

ORDINANCE NO. 48, 2001
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 23 OF THE CODE OF THE CITY BY THE ADDITION
OF A NEW ARTICLE XI ENTITLED "LAND BANKING"

WHEREAS, information presented in the "Priority Affordable Housing Needs and Strategies Report" adopted by Resolution 99-16, and information obtained by a City team participating in the National League of Cities' June 1998 "Strengthening Partnerships for Housing Opportunities Workshop", identified the scarcity of available land resources as one of the major impediments in meeting future affordable housing needs; and

WHEREAS, the City Council reviewed the concept of land banking at its October 27, 1998 Study Session and directed staff to study its feasibility for the purpose of assisting in the promotion and development of rental housing for extremely low income residents of the City (at or below 30% of AMI), and very low income residents (at or below 50% of AMI), as well as homeownership housing at or below 60% of AMI in the City; and

WHEREAS, a Land Bank Committee was formed by staff from participants of the "Strengthening Partnerships for Affordable Housing Workshop" to assist staff in selecting a consultant to analyze the feasibility of land banking; and

WHEREAS, the staff has received a feasibility study prepared for the City by Bay Area Economics, Davis, California; and

WHEREAS, the Land Bank Committee has recommended land banking as a way to help affordable housing providers secure a steady supply of sites for affordable housing and to promote greater community awareness of affordable housing projects; and

WHEREAS, the Community Development Block Grant Commission and the Affordable Housing Board have recommended approval of a land bank program to assist affordable housing providers in securing affordable housing sites in the future; and

WHEREAS, the City Council has determined that such a program will provide a long term affordable housing strategy by holding land for 5-15 years and identifying sites for future development so that affordable housing is distributed community-wide to promote diverse neighborhoods in accordance with Policy HSG-2.5 of the City Plan; and

WHEREAS, since land bank sites will generally be less expensive to purchase (due to existing infrastructure limitations), they will provide long term development potential and appreciation, which will allow land banking to be as self-sustaining as possible in the future; and

WHEREAS, the Council has determined that the purpose of acquiring real property in order to ensure that the property will be available for future development to provide housing for extremely low and very low income families is in the best interests of the citizens of the City; and

WHEREAS, Article XX of the Constitution of the State of Colorado authorizes home rule cities to, among other things, purchase, hold and sell real property; and

WHEREAS, the Council has determined that the land banking of real property for the purpose of assisting housing providers (whether publicly affiliated, philanthropic or profit-motivated) in providing housing for extremely low and very low income families will not negatively impact the local real estate market under the proposed program, since it is anticipated that the program will acquire, on average, only three and one-half acres per year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that Chapter 23 of the Code of the City be amended by the addition of a new Article XI, to read as follows:

ARTICLE XI. LAND BANKING

Sec. 23-350. Purpose.

The purpose of this Article is to enable the City to acquire, hold and sell real property for the purpose of assisting housing providers (whether publicly affiliated, philanthropic or profit-motivated) in providing rental housing for households at or below fifty percent (50%) of the area median income for Fort Collins ("AMI") and homeownership housing for households at or below sixty percent (60%) of AMI.

This Article will assist the City in providing land that developers can feasibly purchase for affordable housing and will help to ensure that appropriate sites are available in the future for the development of such housing, and will assist in the early identification of sites for affordable housing development so that adjacent property owners will be aware and accepting of the plans for such sites; and will systematically secure affordable housing sites so that such developments can be dispersed throughout the community by strategically selecting sites for affordable housing projects in desirable locations.

Sec. 23-351. Authority.

The City Manager is authorized on behalf of the City to acquire land for the purposes set forth in Sec. 23-350 and to perform all acts necessary to effectuate the acquisition of such land, provided that funds have first been appropriated by the Council for said purpose and that such acquisitions comply with the criteria for acquisition as set out in Sec. 23-352.

Sec. 23-352. Criteria.

The City Manager shall acquire land under the authority granted in Sec. 23-351 only if the acquisition complies with the following criteria:

(a) The land is acquired from a willing seller (without the threat of condemnation).

(b) The cost of acquiring the land does not, in the opinion of the City Manager, exceed the fair market value thereof.

(c) Either at the time of acquisition the land is, or within the reasonably foreseeable future in the judgment of the City Manager, the land will be, within one-half mile of at least three of the following five existing or planned facilities:

- (1) transit route;
- (2) school;
- (3) park;
- (4) employment center; and
- (5) commercial center.

(d) The land is located within the Fort Collins Growth Management Area.

Sec. 23-353. Funding.

The acquisition of land pursuant to this Article shall be funded from the Affordable Housing Trust Fund.

Sec. 23-354. Disposition of land bank property.

In addition to the criteria established for the disposition of property in Article IV of this Chapter, no property acquired pursuant to this Article shall be sold by the City except in accordance with the following criteria:

(a) Any disposition/sale of such property shall be to a housing provider legally bound to the City under the terms of such sale to provide rental housing for households at or below fifty percent (50%) of AMI and/or homeownership housing for households at or below sixty percent (60%) of AMI ("affordable housing") as the sole development purpose. Such sale shall not be made to any person for the purpose of land speculation or appreciation or for the development of non-residential uses or the provision of market rate housing.

(b) Upon acquisition of the property from the city, the housing provider shall commence development of all housing within twenty four (24) months of having acquired the land and shall obtain building permits for the construction of all such housing units within forty eight (48) months of acquisition of the property. If all such building permits have not been obtained by the housing provider within the aforesaid periods of time, then title to that portion of the property for which building permits have not been issued shall revert to the city. Said possibility of reverter shall be contained in any deeds conveying said land to such housing provider. Any

extension of the aforesaid periods of time shall be valid only if approved by the City Manager upon finding that the housing provider has exerted a good faith and diligent effort in pursuing the development but has suffered delays caused by unforeseen circumstances not reasonably within the control of the housing provider.

(c) If any property sold by the City for affordable housing under the authority of this section is subsequently resold by the original housing provider, the purchaser and any subsequent owners of such property must continue to use such property for affordable housing. If said property is ever not so used, then the city may re-enter and recover title to all such property. The deed conveying the property from the City to such housing provider shall contain such right of entry for condition broken, which provision shall run with the title to the property.

(d) All land conveyed to a housing provider by the City pursuant to this Article shall be sold to such housing provider at no more than ninety percent (90%) of its fair market value as determined by the City.

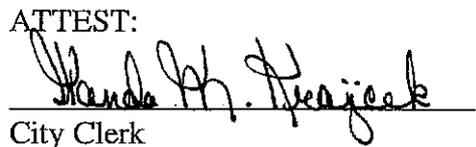
Sec. 23-355. Proceeds of sale.

All proceeds of any sale of land in accordance with Sec. 23-354 shall be returned to the Affordable Housing Trust Fund to be used for additional land acquisitions in accordance with this Article.

Introduced, considered favorably on first reading, and ordered published in summary form this 20th day of March, A.D. 2001, and to be presented for final passage on the 17th day of April, A.D. 2001.



Mayor

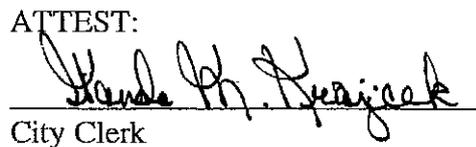
ATTEST:


City Clerk

Passed and adopted on final reading this 17th day of April, A.D. 2001.



Mayor

ATTEST:


City Clerk