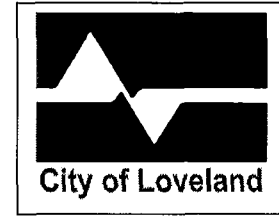


# AGENDA

## Affordable Housing Commission

Thursday, January 13, 2011

Regular Meeting Time - 5:15 p.m.



City of Loveland

City Manager's Conference Room

I.	<b>Call to Order</b>	Chair
II.	<b>Approval of December 9, 2010 Meeting Minutes</b> Attached	Commission Vote
III.	<b>Public Comments</b>	Public
IV.	<b>City Council Liaison Update</b>	Carol Johnson
V.	<b>Aspen Knolls Proposal</b>	Troy McWhinney Aspen Knolls Developer
VI.	<b>Review Threshold and Process to Qualify Developments as Affordable</b>	Commission & Staff
VII.	<b>New Business</b>	Commission & Staff
VIII.	<b>Adjourn</b>	Chair



## City of Loveland

### AFFORDABLE HOUSING COMMISSION MEETING MINUTES

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1 The regular meeting of the City of Loveland Affordable Housing Commission was held at the Loveland  
2 Municipal Building In the City Managers Conference Room on  
3 January 13, 2010

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#### PRESENT AT THE MEETING:

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5  
6 **Commissioners:** Wayne Thompson, Chris Jessen, Debbie Doyel, Jenny Mlshler,  
7 Vince Ealey, and Marija Weeden-Osborn  
8 **Staff Liaison:** Greg George, Development Director  
9 **Council Liaison:** Carol Johnson  
10 **Guests:** Carol Rush, League of Women Voters  
11

#### ABSENT FROM THE MEETING:

12  
13  
14  
15 **Commissioners:** Connie Ealey, Peggy Sue Klein, and Renee Salza  
16

17 *These minutes are a general summary of the meeting.*  
18

#### **CALL TO ORDER**

19 Chair Thompson called the meeting to order at 5:13pm.  
20

#### **APPROVAL OF NOVEMBER MEETING MINUTES**

21  
22 Commissioner made a motion to approve the December 9th meeting minutes. Commissioner V. Ealey  
23 seconded the motion, which passed unanimously.  
24

#### **PUBLIC COMMENTS**

25  
26 Carol Rush with the League of Women Voters informed the commission of the PBS special on Denver's  
27 Road Home Program. it can be viewed on  
28 [http://www.pbs.org/newshour/extra/video/blog/2010/12/denver\\_nonprofits\\_alm\\_to\\_end\\_h.html](http://www.pbs.org/newshour/extra/video/blog/2010/12/denver_nonprofits_alm_to_end_h.html)  
29  
30

#### **CITY COUNCIL LIAISON UPDATE**

31 Councilor Johnson handed out a letter template in support of the ACE Manufacturing and Innovation  
32 Center proposal. This was also emailed to the commissioners. They want to make decision by March 15<sup>th</sup>  
33 and they would be able to start right away.  
34 Jobs Development Plan will be moving forward which will help businesses and developers with gap  
35 financing.  
36 Council will start the outreach for the Capital Expansion Fees, the outreach on Financial Sustainability for  
37 the budget. Council will also be voting on the Rialto Bridge Project.  
38  
39

#### **ASPEN KNOLLS PROPOSAL**

40 Development Director Greg George informed the commission of McWhinney's proposal to request  
41 permission to transfer the affordable housing designation for Aspen Knolls to another property. A  
42

1 transfer of designation is not in the code, the code would have to be amended and provisions would need  
2 to be added.  
3 Staff will encourage the McWhinneys to apply for an affordable housing designation on the new  
4 subdivision under the current rules. Councilor Johnson stated that the council granted the extension  
5 under the agreement between staff and developers, but would not have to approve of the transfer.  
6 Greg George stated, the difficulty with how the affordable housing code functions right now is it's costing  
7 the city a lot of unrealized revenue, more than the initial intent for the incentives.  
8 Currently funds to cover the fee reductions are taken out of a city council fund. Everyone would eventually  
9 like to see an affordable housing fund put in the budget.

10

11 **REVIEW THRESHOLD AND PROCESS TO QUALIFY DEVELOPMENTS AS AFFORDABLE**

12 The attached two memos were discussed. The Affordable Housing Code Amendments that are being  
13 proposed will require builders to keep a minimum ratio of affordable units built in line with market rate  
14 units. The commissioners discussed that it can take several years for a developer to benefit from the fee  
15 locks and may want to wait longer to build the affordable units.

16 The Affordable Housing Chapter Review states comments and recommendations from a consultant and  
17 staff recommendations and comments. This memo covers new incentives for developers to build  
18 affordable housing. The Planning Department will revise the code according to the consultant and staff's  
19 recommendations. The commissioners discussed the aspects of inclusionary zoning, Councilor Johnson  
20 and Greg George suggested that this type of zoning is not usually supported politically.

21

22 **NEW BUSINESS**

23 Commissioner V. Ealey agreed to attend the Financial Sustainability Community Forum which will cover the  
24 general fund priorities.

25 Staff Walker reminded the commissioners of the agency Q & A meeting on January 25<sup>th</sup> at 1:00-2:30, please  
26 attend if you can.

27

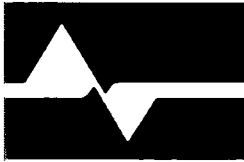
28 **ADJOURNMENT**

29 Chair Thompson adjourned the meeting at 6:02 p.m.

30

31 Respectfully Submitted,

32 Beverly Walker



City of Loveland

**COMMUNITY PARTNERSHIP OFFICE**

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**MEMO**

**To:** Loveland City Council

**Through:** Bill Cahill, City Manager  
Greg George, Development Services Director

**CC:** Sharon Citino, Assistant City Attorney  
Affordable Housing Commission

**From:** Darcy McClure, Community Partnership Administrator

**Date:** January 5, 2011

**Re:** Affordable Housing Code Amendments

Staff plans to present an ordinance to city council in early 2011 to amend the city's affordable housing code. The changes are a result of the discussion on the Wilson Commons and Aspen Knolls subdivisions, and at the request of the Mayor and City Manager. Please review the proposal and provide Greg George with any feedback you have.

<b>Current Practice</b>	<b>Concern</b>	<b>Proposed Amendment</b>
No requirement regarding timing of the construction of affordable units relative to market rate units.	City provides incentive (fee reduction) far in advance of receiving benefit (affordable units). For example, the city currently reduces fees to the 1999 fee schedule (\$13,000 per unit reduction) for all units constructed in the Giuliano Addition. Developer has agreed to sell 20% of units as affordable. Currently, approximately 9% of built units are affordable, yet all market rate units continue to receive fee reductions.	Add code language requiring affordable units be constructed at a minimum ratio of one affordable unit to every five units constructed. If ratio not met, no fee reductions applied. Once the number of affordable units meets or exceeds the required ratio, fees credited back to builder.

<b>Current Practice</b>	<b>Concern</b>	<b>Proposed Amendment</b>
<p>Affordable housing designation authorized by staff and affordable housing commission.</p>	<p>Council not involved in decision-making process that potentially involves substantial financial impact to the city. Ideally, council should be more involved in the process.</p>	<p>Specifically define the affordable housing designation process in the code. Affordable housing commission shall review all applications and make a recommendation to council. Council shall make final designation.</p>
<p>All capital expansion, building, permit and development related fees calculated as of date development qualifies as affordable. After five years, fees calculated based on schedule in place five years prior.</p>	<p>Practice encourages developers to delay construction up to five years in order to gain maximum fee reduction. City ultimately pays more for fee reductions while delaying addition of units to affordable housing stock.</p>	<p>Amend code to: Fees shall be calculated using the fee schedule in place five years prior to current schedule beginning as of the dated the development is designated as affordable by the city council. If no affordable units constructed within 10 years of date of designation, fee reductions expire.</p>



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### MEMO

**To:** Loveland Affordable Housing Commission  
Greg George, Development Services Director  
Bob Paulsen, Current Planning Manager

**From:** Darcy McClure, Community Partnership Administrator

**Date:** January 5, 2011

**Re:** Affordable Housing Chapter Review

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The draft affordable housing chapter has been reviewed by the Community Strategies Institute (CSI). Bob and I discussed the consultant's comments and findings in a phone conference in early December. Below, I've summarized the comments and included recommended next steps.

#### Consultant Comments & Recommendations

1. Loveland's new chapter, combined with existing fee waiver provisions, represents a very ambitious and proactive approach to addressing affordable housing.
2. Loveland's approach is more comprehensive and complete than most other affordable housing policies adopted by other municipalities. However, several of those communities have implemented inclusionary housing policies that require a minimum number of affordable units in every subdivision.
3. The second-tier density bonus is best suited to multi-family rental products and in targeted areas that include larger building envelopes.
4. Consider allowing a 10% bonus in some zoning districts and 25% in others based on city goals, areas that have higher density in place, downtown, Centerra, others?
5. In order to allow for predictability, do not add a layer of review or project approval based solely on density. Roll the density into use by right and/or other review processes.
6. Prior to adopting the second-tier density proposal, ensure that that concept receives a full review by interested community members (builders, developers, housing industry).

7. Allow 10% lot size reduction, only. Do not apply second-tier options to increase lot size reduction in order to maintain neighborhood design quality.
8. Other municipalities use a different set of income targets. Loveland should reference the HUD income and rent limits instead of CHFA limits.
9. Change language in chapter regarding reduction of open space requirements and storm water drainage to a more general statement, "City will consider..."
10. Further develop idea of land donation prior to including this in code amendment.
11. Develop cost data as means of balancing request for incentives with benefits to community.
12. Develop and communicate an overall assessment of the perceived effectiveness of the package of incentives.
13. Consider implementation of an inclusionary housing ordinance.
14. Target or encourage specific product types that will help projects succeed.

### **Community Partnership Office Recommendations & Comments**

1. **Target & Limit Density Bonus & Lot Size Reductions:** I agree with and support the consultant's following recommendations:
  - Allow a 10% density bonus, maximum, in zoning districts not best suited for higher density. The planning department can make recommendations regarding which districts best fall into this category.
  - Allow a 25% density bonus in targeted zoning districts. Areas of consideration could include the downtown area, certain parts of Centerra, other infill areas.
  - Allow density bonus for multi-family only.
  - Allow a maximum 10% lot size reduction in all cases.
2. **Community Input:** Thorough review the final concepts, along with existing affordable housing code provisions with the development community, the Title 18 Committee, the Planning Commission and the City Council is key for success. Developing an understanding of the overall cost of incentives and the resulting community benefits will strengthen the commission's final recommendation of any policy.
3. **Income limits:** The decision to use the Colorado Housing and Finance Authority (CHFA) Income and Rent Tables was made by the commission in 2003. The CHFA income and rent tables are more thorough, broken down into more categories and are

better targeted to the county level than the general information received from HUD. Additionally, the CHFA tables are calculated utilizing HUD information. I would not change the system.

4. **Assessment Period:** Consider a recommendation that includes a timeframe. Perhaps the ordinance could include a provision stating that the Affordable Housing Commission will review results and policy issues annually and report to the council on the findings. This keeps the lines of communication open and eases opportunity for change if needed.
5. **Inclusionary Housing Policy:** CSI mentions that many communities in Colorado have successfully increased affordable housing through inclusionary housing policies and that Loveland consider the same approach. Give that Loveland has successfully achieved an increase in affordable housing without the use of inclusionary zoning, and given the limited probability of political support for inclusionary zoning, I do not recommend this as a strategy.
6. **Next Steps:**
  - Amend chapter to include any of the changes above adopted by the AHC
  - Title 18 Committee Review
  - Planning Commission Review
  - City Council Study Session
  - Final draft approved by AHC
  - Hold focus group discussions with development community
  - Final Ordinance approval by City Council