



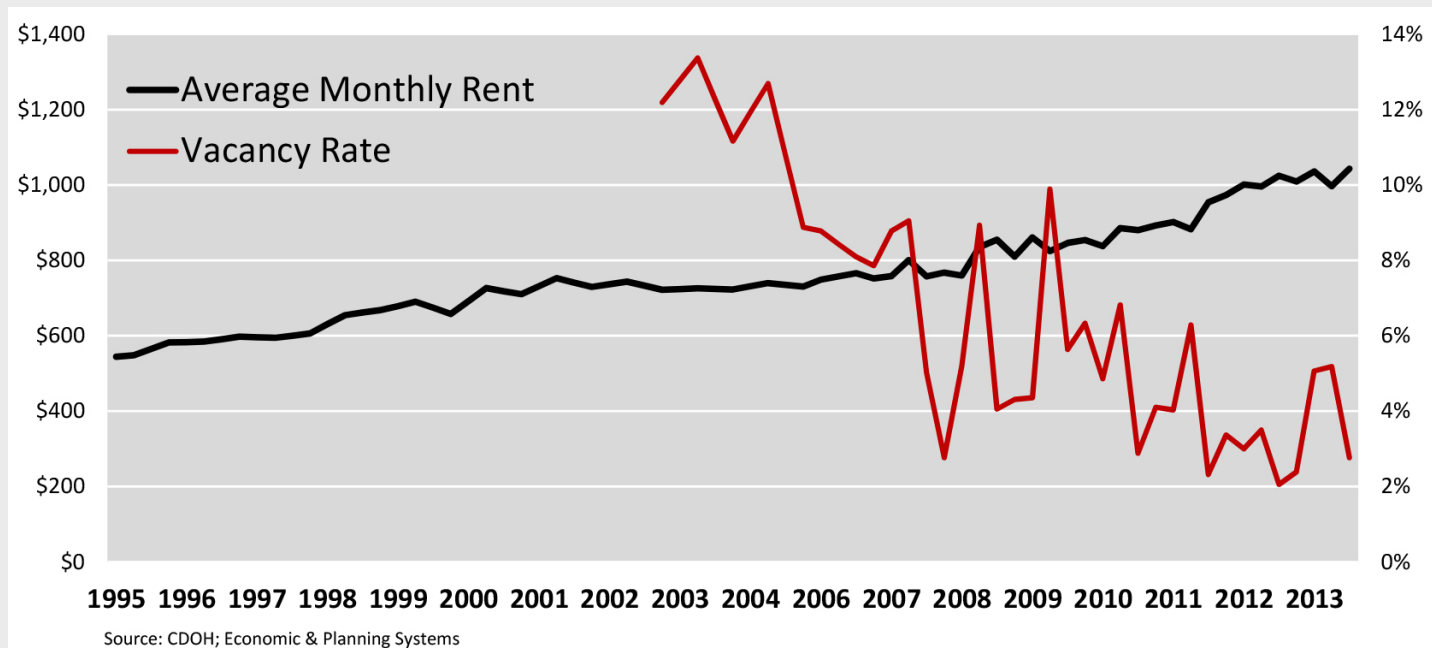
Affordable Housing Strategic Plan

July 29th, 2015

City's Role in Affordable Housing

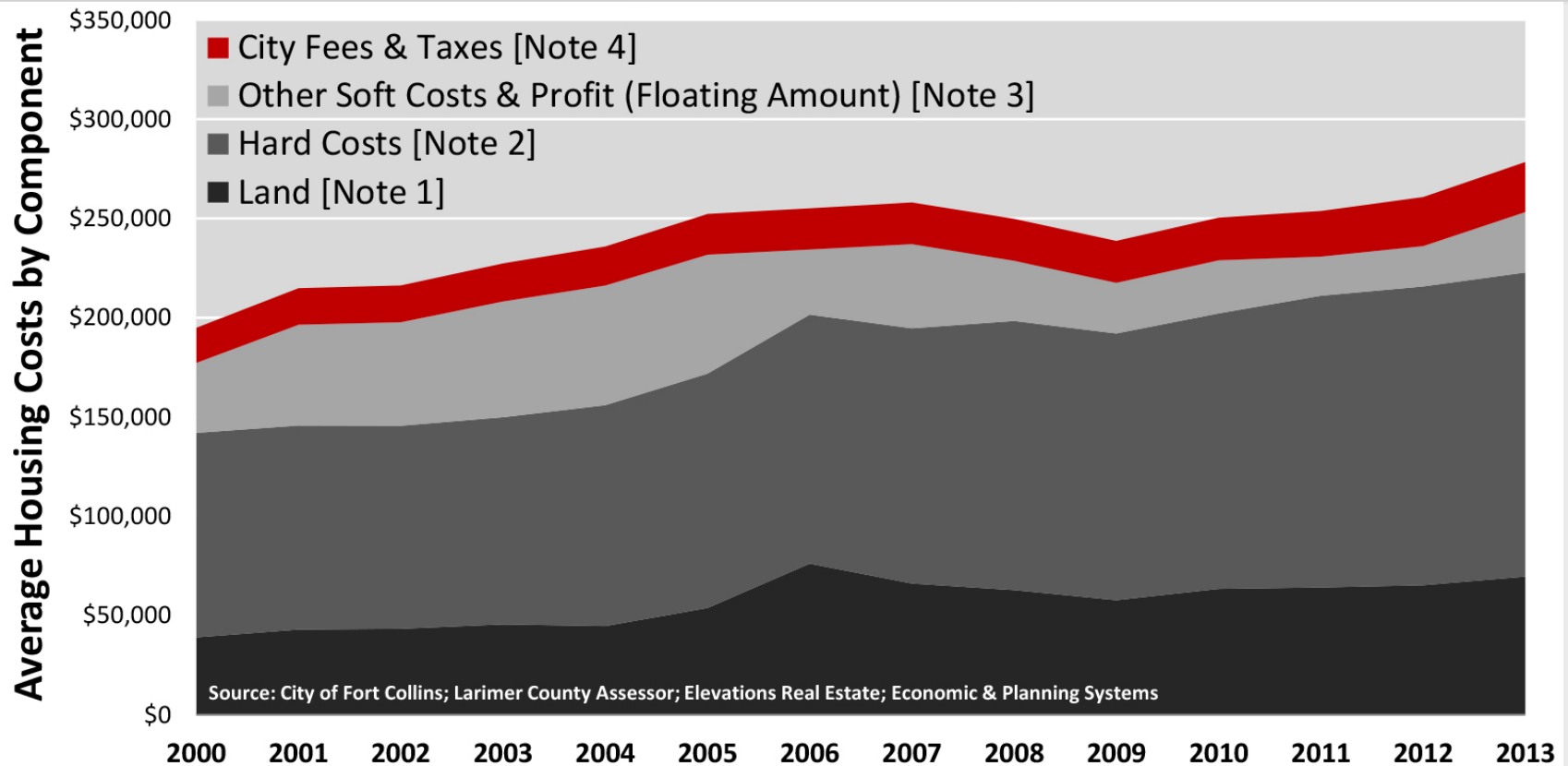
- Policy direction
- Funder
- Facilitator
- Regulator
- NOT a builder

HAPS Summary



- Many cost-burdened renters
- Rising rents, historic low vacancies
- Home ownership gaps

HAPS Summary



- Housing more expensive to build



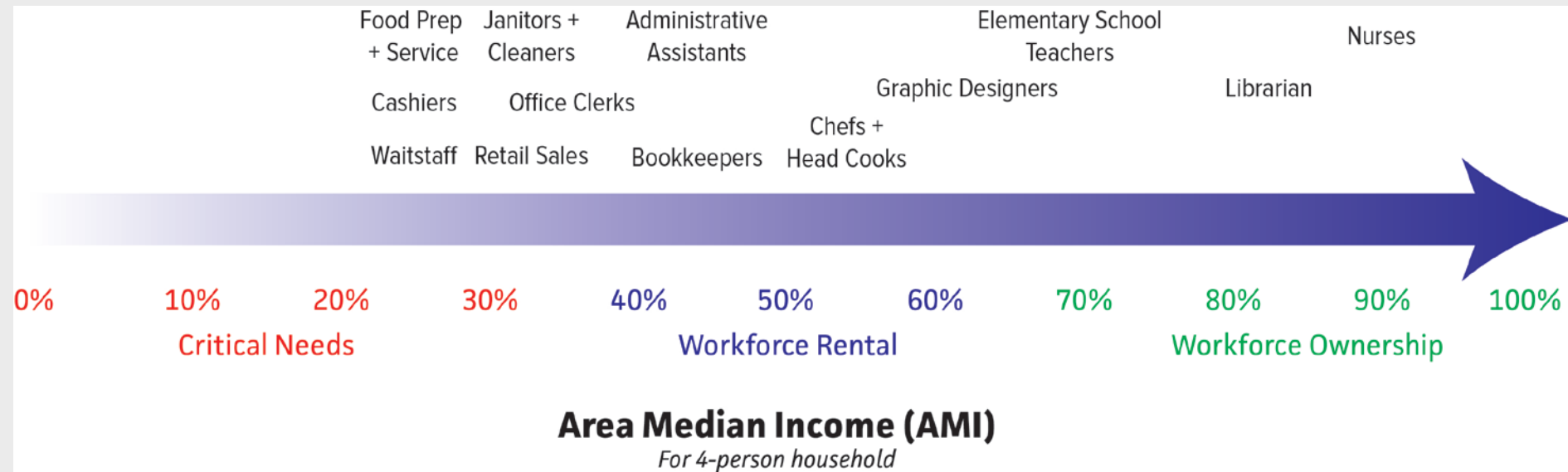
Fort Collins AMI Limits

Percent of AMI	AMI	HUD Classification	Maximum Affordable Monthly Rent	Mortgage supported by same monthly payment
100%	\$79,300	Moderate Income	<i>\$1,983</i>	<i>\$301,153</i>
80%	\$62,250	Low Income	<i>\$1,556</i>	<i>\$203,579</i>
60%	\$47,580	Low Income	<i>\$1,190</i>	<i>\$119,669</i>
50%	\$38,900	Very Low Income	<i>\$973</i>	<i>\$70,024</i>
30%	\$24,250	Extremely Low Income	<i>\$606</i>	<i>\$0</i>

^[1] Annual income for a household of four.



Who Does Affordable Housing Serve?



Outreach to Date

- Superboards meeting – April
- Public forums – May
- Council Work Session – June
- Additional outreach – July
 - Draft available first week of August

Feedback from Council

- Focus on outcomes
- Select best action plan items
- Do not prioritize strategies

Strategies

- Increase the inventory of rental housing
- Preserve the long-term affordability and physical condition of the existing stock of affordable housing
- Increase housing and supportive services for people with special needs
- Support opportunities to obtain and sustain affordable homeownership
- Refine development incentives and expand funding sources and partnerships

Strategy 1: Increase Inventory of Affordable Rental Units

Rental Housing Gaps, 2000 and 2012

Affordable Monthly Rent Range (2012)		Units		Renter Households		Gaps	
		2000	2012	2000	2012	2000	2012
Income Category							
Less than \$25,000	Less than \$625	7,429	2,761	9,173	10,733	-1,744	-7,972
\$25,000 to \$49,999	\$626 to \$1,249	10,726	15,935	6,434	7,667	4,292	8,268
\$50,000 to \$74,999	\$1,250 to \$1,874	1,334	5,154	2,609	3,805	-1,275	1,349
\$75,000 or More	More than \$1,874	<u>187</u>	<u>1,245</u>	<u>1,460</u>	<u>2,890</u>	<u>-1,273</u>	<u>-1,645</u>
Total		19,676	25,095	19,676	25,095	0	0

Source: U.S. Census; Economic & Planning Systems

- Many cost-burdened, low income renters
- Growing gap 31-80% AMI



Strategy 1 Action Plan

Ongoing Actions	Action Required
Contribute a significant amount of its financial resources to increase the affordable rental housing inventory for very low income renters, especially units for households at 50% AMI and below	None, existing and ongoing City function
Use some CDBG, HOME, or AHF dollars to partially finance the acquisition and conversion of existing, market-rate rental units to affordable housing	None, existing and ongoing City function
2015 - 2016 Actions	
Regularly (at least every three years) review and update all existing City incentive programs, which include the current Priority Processing, Development Review Fee Waiver, Impact Fee Delay, Density Bonus, and other programs which are yet to be established such as reduced fees for affordable housing projects among others	Administrative
Investigate ways to remove barriers to construction of accessory dwelling units (ADUs)	Administrative
2017 - 2018 Actions	Action Required
Implement recommendations from review of City's incentive programs and regulatory barriers to ADUs	Administrative
2019 + Actions	Action Required
Evaluate success of modifications to incentive program and review potential changes to improve their effectiveness	Administrative

Strategy 1 Metrics

Metric	2010-2015	2020
Number of new, publicly-assisted affordable rental units built	313	
Percentage of publicly-assisted affordable rental units of overall building stock	5.17%	
Leverage rate of City money contributed to new publicly-assisted housing construction (number of units yielded for total investment by the City)	1:10	
Percentage of rental households below 50% AMI that are cost-burdened	10,623	
Number of affordable units available per 100 households for households earning less than 30% AMI	Less than 25	

Strategy 2: Preserve Existing Affordable Housing Units

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	7,575	24%	3,624	15%
1980-1999	13,339	42%	8,479	35%
1950-1979	9,024	28%	10,156	41%
Before 1950	1,937	6%	2,295	9%
Total	31,875	100%	24,554	100%

- Aging Inventory
- Preserve physical condition of existing stock
 - Improve livability and sustainability of stock
- Expiration of Affordability Term
 - 0 in next 5 years



Strategy 2 Action Plan

Ongoing Actions	Action Required
Continue to use CDBG, HOME, or AHF dollars to buy and rehabilitate existing privately-owned affordable housing units so they do not convert to market rate units. Such proposals should be given as high a priority as projects producing new units	None, existing and ongoing City function
2015 - 2016 Actions	Action Required
Investigate further incentives for owners and renters to maintain the current available stock of affordable housing including mobile home parks	Administrative
Implement selected rehabilitation programs identified in the Redevelopment Displacement Mitigation Strategy	Administrative
Create a tiered approach where greater investment by the City requires a longer affordability period	Administrative
2017 - 2018 Actions	Action Required
Explore preservation program that provides relief from full building code standards for a period of time	Administrative
2019 + Actions	Action Required
Investigate a Limited Partnership/Shared Equity ownership structure to maintain the affordability of for-sale units	Resolution

Strategy 2 Metrics

Metric	2010-2015	2020
Number of units preserved as affordable	284	
Number of units that have converted to market rate during course of plan	0	
Leverage rate of City money contributed to preserving affordable rental units (city dollars to private dollars)	1:20	

Strategy 3: Increase Housing and Facilities for People With Special Needs

Projected Growth in Seniors, Larimer County, 2025 and 2030

	2012		2025		Percent Growth, 2012-25	2030		Percent Growth, 2012-30
	Number	% of Population	Number	% of Population		Number	% of Population	
Total Population	310,065	100%	394,234	100%	27%	424,834	100%	37%
Under 55	230,771	74%	284,327	72%	23%	304,734	72%	32%
Near Seniors (55 to 64 years)	39,916	13%	39,885	10%	0%	41,094	10%	3%
Seniors	39,378	13%	70,022	18%	78%	79,006	19%	101%
65 to 74 years	22,850	7%	39,551	10%	73%	39,920	9%	75%
75 to 84 years	11,372	4%	23,198	6%	104%	29,221	7%	157%
85 years and over	5,156	2%	7,273	2%	41%	9,865	2%	91%
Growth in number of seniors			30,644			39,628		

Source: Colorado Department of Local Affairs.

- Growing senior population, disabled, and homeless populations



Strategy 3 Action Plan

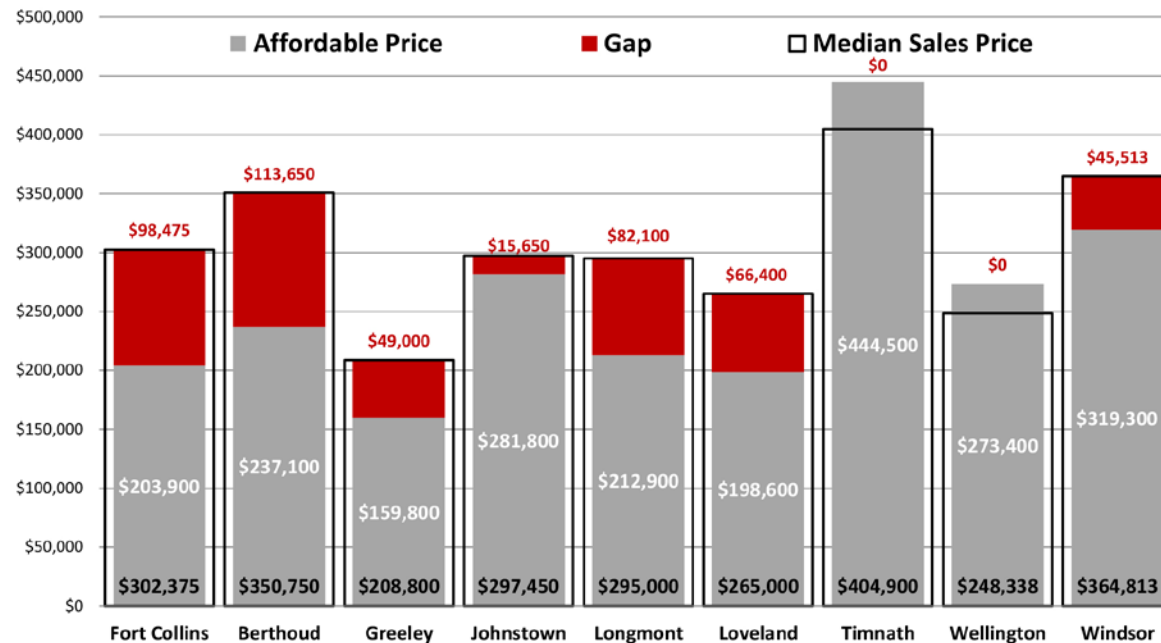
2015-2019 Strategies	Action Required
Support community initiatives identifying homeless needs and develop action plans to reduce the homeless population in Fort Collins, and participate in partnerships exploring solutions for homelessness	None, existing and ongoing City function
Explore design standards that better allow for aging in place for new construction	Administrative
Investigate unmet transit needs for special populations	Administrative
Explore relaxing site upgrades for changes of use that serve community needs	Ordinance
Explore provision of temporary, supervised accommodations for those transitioning out of homelessness	Administrative
Support projects producing affordable units to serve persons with disabilities	None, existing and ongoing City function
Support projects producing affordable units to serve cost-burdened senior citizens	None, existing and ongoing City function
Support projects providing help, counseling, crisis intervention services, facilities, and housing to victims of domestic violence.	None, existing and ongoing City function

Strategy 3 Metrics

Metric	2010-2015	2020
Percentage of senior population that is cost-burdened		
Point in time counts for homeless population	300 (average of last three counts)	
Number of permanent supportive housing units in Fort Collins	111	
Number of people served by nightly shelters		

Strategy 4: Home Ownership

Figure 11
Fort Collins Trade Area Affordability Gaps, 2015



Source: U.S. Census; Economic & Planning Systems

- Over 5,000 households good candidates for Home Buyer Assistance
- Price escalation continues
- Current inventory lacks choice

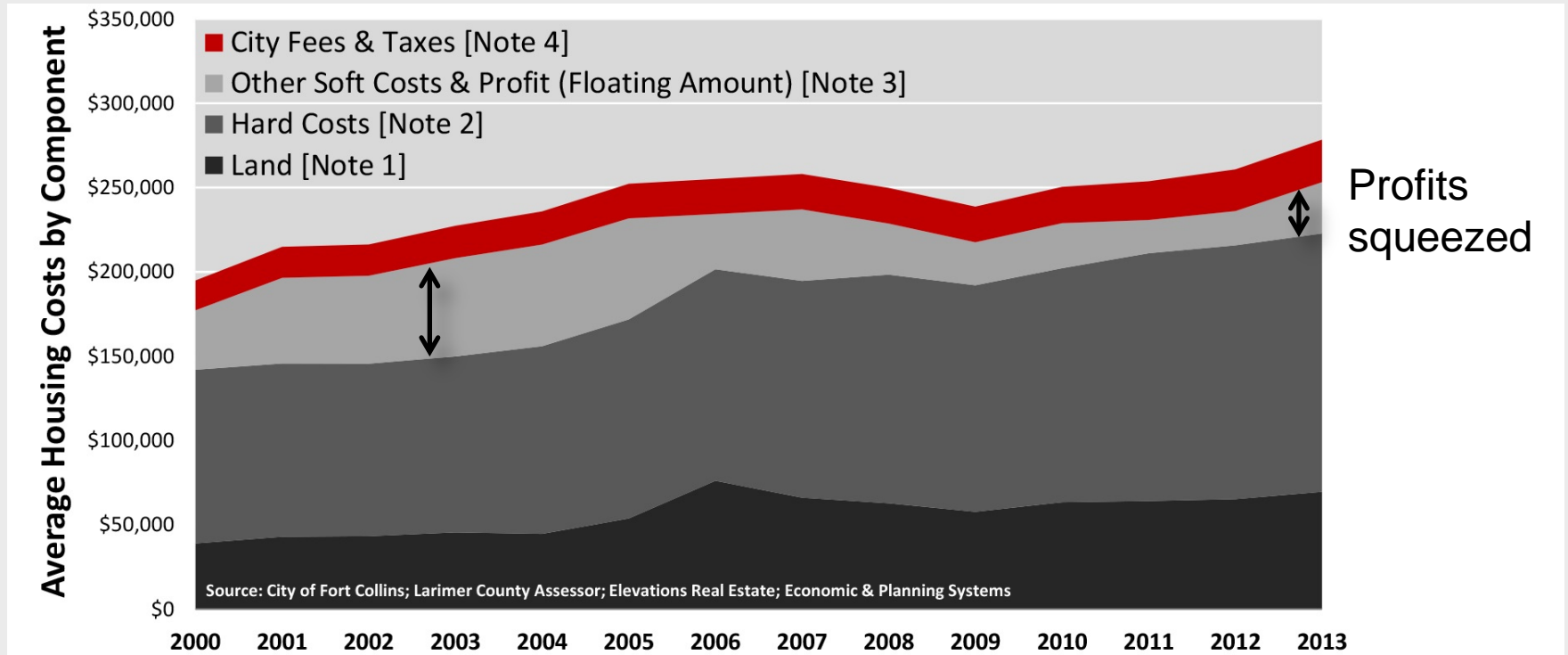
Strategy 4 Action Plan

Ongoing Actions	Action Required
Continue to City's homebuyer assistance program	None, existing and ongoing City function
2015-2016 Actions	Action Required
Recalibrate City fees to encourage development of smaller units and ADUs	Ordinance
Explore remedies to state-level construction defects litigation	Administrative
2017-2019 Actions	Action Required
Investigate infrastructure improvements that could make land more affordable to develop for homeownership opportunities	Ordinance
Investigate partnerships with large employers to create employer assisted housing partnership program	Administrative

Strategy 4 Metrics

Metric	2010-2015	2020
Median for-sale price of new home construction		
Median for-sale price of all units		
Median size of new for-sale construction		
Number of households served by homebuyer's assistance program	81	

Strategy 5: Development Incentives & Alternative Funding Sources





Strategy 5 Action Plan

Ongoing Actions	
Annually review City Land Bank Program	Administrative
2015-2016 Actions	
Recommend best use of Affordable Housing Capital Fund	Administrative
Streamline City fees and provide comprehensive list of all City fees related to development projects	Administrative
Facilitate discussion on infill development fees and requirements	Administrative
Facilitate a regional conversation on how to best incentivize affordable housing development in Northern Colorado	Administrative
2017-2018 Actions	
Explore the use of new financial tools to incentivize development	Administrative
Review HAPS recommendations such as excise tax, real estate transfer tax, amongst others	Administrative
2019 + Actions	
Explore the creation of a new affordable housing sales tax	Administrative
Invest in additional land bank parcels	Ordinance
Review appropriateness of creating a commercial linkage fee for affordable housing on all new commercial development in the City and/or Inclusionary Housing Ordinance	Administrative

Strategy 5 Metrics

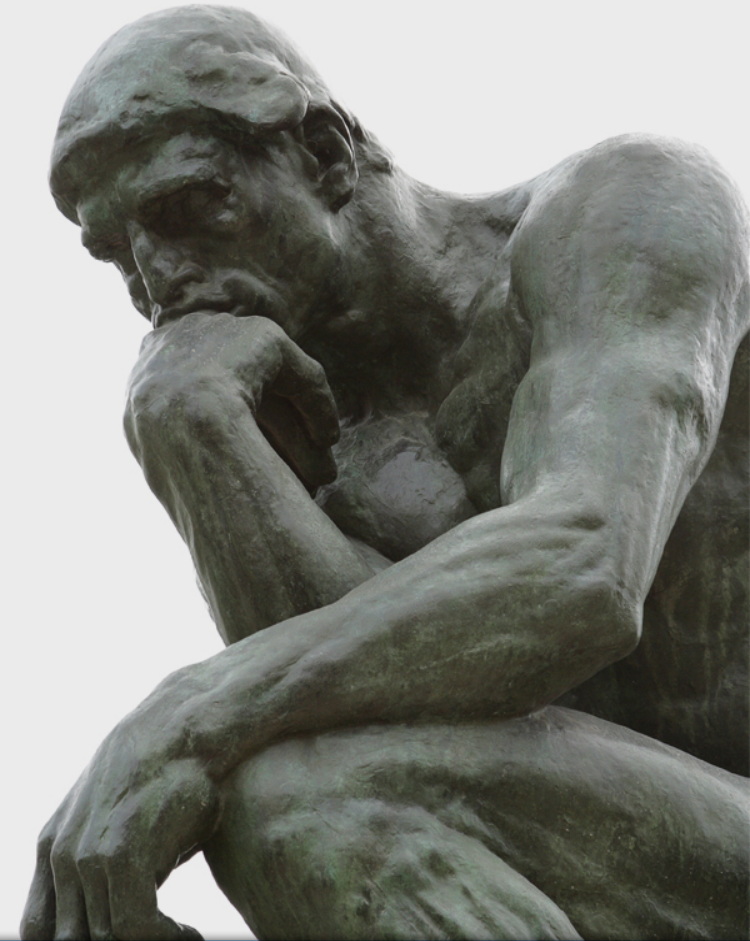
Metric	2010-2015	2020
Leverage of various affordable housing funds		
Number of partners used to provide affordable housing		
Number of units that used incentive programs to be constructed		
Average fees for affordable housing development projects		
Number of acres of land in Land Bank program	50 acres	

Next Steps

- Incorporate feedback into draft
- Post draft first week of August
 - 30 days for input
- Incorporate comments into final draft
- City Council – October 6th

Questions for Your Consideration

1. Have we identified the most impactful action items?
2. Should metrics have a specific target?
3. What other metrics and action items should we consider?
4. How should metrics be presented – annually or 5-year averages?



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