

AGENDA ITEM SUMMARY

December 3, 2019

City Council

STAFF

Sue Beck-Ferkiss, Social Policy and Housing Program Manager
Ingrid Decker, Legal

SUBJECT

Second Reading of Ordinance No. 140, 2019, Appropriating Prior Year Reserves in Various City Funds to Reimburse Capital Expansion and Utility fee Funds and Housing Catalyst for Fees Waived for the Mason Place Affordable Housing Project.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on November 19, 2019, appropriates funds from the Affordable Housing Capital Fund in the Community Capital Improvement Program and General Fund reserves to reimburse certain City departments and Housing Catalyst for fees that were waived for the Mason Place affordable housing project.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary, November 19, 2019 (w/o attachments) (PDF)
2. Ordinance No. 140, 2019 (PDF)

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 City Council

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SUBJECT

First Reading of Ordinance No. 140, 2019, Appropriating Prior Year Reserves in Various City Funds to Reimburse Capital Expansion and Utility fee Funds and Housing Catalyst for Fees Waived for the Mason Place Affordable Housing Project.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate funds from the Affordable Housing Capital Fund in the Community Capital Improvement Program and General Fund reserves to reimburse certain City Departments and Housing Catalyst for fees that were waived for the Mason Place affordable housing project.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

City Council approved percentage-based Affordable Housing fee waivers for the Mason Place permanent supportive housing project being developed by Housing Catalyst on First Reading on July 16, 2019 and on Second Reading on August 20, 2019. This development will offer 60 units targeted to residents making no more than 30% area median income. The 2019 income limits published by the U. S. Department of Housing and Urban Development for 30% of the Fort Collins AMI is \$18,350 for a household of 1 and \$20,950 for a household of 2. The units at Mason Place will be primarily one-bedroom units with a few two-bedroom units. Households at this income level are some of the City's most vulnerable residents. Most of the residents will be escaping homelessness and have disabilities. This development will be located at 3750 South Mason Street, the site of the former Midtown Arts Theatre. See attachment 1 for map of location.

In addition to fee waivers, Mason Place received more than \$1.1M of HOME and Community Development Block Grant funding from the City's Competitive Process and almost \$900,000 in direct capital assistance from the Affordable Housing Capital Fund from the Community Capital Improvement program. Here is a summary of the City's investment in this project:

Project	Total City Investment	Total Development costs	% City Support	Total Waiver Amount	Waiver per qualifying unit
Mason Place (60:60)	\$2,326,081	\$18.7 M	12%	\$326,081	\$5,435

The percentage of units qualifying for the waiver, in this case 100%, was approved by Council before the fee amounts were finalized. Council approved fee waivers not to exceed \$330,000. The amounts are now final, and the amount of the total fee waiver is \$326,081.

Details of foregone revenue due to fee waivers:

Fee	Amount
Building Permit Fees	\$31,977
Demo Permit Fees	\$50
Total foregone revenue	\$32,027

Details of fees received to be refunded to Housing Catalyst:

Fee	Amount
Development Review Fees	\$5,000
Major Amendment Fees	\$3,206
Mailing Fees	\$204
Sign Posting Fees	\$50
Plan Check Fees	\$15,397
Total refund to developers	\$23,857

It is the City's practice to reimburse the fee accounts for capital expansion and utility fees that are waived. For Mason Place, a total of \$270,197 is needed to reimburse capital expansion and utility fee funds. A breakdown of that amount follows:

Fee	Amount
Fire Capital Expansion	\$13,695
General Government Capital Expansion	\$4,271
Parkland: Community	\$139,560
Parkland Neighborhood	\$98,820
Police Capital Expansion	\$7,698
Sewer Development Review Fee	\$2,580
Stormwater Development Review Fee	\$993
Water Development Review Fee	\$2,580
Total reimbursement amount to departments	\$270,197

Historically, the City has used unrestricted funds to reimburse the appropriate fee funds for affordable housing fee waivers. Traditionally the reimbursement of capital expansion fees has come from General Fund reserves. Funds from the Affordable Housing Capital Fund (AHCF) approved by the voters as part of the City Capital Improvements Program have also been used to partially match the general fund reserves to reimburse waived fees. This fund will accumulate \$4 million over ten years. While most of the current balance in the AHCF is already committed to this project, \$100,000 was withheld for the purpose of matching general fund reserves for fee waiver reimbursements. The Council Finance Committee recommended that \$100,000 be used from the AHCF for this reimbursement and that the balance be paid from General Fund reserves.

CITY FINANCIAL IMPACTS

The total fee waiver amount is \$326,081. Of that amount, \$32,027 is foregone revenue. The remaining \$294,054 is comprised of \$23,857 to be refunded to Housing Catalyst and \$270,197 to be reimbursed to departments as detailed above. The \$294,054 will be funded through an existing \$100,000 appropriation in the AHCF within CCIP, \$3,500 will come from an appropriation of reserves in the Transportation Fund and the remaining \$190,554 will come from an appropriation of reserves in the General Fund.

BOARD / COMMISSION RECOMMENDATION

At its June 6, 2019 meeting, the Affordable Housing Board supported granting the original waiver request. **(Attachment 2)**

At its June 17, 2019 meeting the Council Finance Committee supported granting the original waiver request.
(Attachment 3)

ATTACHMENTS

1. Location Map (PDF)
2. Affordable Housing Board Minutes, June 6, 2019 (PDF)
3. Council Finance Committee Minutes, June 17, 2019 (PDF)

COPY

ORDINANCE NO. 140, 2019
 OF THE COUNCIL OF THE CITY OF FORT COLLINS
 APPROPRIATING PRIOR YEAR RESERVES IN VARIOUS CITY
 FUNDS TO REIMBURSE CAPITAL EXPANSION AND UTILITY
 FEE FUNDS AND HOUSING CATALYST FOR FEES WAIVED FOR
 THE MASON PLACE AFFORDABLE HOUSING PROJECT

WHEREAS, the Fort Collins Housing Authority, doing business as Housing Catalyst, is currently developing the Mason Place permanent supportive housing project (the “Project”) in Fort Collins; and

WHEREAS, on August 20, 2019, the City Council adopted Ordinance No. 096, 2019, approving the waiver of eligible development review fees, building fees, and capital improvement expansion fees, in an amount not to exceed \$330,000, for the Project; and

WHEREAS, Ordinance No. 096, 2019 also directed the City Manager, once the Project fees were finalized, to bring forward an ordinance appropriating funds to reimburse the appropriate funds for the fees waived; and

WHEREAS, historically the City has reimbursed utility funds for utility development review fees waived, and reimbursed funds for waived capital improvement expansion fees; and

WHEREAS, the final amount of the fees has been calculated and the total amount waived is \$326,081, with \$270,197 of that amount being utility fees and capital expansion fees and \$23,857 being fees already paid to be refunded to Housing Catalyst; and

WHEREAS, the City Council desires to appropriate funds to reimburse various Capital Expansion and Utility Fee funds for waived fees in the following amounts:

Fire Capital Expansion	\$ 13,695
General Government Capital Expansion	4,271
Parkland: Community	139,560
Parkland: Neighborhood	98,820
Police Capital Expansion	7,698
Sewer Development Review Fee	2,580
Stormwater Development Review Fee	993
Water Development Review Fee	<u>2,580</u>
TOTAL	\$270,197; and

WHEREAS, the City Council further desires to appropriate funds to refund to Housing Catalyst the following fees already paid by Housing Catalyst, in the following amounts:

Development Review Fees	\$ 5,000
Major Amendment Fees	3,206
Mailing Fees	204

Sign Posting Fees	50
Plan Check Fees	<u>15,397</u>
TOTAL	\$23,857; and

WHEREAS, building fees in the amount of \$32,027 would not be reimbursed; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, this appropriation benefits public health, safety, and the welfare of the citizens of Fort Collins; and

WHEREAS, the City Manager has recommended the appropriation described herein and determined that these appropriations are available and previously unappropriated from the Community Capital Improvement Program Fund, the General Fund and the Transportation Fund, as applicable, and will not cause the total amount appropriated in the Community Capital Improvement Fund Fund, the General Fund or the Transportation Fund, as applicable, to exceed the current estimate of actual and anticipated revenues to be received in these funds during the fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated for expenditure from reserves in the Affordable Housing Capital Fund within the Community Capital Improvement Program Fund the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) to cover a portion of the waived fees for the Mason Place Affordable Housing Project.

Section 3. That there is hereby appropriated for expenditure from reserves in the General Fund the sum of ONE HUNDRED NINETY THOUSAND FIVE HUNDRED FIFTY-FOUR DOLLARS (\$190,554) to cover a portion of the waived fees for the Mason Place Affordable Housing Project.

Section 4. That there is hereby appropriated for expenditure from reserves in the Transportation Fund the sum of THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500) to cover a portion of the waived fees for the Mason Place Affordable Housing Project.

Introduced, considered favorably on first reading, and ordered published this 19th day of November, A.D. 2019, and to be presented for final passage on the 3rd day of December, A.D. 2019.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 3rd day of December, A.D. 2019.

Mayor

ATTEST:

City Clerk