  - Noelle: Yes, we did this for several project types, we will walk you through them to show you how the cost breakdown varies with each project. Looking at the village on Redwood, in general the fees went down. With the new fee structure, the waiver will increase thereby decreasing the overall project costs.
- Kristin: What about the other changing fees, such as the capital expansion fees? Do these tables take that into account?

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- Noelle: No, we will be going over these with Council Finance Committee on Monday. This fee study was focused on isolating changes we can control the impact
- Kristin: The dialogue in the community is that the fees are going up to \$10k per unit. We've been struggling to figure this out, our average is \$23k per unit so to add another \$10k is a big direct impact to affordable housing. The fee structure is encouraging and the numbers behind it make complete sense, but it's the other fees that are making a huge impact in the development.
- Noelle: Much of this has to do with water and available land, the City cannot control what other districts will charge for water or what their capital expansion project timelines are, this has a lot to do with the higher fees that developers are being charged.
- Diane: Does this have to go to City Council to be approved?
  - Tom: No, it is written in our land use code that this may be approved by the City manager. There is an option to forward this along to City Council but at this point we don't anticipate that.
- Diane: What did the advisory committee say about the fees, did they acknowledge the concern?
  - Jen: It was more acknowledgement of the concern, main one being the extra occupancy fee going up. There was concern on the process standpoint, thought about changing the review process because this was a driving cost. We did not have a lot of developers at the table, but we hear and acknowledge that these fees are relatively small in the big picture.
- Sue: Kristin, do you have anything to add from your standpoint?
  - Kristin: I feel like our feedback was heard. It's true that these fees do not have the same impact as capital expansion fees, but I understand the City's perspective to recoup 100% of the fees – this makes sense to us. Every project is different, each project will shake out a little different. I like the square footage shift.
  - Jen: The plan was to implement this over the course of year. We didn't think stair stepping things in made a lot of sense because of the benefit side, we will be monitoring this closely. We didn't talk too much about impact fees.
- Sue: Is there any consideration to a different process in extra occupancy fees?
  - Tom: We see a handful of these applications each year. The fee is significantly going up, often its actual homeowners going through the process which requires a lot staff time. We are open to looking at administratively approving this, but extra occupancy is a sensitive topic in our community.
  - Sue: It may discourage people from getting a permit. It's a huge risk.
  - Jen: Noelle explained this very well and I think it's very reasonable to explain where the fees are coming from. We were trying to make it easier for the end user.
  - Kristin: The model helps on the predictability side which is critical to us.

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- Diane: How long until these fees will be looked at again?
  - Tom: Four years, they will be looked at again in 2021. It will then be in cadence with the other updates across the City.
- Sue: What feedback would you like our presenters to take away?
  - Diane: I think the fees are a concern and we should at least point it out.
  - Noelle: There are thousands of fees in total in the City, this has been treated like it has to go Council which it does not.
- Kristin: Can we alleviate this process as a Board? What if we found a way to make it administrative?
  - Tom: Yes. There's a big process to go through, a lot of times staff is carrying the load of the applicant and trying to stay neutral. We are looking into implementing time tracking.
- Jen: If the neighbors oppose, then what happens? Do you get your money back?
  - Tom: It depends on what the opposition is based on. Most of the time we take the comments, look at conditions to mitigate potential impacts. We do not want to take a project forward that does not meet out code, this is why it has taken our staff so long to process applications. These fees are non-refundable
- Sue: Shar, did you think this process was overly burdensome?
  - Shar: To be fair, there are a lot of different steps in the process and I got caught between an old process and update to a new one. When I submitted there were people training and several factors, but I really don't know if this is the case for everyone. I can say this took a lot of time. The whole process may have been easier before but for us it was very expensive and time demanding.
- Tom: This brings up the entire U+2 policy and issues with it. We have been looking at how we can identify areas of zoning code to determine where we can focus our efforts on housing diversity.
- Jeff: Seems like this can slide into a pure zoning issue. This is really about U+2, a zoning change requires Council but then it's done.
  - Diane: It makes perfect sense to use existing stock more efficiently. Not sure what it does with affordable housing, but our population is going up.
  - Tom: If you have a 5-bedroom house and if you can rent out per bedroom you can charge more than the actual cost of the house. As renter competition goes up, the cost will follow. This can very likely have a negative effect on affordable housing. The argument for raising U+2 is that you may be having a negative effect on affordable rentals.
  - Jen: Rents are calculated based on amenities. In Loveland we don't have a U+2 regulation and rents were not much higher than other areas.
  - Kristin: But this is the speculation. It's what people are willing to spend on buying a house to later rent it. I would be curious to see evidence of rent getting passed on.

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- Tom: We had a consultant do a study a few years ago on this, and the conclusion was that it would drive the costs up.
  - Jeff: Per bedroom or the house in general? I can see it increasing for a single-family home.
  - Tom: I would have to check if it was room or house, but rent does go up.
- Sue: Everyone hears the same cost complaints about fees going up and it's the same everywhere.
  - Jeff: We like nice things and it costs money, it's an answer no one likes, deregulation will lower the costs.
  - Kristin: There is a high level of service in this community. There is no level of service for affordable housing in our community, we are so far from meeting the need for housing. I think this needs to be part of the bigger discussion of capital expansion and what is an acceptable level of service for everyone. There have been developers walking away because of the fees.
- Jeff: Is there any thought on how City staff tracks their time?
  - Tom: We don't track our time but we have talked about it. Sustainability Service Area is currently doing this. We are thinking we might try and do that as a pilot.
  - Sue: I will say that I used to guess what I spent on this board, once I started tracking, I realized that I am always low.
  - Tom: in some cases, we adjusted time estimates. Tracking the time has been difficult to get people to do it and to do it as the day goes on. This will help us with accountability and fees justification. HR currently does a market study every year to make sure that employee wages are in line with the current market.
- Sue: Conclusion – The process and fee for rental extra occupancy permits should be better addressed, the Board did not have other issues or concerns, and that the Board generally appreciated the square footage fee structure.

### **B. Affordable Housing and Mobile Home Council Priorities, Sue Beck-Ferkiss**

One of the things that came up with Council is that they wanted to make sure the Boards were aware of their mobile home priorities. So far the moratorium is for a year, ending August 2020, with the push to end this sooner. We have a good cross-departmental group looking at this about owner rights, utilities, and outreach. This will equate to short- and long-term priorities to accomplish everything with the moratorium time frame. The moratorium shortest timeline and the Affordable Housing Strategic Plan (AHSP) we are planning on getting done in 18 months then Colorado Department of Public Health and Environment (CDPHE) grant we have two years starting from last June.

We are hearing about outreach fatigue from all ends. We trying to combine efforts with other efforts both in the City and County. We are hoping to get more feedback from the plan, I don't think our document will change a lot the AH pillars have not changed but City and

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State policies have. There will be big updates but not a complete re-write of the plan. We plan on more equity and inclusion work into the plan as well.

#### Questions/Q&A:

- Diane: How will equity and inclusion be worked into the plan?
  - Sue: We are not entirely sure. There are several ways to work this in, we are not at a point of knowing how we will address this right now. There are interesting ideas on how to better combine work. One of my ideas from a pragmatic standpoint is for a healthcare worker to be trained as building inspectors. We are looking at housing as health as huge component and the connectivity along the whole spectrum. These are all risk factors, opportunities, my guess is that we will want to build everything into the plan. All the memos to council related to this have been sent to you, if you have any questions or would like to discuss, please reach out to me.

### B. AHB Periodic Review, Board Discussion

- Periodic review was sent out and discussed at our last meeting.

#### Questions/Q&A:

- Jen: Do we just need to make a motion to approve the draft for Council?
  - Sue: If this looks good, I will send it to the City Clerk who will then send it to Emily Gorgol. Emily Gorgol will be at our next meeting in November. I think our November meeting will be valuable opportunity to get good feedback and ask her about what we could be doing better as a Board.

Catherine moved to approve the Affordable Housing Board's periodic review, Rachel seconded, passed 6-0-0.

### D. Reimagining Boards and Commissions, Board discussion

The Super Board meeting started maybe 2-3 years ago, and I don't think Boards and Commissions have been happy with it so far. We tried different pilots; called The Experiment while we tried to figure out how to make the whole system better. The big take away from the summary that I sent you all is that we aren't getting more appointed Board positions soon. We did find that Kristin is eligible for another term and will be re-appointed in December.

#### Questions/Q&A:

- Diane: Are we holding off on adding new members until they know what direction they want to take for all Boards and Commissions?
  - Sue: That is what I have gotten from it. If you are under quorum, they will appoint new people. For us they want us to be quorum plus one, which is where we will be. One of the bigger issues is that Kristin often has to recuse herself. We will have to be good communicators when we know it

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will be difficult to reach quorum. I will check to see if we need a quorum for a vote in a meeting or if that is just to establish a quorum.

- Rachel: Why are we doing this?
  - Sue: It's a Council priority.
  - Diane: I also hear that its part of Board and Commission members not feeling effective or that they are contributing as much as they could. I think part of the experiment is the Economic Affairs Commission (EAC) wanting to address some of these issues in a non-siloed way.
  - Sue: There was a push several years ago coming from the Clerk's office to be more efficient, streamlining processes and reducing the number of Boards, but at the end of all the work they decided not to change anything.
  - Kristin: But that was when we started talking about the ranking process in better collaboration with the CDBG (Community Development Block Grant) Commission.
  - Sue: One of the ideas is to re-organize the boards around the strategic areas around our core service areas.
- Jeff: Seems to me if you want to fully reimagine and prevent silos, you have to go 100%. If you're looking at silos you need a small group of people that are very diverse and capable of handling all of this. Is this more about preventing the silos, saving staff time or saving community time?
  - Sue: All of that, and I do not really know where the project is going from here. Council will talk about it again in December, but it does not sound like they will decide soon.
- Diane: Last night, multiple boards met to discuss Our Climate Future together as a cohesive group. It was interesting; each table was asked five broad questions. The overall process and discussion were much better than other things that I've attended. They are working hard on how to front load the broader conversation to better shape on how to go forward verses the other way around. There was good discussion on how to reach people that have never participated.
- Diane: I made it clear that I think the AH Board should have at least one person living in affordable housing. We also need to be able to adjust our communication styles for different populations.
  - Kristin: What we have found is that a lot of our groups have a landline, no email. Their preferred style is mail and a phone call to their landline.
- Diane: I got the impression that City Council is wanting more input on what is on their agenda, but it does leave space to lose track of issues.
- Jen: I think a lot of this is stemming from what the Council wants, they move faster than other levels of government. A lot of our priorities come from the direction that City Council wants to go.
- Sue: Next month, I hope we have an open, candid conversation with Emily Gorgol about Council Priorities and Re-imagining Boards and Commissions.

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#### BUSINESS

- a) **Council Comments** -not discussed
- b) **Review 2019 Work Plan** - not discussed
- c) **Open Board Discussion** - not discussed
- d) **Liaison Report** - not discussed

#### BOARD MEMBER REPORTS

- a) **Development Fee Updates**— Discussed as agenda item

#### OTHER BUSINESS

##### a) **Update on Affordable Housing Projects**

- Kristin: Update on VOA project—we did not get credits this round. They will go back next February. All the projects were great, the tax credits were really a priority discussion.
  - Sue: They are continuing to pursue it; a lot of the City's support will stay in place and we will apply again. A lot of times projects are submitted 2 or 3 times.
- Sue: We are getting an update to our GAPs analysis. This will give us general information about our human service levels in the City. We may have a lot more naturally occurring affordable housing but we both agree that we have needs across the whole spectrum. We will just have to wait for the State to roll out a lot of some of the new resources that we have, this could get us some alternatives. Right now, there is a lot more competition with PAB, which is putting a lot more pressure on limited resources, particularly with metro districts, it's not getting easier, but the State may be more money.

##### b) **Future AHB Meetings Agenda**

- November: Dianne Tjalkens from Social Sustainability and Councilmember Gorgol

##### c) **City Council Six-Month Planning Calendar**

**ADJOURNMENT: JEN 6:08PM**