



Finance Administration

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AGENDA
Council Finance & Audit Committee
March 16, 2020
10:00 am - noon
CIC Room - City Hall

Approval of Minutes from the February 24, 2020 Council Finance Committee meeting.

- | | | |
|--|----------|-----------------------|
| 1. Digital Equity Program Review | 30 mins. | N. Bodenhamer |
| 2. Affordable Housing Support Process (Fees) | 20 mins. | V. Shaw
N. Currell |

Council Finance Committee
Agenda Planning Calendar 2020
RVSD 03/11/20 ck

Mar 16th			
	Digital Equity Program Review	30 min	N. Bodenhamer
	Affordable Housing Support Process (Fees)	20 min	N. Currell V. Shaw

April 20th			
	BFO Assumptions	30 min	L. Pollack
	Suniga/Turnberry ROW/Design	30 min	C. Crager
	Streets and Traffic Backup Generators	20 min	K. Mannon J. Olson

May 18th			
	B-Dam Alternatives and Recommendation	30 min	T. Connor
	Utility Rebate Consolidation	20 min	J. Poznanovic
	Code revisions for Self Insurance fund	15 min	T. Storin John Duval

June 15th			

Future Council Finance Committee Topics:

- Park/Median Design Standards & Maintenance Costs – TBD
- Metro District Policy Update – TBD 2020
- BFO Assumptions Review – July 2020
- Annual Adjustment Ordinance – Sep 2020



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Finance Committee Meeting Minutes
February 24, 2020
10 am - noon
CIC Room - City Hall

Council Attendees: Mayor Wade Troxell, Ross Cunniff, Ken Summers

Staff: Darin Atteberry, Jeff Mihelich, Kelly DiMartino, Carrie Daggett, Travis Storin, Jeff Mihelich, Kelly DiMartino, Nina Bodenhamer, Dave Lenz, Zack Mozer, Katie Ricketts, Jo Cech, Lawrence Pollack, Noelle Currell, Victoria Shaw, Jennifer Selenske, Carolyn Koontz

Others: Kevin Jones, Chamber of Commerce
Dale Adamy, RIST. org

Meeting called to order at 10:01 am

Approval of Minutes from the January 27, 2020 Council Finance Committee Meeting. Ross Cunniff moved for approval of the minutes as presented. Ken Summers seconded the motion. Minutes were approved unanimously.

A. City Give Portfolio Process Review

Nina Bodenhamer, Director, City Give

SUBJECT FOR DISCUSSION

City Give Portfolio Selection: How does the City identify and select projects for fundraising?

EXECUTIVE SUMMARY

In 2019, the City of Fort Collins launched City Give, a municipal philanthropic initiative that creates a formalized structure for charitable giving within our City. The enterprise-wide process improvements developed over the past year create the groundwork for today's topic: a strategic selection process for the City Give portfolio.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Objective: Information and Update Only

BACKGROUND/DISCUSSION

In 2019, the City of Fort Collins launched City Give, a municipal philanthropic initiative that creates a formalized structure for charitable giving within our City. Over the past year, we've worked to get our "charitable house in order," and have established a range of financial and operational practices, including but not limited to:

- Financial Governance Policy of Philanthropic Gifts
- System-wide Financial Accounting and Tracking Protocols for Charitable Gifts
- Gift Acceptance Process

- Gift Agreements for Charitable Gifts \$25K and Above
- Identification of Signature Relationships

This “in-house” approach to philanthropy allows Fort Collins to respond to strategic projects and community needs that fall outside the normal city budget priorities but are well-positioned for private funding.

The enterprise-wide process improvements, developed in this last year, create the groundwork for today’s topic: the strategic selection process for the City Give portfolio.

Our 2-step selection process reflects philanthropic best practices and serve as an innovative platform to pair charitable giving with civic priorities.

1. City Give will serve as a collection point for potential fundraising projects to establish fundraising feasibility. Feasibility metrics include factors such as: quality of case statement, financial proposition, competing fundraising landscape, and community resources.
2. Strategic operational selection will evaluate alignment with strategic outcomes, organizational priorities, audiences served, and resource allocation

Discussion / Next Steps;

Philanthropy does belong in Finance - the default was that it belonged in City Hall – I have learned that for it to stand and have the accountability a community expects, Finance is the perfect place for this to reside.

Portfolio Selection Process - quarterly selection and review so everything will go through one filter and fits within community landscape. (feasibility study - more nuanced)



Darin Atteberry; I would love for Nina to share her thoughts on how City Give might relate to something like digital equity. At a large scale as we are talking about digital equity as it relates to Connexion -the role City Give could play - good topic for folks to hear about.

Ross Cunniff; I appreciate the discussion of wanting to align with overall city objectives. One of my concerns is that people will give money for things that are not necessarily well aligned with outcomes or that further skew equity issues in the wrong direction - in the digital equity space

Nina Bodenhamer; a couple of pieces governing that – most importantly, we want to create a system where there is no pay to play – where there is equity in gift giving and one way to facilitate that is the proactive Portfolio Review process. Here is where we can accept your gift - we all need to understand and be comfortable responding that ‘this gift is not for us, but here is where it could go’. This is not in the nature of non-profits to say that, but we have to be able to say that as a municipality because we cannot accept all gifts. On the smaller level, the portfolio will protect us to some degree (here is what we are fundraising for..). The municipality has unique and durable partnerships in each of these spaces. There is a comfort in brokering gifts by introducing them to non-profits where it might fit. We also have some transparencies in terms of gift acceptance levels - the larger the gift the more transparent and public the gift becomes (example of a \$400K gift tied to a Natural Areas purchase – at this level there is full council notification- that is a really tough discussion with municipalities – it is not anonymous but we will protect confidentiality but as elected officials you have the right to see where the gift is and who it came from.

Ross Cunniff; We have had discussions about this before - Council really does need to know - to avoid any alignment issue

Darin Atteberry; the alignment issue that Ross brings up is the most critical thing here. City Give is completely aligned with Council priorities. Because at a minimum it could be a serious distraction for us in accomplishing our objectives and in the worst case you have a big disconnect between a large enterprise in the community and people who want to give. This is a reflection of Council and alignment with staff which is very strong and it's Nina's coaching on what she is bringing to the table.

Nina Bodenhamer; even if we align with the strategic outcomes of the city and Council priorities, City Give has opened the gate to several small interest groups who are looking for a vehicle to organize their fund raising – they are with great intent but is it the City's role? No, the more we can institutionalize this process the more I can offer resources at every step.

Ross Cunniff; it might align with the city's mission generally but not specifically. Example of wanting to build a world class children's play structure - not currently needed at Twin Silo park but let's look at other parks.

Nina Bodenhamer; Eastside Park example – when that became public, we were approached by several special interests such as; pets, seniors, they wanted to place something in that park - the more we can strengthen the relationships and boundaries with our fundraising partners, we can align our portfolio with very specific definitions of strategic outcomes and Council priorities and operational mission - this is a great idea but that is not our mission at this moment in time.

Ross Cunniff; givers have the best of intentions - needs over here that could be met with this gift that we don't know how to meet otherwise – that will bring the intention full circle.

Nina Bodenhamer; it is a balancing act in these first couple of years -people are comfortable with it. We have met with people who have great capital projects going in in the community. Can I support it in strategy? Absolutely - if the right donors come to us – it may not be for us - a way for me to keep involved when we look at community landscape of what capital campaigns are taking place.

Mayor Troxell; City Give = relationship management - those that are fully supportive of our community and have donative interests - recently, I heard some people thinking about land trust in terms of real estate interests – for example, if someone has lived in Fort Collins and loves our community may want to donate their house when they pass. There might be a use for that real estate, or it could be sold and directed toward a Council outcome such as affordable housing. Donative giving related to affordable housing in our community – not the way the city traditionally approaches affordable housing through AMI and other structures - that is an opportunity to think about real estate and what we might do.

Nina Bodenhamer; there are lots of opportunities -a really Interesting scale. A current example - tied to a Natural Areas purchase - we have a seller who couldn't agree on the value price that the city offered. City Give went in to negotiate - is there an opportunity to donate the value instead of the property - that is a capital gains conversation – really diving in - when did you purchase this property? How is it held (LLC, etc.)? They have agreed to come public with their story after the signing. A 3rd generation ranchers who wanted to give but didn't have the vehicle to do it - giving to the city is a big piece of their motivation.

Mayor Troxell; I could see that play out in terms of other real estate such as a historic home - with a useful purpose - historical means in our community

Ken Summers; I appreciate the presentation and the focus. There was some perception going in terms of what City Give would look like. We have a very focused criteria and selection process. Our goal is to streamline that various departments to help streamline, coordinate and define city priorities and projects - what is appropriate on the municipal level. I like the concept - City Gives can function as a matcher between donor interest and the place where those interests are best met would be a wonderful service that we provide. To say that is not a priority of the city right now but provide some ideas of where to go to pursue a match. When you look at allowing for community co-creation - that does give a bit of a challenge in terms of that space -such as the Eastside Park example where there is donor interest in something specific such as an amenity. There is space for what we tend to call community co-creation. Can you talk about the agreement with larger donations?

Nina Bodenhamer; a gift agreement is standard best practices for gifts of \$20- \$25K because there are some terms that come with it. By nature and definition of legal gifting; once the funds are deposited - they lose the legal right of control - both parties understand and acknowledge the terms of that gift – also governs how the gift will be used – which is another layer of control for both parties. The agreement includes any special terms such as a match met on the table that must be made before the funds are used, any type of recognition or lack thereof – legally binding and a standard practice. In our organization, a gift of \$5K or less can be accepted by a Departmental Director. There are guidelines regarding how they acknowledge that, how we move that through City Give business unit. At \$5k and above, the City Manager signs off on acceptance of that gift to ensure transparency, confirm that there is no conflict of interest, very intentional acceptance of the gift.

Ken Summers; estate planning vehicle mentioned by the Mayor - long term – some folks may want to do this.

Nina Bodenhamer; in our portfolio process when we meet in March - there is real opportunity to generate the opportunity for funds even if we are not actively soliciting funds - we can still lay the groundwork.

Mayor Troxell; When we did FortZED the city was the lead, the Dept of Energy - a 50% cost share which came from various sources within the community – the \$500K was collected via the community foundation. Dept. of Energy grants - a match component - might be from something already being expended. I would see that a City Give mechanism would be a how to for cost share and match with federal funds. I hope that would be part of this as well - the community and not just the general fund accomplish those sorts of things like what happened in FortZED. We are also engaged with funding from state and federal resources; housing / energy / water / there are many different categories that we participate in as a city organization. City Give is a strategic mechanism that can accomplish things - moving to something that is more strategic and operational – with the back-up that can justify that sort of thing. I see the city as being a key partner mechanism. This goes back to something Ross said some time ago about revenue diversification, a mechanism that can help leverage sales tax dollars and other things.

Travis Storin; a catalyst - I think about the Bloomberg philanthropy - the state energy office dollars that came in - I can attribute our winning of the state grant dollars to the Bloomberg dollars and the flexibility of the form of the match - An example is the Max; the match was almost exclusively in the form of right of way donations I can't think of an immediate barrier to the use of donative dollars for a donor match unless there is a legal issue, or a clause built into the grant. This is an opportunity.

Nina Bodenhamer: Philadelphia created a revenue stream coming into their City Give equivalent - a percentage of the marathon goes directly into a fund that began as a transportation fund – it sits there as a donative fund going out to serve as matches or as ancillary funding - they don't open up as grants – they open up for their own use - municipalities getting clever about how to leverage this opportunity of matching donor intent and community goodwill with the solid business of a municipality.

Mayor Troxell; alignment to the mission of Council etc., - large philanthropies that give to specific things such as Community oriented, environmental, climate, livability, public engagement. With Fort Collins being innovative – saying let's try this - we play well in those arenas as well.

Nina Bodenhamer; Yes, we play exceptionally well in philanthropy. I think we will shoot ourselves in the foot if we come out with our first campaign – we don't want to quell donor excitement. We do want to funnel interests productively into the vision of the community. It is a space for all of these good things to come together with innovation.

Mayor Troxell; Evaluation process is quarterly – some of these things are more opportunistic – we don't want the tail wagging dog - being proactive in going after something in a month - for that possibility – there is an element to that is in line with the federal cost share – pursuing funding to do something that might not be a traditional target. At the Federal level – housing / highways that we may not be pursuing things in Dept of Energy or some of the other agencies - there is another element of being parts of other people's proposals that would be managed - not sure how we do it now - how that is managed? Who manages the relationship?

Travis Storin; as it relates to the pre award side of grants - Katie Ricketts in the Finance Dept. -whether it is structural or organic – those interactions are already taking place - grant recruitment - donor dollars can go further with the federal dollars or is it more attractive to the granting agency because they know what we are doing.

Nina Bodenhamer; conversations are bubbling up, peer to peer at a department level – teams know to bring

Katie in. I am working on that with the family foundation side - bringing the team in sooner is always to the advantage in terms of negotiating any benefits - it is a tag team.

Mayor Troxell; one thing that Nina has done extremely well - create a community of philanthropic entities within Fort Collins - bringing them together and sharing, talking about best practices.

Nina Bodenhamer; part of city's role and the city's service - non-profits that are actively out there working - sometimes I am being called upon to help bring them strategy as that is something that they do not have enough opportunity to develop. Building that team locally of those who are in the philanthropic space has been a very productive by product. You have been very gracious with your time in coming to meet with us and talk with us.

Mayor Troxell; this is something that is important for our future. We are a very philanthropic community and we recognize that - people do want to give to the city to accomplish many things. I talked about land and real estate but what about water rights? How could that be handled?

Nina Bodenhamer; water and minerals can be split off as a philanthropic value. I have been talking with someone who is deciding what to do with their land - the water is the issue now - he doesn't want to maintain the water and he can donate the water now independent of the land / conservation easement.

Mayor Troxell; this is great and very much appreciated. Mayor's Challenge and the EPIC program -the spirit of trying to figure something out that works and in some cases crack some tough nuts that can be barriers to that - that is where the real value to where you are located - the leadership and the spirit of the group to find these kind of solutions.

Travis Storin; this committee has been flexible in iterative discussions - we are solving it as we go in some respects.

Mayor Troxell; bring the ability to find solutions and not be too quick to say no - I appreciate the solutions orientation.

B. Review of the 2020 Re-appropriation Ordinance to appropriate prior year reserves.

Lawrence Pollack, Budget Director

EXECUTIVE SUMMARY

The purpose of this item is to reappropriate monies in 2020 that were previously authorized by City Council for expenditures in 2019 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2019 because:

- there was not enough time to complete bidding in 2019 and therefore, there was no known vendor or binding contract as required to expend or encumber the monies
- the project for which the dollars were originally appropriated by Council could not be completed during 2019 and reappropriation of those dollars is necessary for completion of the project in 2020
- to carry on programs, services, and facility improvements in 2020 with unspent dollars previously appropriated in 2019 for those specific purposes

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2019 and reflect no change in Council policies.

Monies reappropriated for each City fund by this Ordinance are as follows:

General Fund	\$258,008
Keep Fort Collins Great Fund	71,097
Cultural Services Fund	171,498
Transportation CEF Fund	1,750,000
Transportation Fund	290,000
Parking Fund	30,000
Data and Communications Fund	476,715
Total	<u>\$3,047,318</u>

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support moving forward with the 2020 Reappropriation Ordinance on the Consent Agenda at the March 3, 2020 Council meeting?

BACKGROUND/DISCUSSION

The Executive Team has reviewed the Reappropriation requests to ensure alignment with organization priorities and the Budget staff reviewed the requests to verify that all met qualification requirements. The 2020 Reappropriation requests are as follows, by fund:

GENERAL FUND

Natural Areas

1) Response to the Northern Integrated Supply Project (NISP) - \$24,478

Purpose for funds: The purpose of this offer is to fund legal and consulting services in support of the City's engagement with the NISP permitting process. Given the broad impact NISP will have on this community, and the complex layers of permits required, the City has prioritized engagement with NISP to ensure it maximizes its influence to protect City assets affected by NISP.

Reason funds not expensed in 2019: The City expected the permitting process of NISP to progress more quickly in 2019 than it actually did. Consistent progress and work have occurred on building collaborations and negotiating to improve outcomes for the City within the context of NISP. However, the final permitting phase is still not complete. Staff plans to use these funds to hire external expertise and legal counsel to support various aspects of our engagement with NISP in 2020. Most specifically in 2020, staff will be focused on the Adaptive Management framework and governance, integration of technical bases, and engaging with our community and the permitting authority when the Record of Decision is released (anticipated early 2020).

City Clerk's Office

2) Continued Population of Ordinance Repository - \$10,000

Purpose for funds: OrdBank is a service available through our codifier, Municipal Code Corporation (MCC), that allows the City to store, search, and link original ordinances from a Code section's history note, Supplement History Table, and Code Comparative Table. It allows browsing of a permanent ordinance repository and affords the City the opportunity to include historical ordinances in the repository. This provides a "one stop shop" experience beneficial to public and internal customers and is particularly helpful for research and development of future Code amendments. Appropriation of these funds will add six more

years (2006 through 2011) of ordinances amending City Code, Land Use Code and Traffic Code language to be added to the repository.

Reason funds not expensed in 2019: The City has been adding to the MCC ordinance repository since 2016 as resources allow. This is typically done near the end of the year when codification (Code amendment) is winding down and remaining funds are identified. Due to staffing shortages in the 4th quarter of 2019, this project was delayed.

3) Boards and Commissions Software/Enhancements - \$9,000

Purpose for funds: These funds, originally established as ongoing funding for boards and commissions tracking software, will be used to make enhancements to the chosen product called Engage. Engage is a custom-built data management platform used to track all City volunteers, and as such, does not immediately provide all of the functionality specific to managing boards and commissions membership. Fortunately, additional customization is readily available through Squarei Technologies, the Engage provider. Desired customization includes additional data fields, enhanced reporting capabilities, and ability to integrate with other tools (such as the City event calendar).

Reason funds not expensed in 2019: The Boards and Commissions Coordinator left her position in August, which remained vacant until December 30. Although other staff members met with the Engage developer about desired enhancements, there was not adequate time or knowledge to adequately scope needs.

City Manager's Office

4) Emergency Preparedness and Security - \$50,000

Purpose for funds: The 2019 offer provided funding to maintain the current level of service provided by the Office of Emergency Preparedness and Security (EPS), which benefits residents, visitors and employees of Fort Collins by providing preservation of life, safety, property conservation and environmental protection in pre-disaster, disaster and post-disaster periods. EPS is also now responsible for coordinating and providing internal and external services in the area security, addressing both internal and external security issues and threats.

Reason funds not expensed in 2019: In 2019 there was a nationwide search for a Director of Emergency Preparedness and Security which was not completed until July 2019. During the time of the search there was a concentrated effort by the interim Director to limit the spending of funds so the new Director could set the strategic direction of the program. Once the Director was in place, emergency and security programming was initiated in the fourth quarter and has continued into 2020. This request is to reappropriate \$50,000 to fund critical programming and training that is foundational to daily operations and aligns with the strategic vision being developed.

Municipal Court

5) Court-Appointed Defense Counsel Funding Request - \$18,750

Purpose for funds: In 2019, as required by law, Chief Judge Lane ordered that court-appointed defense counsel be assigned to represent certain defendants on traffic and non-traffic misdemeanor cases. Defense counsel was appointed on approximately 330 cases in 2019, several of which are still in progress. The fee paid by the City for such representation is billed at the rate of \$75/hour up to a maximum of \$1,675 per case if the case does not go to trial or \$2,480 if the case goes to trial. We are requesting that a portion of the remaining funds from our 2019 budget be reappropriated into the same expense account for 2020.

Reason funds not expensed in 2019: Due to the complexity of and circumstances related to these cases, the Court has 59 outstanding cases with defense counsel appointments that started in 2019 and have not yet reached final disposition. Therefore, the assigned defense counsel will not be submitting bills to the Court until the case(s) have been concluded, sometime in the next few weeks/months.

Social Sustainability

6) Affordable Housing Programs (AHF) - \$105,780

Purpose for funds: The Affordable Housing Funds are allocated annually through the Competitive Process to support critical affordable housing needs in the City of Fort Collins. Because of the cyclical nature of housing development, funding may be either unallocated or unexpended during a program year. Pursuant to ordinance No. 28, 1994, any amounts appropriated by Council and not expended during the fiscal year should lapse into the Affordable Housing Reserve.

Reason funds not expended in 2019: \$25,047 represents FY19 funding that was not allocated to an affordable housing project. \$10,434 represents unspent program support costs and \$70,299 represents funding that was previously committed to the Homebuyer Assistance Program but not yet contracted. The HBA funding cannot be contracted until individual homeowners make application to program for specific properties under contract. The balance of funds will be added to the Spring 2020 Competitive Process to be allocated to an eligible affordable housing project.

Environmental Services

7) CAP Energy Policy - \$40,000 (plus an additional \$15,000 in Keep Fort Collins Great Fund (KFCG) totals \$55,000 for request)

Purpose for funds: These resources support the development and deployment of Our Climate Future, a combined update to the Climate Action Plan, Energy Policy and Road to Zero Waste updates, which include an equity-centered planning process and outcomes. The funding will support consultants for the technical aspects of the planning process (\$40,000 General Fund) as well as additional community partners and plan ambassadors to support community engagement to be coordinated by the City of Fort Collins Communications & Public Involvement Office (\$15,000 KFCG).

Reason funds not expended in 2019: Due to the equity-centered planning process, an additional phase was added to the planning process (entitled "Understanding Community Priorities"). This meant the 2019 focus was almost entirely on community engagement instead of securing the consultants needed to develop and analyze the plan's strategies. There is an RFP out for the consultant team as well as additional recruitment are all underway. All funds are anticipated to be expended in 2020.

KEEP FORT COLLINS GREAT FUND

Natural Areas

8) West Nile Virus - Efficacy Study- \$20,000

Purpose for funds: The purpose of this offer is to improve understanding of the efficacy of adult mosquito control efforts in Fort Collins. The West Nile Virus (WNV) Technical Advisory Committee has identified a need for field studies to show the efficacy of adult mosquito treatments. Although the WNV program operates a robust trapping network, the timing of data collection contributes to variability in pre-treatment and post-treatment efficacy analysis. These funds would decrease the variability and improve understanding of the causal relation between treatment and vector index reduction.

Reason funds not expended in 2019: The Centers for Disease Control initiated preliminary pro-bono work on developing a treatment efficacy study in 2019. However, due to the impacts of a rain event on the single 2019 adult mosquito treatment event, the CDC could not generate sufficient data. If the 2020 CDC budget allows, CDC and the City will continue to work together to develop a study. If that is not possible, these funds will fund an efficacy study performed by a consultant.

Economic Health

9) Business Retention and Engagement- \$22,500

Purpose for funds: These funds are intended for the Business Engagement Action Plan team development of Customer Service Training Tools and Innovation After Hours. Piloting a new Innovation After Hours

focusing on workforce and highlighting local companies' best practices, as well as innovative ways of doing business.

Reason funds not expensed in 2019: In 2019, City Manager's Office requested that the Customer Service initiative be reviewed at the City-organizational level instead of only at the business stakeholder level. Funds were not expended due to timing of onboarding a new PM. This approach allows for a holistic approach to customer service.

Environmental Services

10) CAP Energy Policy - \$15,000 (plus an additional \$40,000 in General Fund totals \$55,000 for request)

Please see description in #7 under General Fund.

11) Road to Zero Waste Plan Update- \$13,597

Purpose for funds: These resources allow the Waste Reduction and Recycling program area to update the Road to Zero Waste (RtZW) plan in 2019/2020 as part of the Our Climate Future (OCF) planning process. OCF is a combined update to the Climate Action Plan, Energy Policy and Road to Zero Waste updates, which include an equity-centered planning process and outcomes. The Road to Zero Waste plan was originally adopted by City Council in 2013 and has been a foundational, strategic document for the Environmental Services Department, the organization, and the community. An evolution of the road map, including a review of interim Zero Waste goals, is needed to adapt priorities and strategies to changes that have occurred from the local level all the way to the global level.

Reason funds not expensed in 2019: Due to the equity-centered planning process, an additional phase was added to the planning process (entitled "Understanding Community Priorities"). This meant the 2019 focus was almost entirely on community engagement instead of securing the consultants needed to develop and analyze the plans' strategies. There is an RFP out for the consultant team as well as additional recruitment are all underway. All funds are anticipated to be expended in 2020.

CULTURAL SERVICES FUND

Cultural Services

12) Lincoln Center Sustainable Performance Hall Lighting- \$171,498

Purpose for funds: This offer will purchase energy-efficient LED lighting for the Lincoln Center Performance Hall. The new fixtures will reduce energy consumption by 75,000 kWh each year, reduce utility costs by \$12,000 per year, reduce the labor to replace lamps, and reduce electric greenhouse gas emissions by at least 66 tons each year. This offer replaces the Performance Hall's 47 house lights with LED lamps and data distribution and dimming for those units; and integrates house lights with the emergency lighting system, dramatically improving safety during any evacuation event. The existing system is inadequate and may not meet current code. Many existing bulbs in the performance hall are failing and need to be replaced on a regular basis, making this the ideal time to replace this existing system with a more cost-effective and environmentally sustainable LED lighting system.

Reason funds not expensed in 2019: Due to turnover in technical staff, Cultural Services did not have the expertise to complete the project in a timely and cost-effective manner. This was communicated to executive management in June, resulting in the decision to postpone the project until 2020.

TRANSPORTATION CAPITAL EXPANSION FEE FUND

Engineering

13) Transportation Capital Expansion Fee Developer Reimbursements- \$1,750,000

Purpose for funds: The purpose of this offer is to appropriate Transportation Capital Expansion Fee (TCEF) funds for the purpose of reimbursing development for the construction of eligible transportation related improvements. The TCEF Program will frequently partner with development to construct arterial and

collector level roadways adjacent to the development's frontage. After eligible improvements are accepted by the City, the TCEF program will reimburse the developer for these improvements. The TCEF Program anticipates several large reimbursements for 2020, including improvements associated with the following developments: The Crowne at Old Town North, Northfield, Waterfield Fourth, Mountains Edge, Taft Place, and the Standard. This offer will ensure the TCEF Program's ability to reimburse development for eligible improvements constructed in 2020.

Reason funds not expensed in 2019: The TCEF Program reimburses development for eligible improvements after they are constructed and accepted by the City. Several of the above-mentioned developments did not meet their anticipated 2019 completion dates and are now expecting to be completed in 2020. The TCEF Program is still responsible to reimburse these developments for eligible improvements. With these projects being delayed, TCEF funds budgeted for 2019 need to be re-appropriated to 2020 to accommodate the anticipated reimbursements.

TRANSPORATION FUND

Streets

14) Hickory SMP- \$240,000

Purpose for funds: Streets is requesting \$240,000 to be re-appropriated from the 2019 SMP budget to cover the costs of the Hickory Phase 2 project which was scheduled to be completed in 2019. Phase 2 includes overlay maintenance from the railroad tracks East to College Avenue.

Reason funds not expensed in 2019: Hickory Street Phase 2 was postponed because Utilities needs to complete work prior to the street maintenance work being completed. The utilities work will be completed in 2020, and the Streets department will be able to complete the project in 2020.

Traffic

15) Neighborhood Traffic Mitigation Program - \$50,000

Purpose for funds: Traffic in neighborhoods can affect the quality of life for residents, bicycles, pedestrians as well as drivers. The Neighborhood Traffic Mitigation Program is a collaborative effort between neighborhoods and City staff to implement traffic calming options. Neighborhoods wanting to install speed bumps are required to complete a petition before construction can take place. Traffic is requesting \$50,000 to be re-appropriated from the 2019 budget to install speed bumps in several neighborhood.

Reason funds not expensed in 2019: Prior to speed bumps being installed, neighborhood consensus with super majority support is required. In the fall of 2019, several neighborhoods completed petitions, however there was not enough time to schedule and install the bumps before the asphalt plants closed for the season. The streets are Stanford Road, Wabash Street, Caribou Drive and Creekwood Drive. That construction is now scheduled for 2020.

PARKING FUND

Parking

16) Replacement Signage for Downtown - Flexible Parking Enforcement Hours - \$30,000

Purpose for funds: Signage in the downtown area regarding timed public parking spaces needs updated to be consistent with messaging and to improve aesthetics to help improve the downtown experience. Prior to updating existing signage, Parking Services wanted to ensure that proper verbiage and messaging was aligned with long-term needs. Existing signage indicates hours of regulation, and in some signs/areas, days of regulation. By updating the downtown signage, it will provide the flexibility of enforcement to meet community needs, which is also supported by the Parking Advisory Board and the Downtown Business Association. Based on newer parking signs adjacent to the Firehouse Alley Parking Structure, on Chestnut Street, a similar design would support downtown needs and provide the flexibility to alter/update as necessary.

Reason funds not expensed in 2019: The reason the approved budget for the downtown signage was not spent in 2019 was because Parking Services wanted to ensure that the updated sign design in the downtown area would meet community needs for the longer-term. Inground sensors were installed in the downtown parking stalls to capture specific data sets, including occupancy, duration of stay, and parking space turnover. Parking Services had intended to use the parking sensor data collected over 2019 to inform a decision of the appropriate downtown signage. In lieu of data collection, Parking Services has begun conversations with community partners, the Parking Advisory Board, the Downtown Business Association, and the Downtown Development Authority. these funds will be spent in 2020.

DATA & COMMUNICATIONS FUND

Information Technology (IT)

17) Electronic Plan Review - Phase Two - \$35,510

Purpose for funds: The purpose of these funds is to continue the development and implementation of phase two of the Electronic Plan Review system for the Community Development and Neighborhood Services (CDNS) department as well as Utilities and City Partners including PFA. The funds will be utilized to support consulting services with True Point Solutions to assist IT and CDNS with system improvements and increased functionality to the existing Accela system, which includes configuration, scripting, report design and development, testing, and support. These improvements are intended to help better track and manage improved building permit processes. This phase of the project is anticipated to be completed by Q1 2020.

Reason funds not expensed in 2019: Phase two of this project was approved by City Council on October 1, 2019 via Ordinance #112. Per the Agenda Item Summary and Ordinance, this project was slated to go through Q1 of 2020. Therefore, it was anticipated that these funds would not be fully expensed by the end of 2019. The City has already encumbered the majority of the funding authorized by Ord #112 with True Point Solutions. The funds being requested are for any unanticipated ancillary support costs and/or work order items that may occur through scope changes as the project progresses.

18) Electronic Record Search - \$103,000

Purpose for funds: This request is to fund the purchase and implementation of an Electronic Record Search solution that will enable organizations across the City to collaborate effectively and efficiently when Open Records and other searches are requested. Open records requests are received throughout the City organization and at times require exhaustive searches of the records of many different departments in a strictly limited period of time. The primary departments that take the lead in coordinating and assisting with records searches for requests that touch on multiple departments are the City Clerk's Office, City Attorney's Office and Information Technology. It is anticipated that this system will assist departments throughout the City in complying with the statutory mandate to provide public records upon request by members of the public. This item was a priority at the time it was initially funded and continues to be critical to addressing an existing gap in the City's systems for identifying and producing requested records.

Reason funds not expensed in 2019: The original idea was to bring in a completely new tool to meet identified electronic search functionality goals and that run concurrently with the Document Management replacement system. Initially, a tool set within Office 365 was identified as a potential solution, however after further analysis, the solution would have required additional resources and process rewrite beyond the scope of the original intent. Shortly after this discovery, the project stalled due to IT bandwidth capacity issues for supporting higher priority, large scale projects. Recently in 2019, in light of staffing changes and further dialogue, the primary departments involved in this project intentionally delayed pursuing a procurement until early 2020 so that the future Chief Privacy Officer would have an opportunity to provide additional input in identifying the proper tool needed based on the Officer's recommended records management processes.

19) Event Log and Performance Monitoring Tool- \$139,300

Purpose for funds: This request would fund the procurement of an Event Log and Performance Monitoring Tool to quickly evaluate the City's IT systems to pinpoint operational inefficiencies and help detect cyber threats that can inhibit day-to-day City operations. The tool will also enhance the City's ability to monitor and provide a proactive response to infrastructure operations and incident resolution, quickly isolate and resolve issues, and avoid any potential downtime. Funds in this request will also support the need for professional services to assist in the implementation of this solution.

Reason funds not expensed in 2019: This project was slated to begin in the 3rd quarter of 2019. However, the Data Management team's resources were consumed with higher level, priority projects supporting Connexion and Light & Power, and there wasn't available bandwidth to begin procuring this tool in 2019. These delays were reported in the quarterly Safe Strategy Map review sessions. The team has had opportunity for continued analysis of potential solutions and is targeting Q2 of 2020 to procure this tool with full implementation by Fall of 2020.

20) Network Switch Replacements- \$178,615

Purpose for funds: The funds for this reappropriation request will fund the procurement and professional services needed to replace two core switches along with two other switches that are reaching their end-of-life cycle in July 2020. This infrastructure equipment is critical in nature in that it connects to the eight individual fiber rings that supports the City's entire network system. The professional services needed for this replacement includes the discovery, configuration, implementation, and testing of the cores as this is projected to be a three-month replacement project.

Reason funds not expensed in 2019: In mid-2019, Information Technology staff began the evaluation of replacing the core switches one year before lifecycle expiration. This included multiple discussions with professional services and presentations on potential solutions to replace the switches. During this same timeframe, a transition of City Network responsibilities from IT to the Connexion team was being identified and determined. The timing of the final transition did not leave adequate time for Connexion to evaluate IT's solution proposal to assess if the proposal would fit within Connexion's network architecture plans. In light of the timing of the lifecycle deadline, critical nature of these switches, and other competing priorities, professional services funding needs to be carried into 2020 to complete the replacement of these switches.

21) SharePoint Online - \$20,290

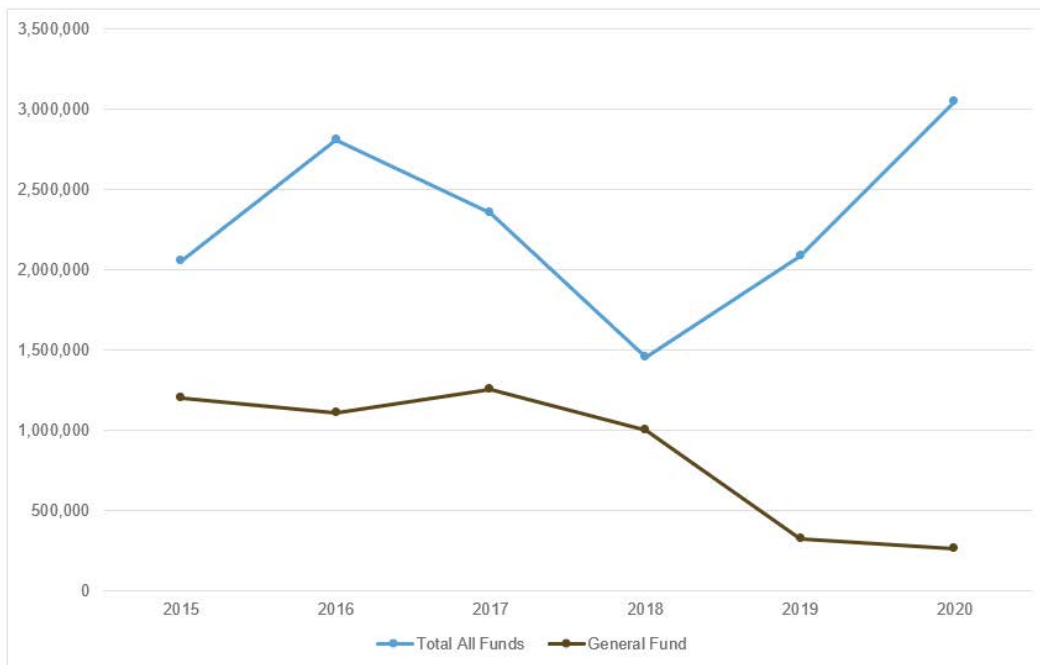
Purpose for funds: Funding this offer will enable the continuation of the planning, migration and implementation of the SharePoint Online collaboration software included with the Office 365 plan which includes Outlook, Word, Excel, PowerPoint, Publisher, OneNote, OneDrive, MS Teams, and SharePoint Online. Several of the Microsoft products utilize the SharePoint Online platform for collaboration, task/project management and storage, and in some cases, cannot function without SharePoint. This tool will enhance and standardize processes to increase efficiency and reduce costs as expected by City Leaders, staff, and residents.

Reason funds not expensed in 2019: Through 2019, the internal team responsible for this project engaged in the planning foundations, contracted with a vendor, analyzed the infrastructure to help develop standards and templates, priority sites for migration were identified, and the team deployed MS Teams with accompanying training currently ongoing into 2020. However, the project experienced intermittent delays over the course of the year due to higher priority project commitments by team members. These delays were reported in the quarterly HPG Strategy Map review sessions. Despite these delays, particular elements and milestones of this project were accomplished. At present, a test migration is scheduled for mid-February and the project team is targeting Q2 of 2020 for full deployment of the SharePoint implementation.

FINANCIAL/ECONOMIC IMPACTS

This Ordinance increases 2020 appropriations by \$3,047,318. A total of \$258,008 is requested for reappropriation in the General Fund, \$71,097 from the Keep Fort Collins Great Fund, and \$2,718,213 is requested from various other City funds. Of those other funds, the majority is \$1,750,000 in the Transportation Capital Expansion Fee Fund. Reappropriation requests represent amounts budgeted in 2019 that could not be encumbered at year-end. The appropriations are from 2019 prior year reserves.

Discussion / Next Steps;



Darin Atteberry; the additional oversight has resulted in the downward curve

Ross Cunniff; some are not in our control

Darin asked Lawrence to go over the \$1.7 to make sure everyone understands.

Lawrence Pollack; Development Reimbursements, where they have paid in for part of the project, specifically for what we used to refer to as 'Street Oversizing'. When projects are completed, we owe funds back. Historically we have had larger capital budgets for these to be included. There was intentionality in reducing these budgets especially in the 2019-2020 budget. There is not enough in the prior appropriations to allow capacity to do this. We have asked Engineering to go back and verify the ones they think will be requested this year. Going forward, you will not see this again as this will be incorporated into the non-lapsing aspect of capital projects. Which in

hindsight we should have been doing for the last 10 years. This will be a process improvement. This will be done all at once with the original appropriation.

Travis Storin; size driven by 5 large developments and by what happened in a particular construction season.

Mayor Troxell; this came up in our Election Code Committee meeting. The City Clerk mentioned something that they are doing with the census and redistricting - would have to be in the next budget cycle. Do you have any insight?

Carrie Daggett; this has to do with the contract process for funding to hire a consultant to help with the redistricting process. The Clerk's office reported that they are not going to be bringing the consultant on board as early as they thought due to the timing of the census data being available.

Ross Cunniff; I do like Council transparency on things we are not going to see in a particular cycle.

Darin Atteberry; I look at the budget document as a promise. If we are not going to meet that promise - we need to tell you in advance. We don't deviate from that process unless we get agreement to do so. The Quarterly Service Area Reviews and Strategy Map Reviews have been deeply integrated into our processes are making us better. I remember a day when Council would fund an item and if it wasn't part of a 1:1 conversation with a Service Area Director, I didn't have visibility into the status of these except for if they were not going to get it done in time. Now there is so much visibility and transparency into our spending and if we are on track to fulfill these promises. I am much more confident in the fact that we are accomplishing Council's priorities and agenda. A lot of that goes toward Council pushing more accountability and Lawrence who has been leading this for years. It is tight - not perfect, but tight.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support moving forward with the 2020 Re-appropriation Ordinance on the Consent Agenda at the March 3, 2020 Council meeting?

Result:

Mayor Troxell, Ross Cunniff and Ken Summers are all supportive of this going forward on the Consent Agenda at the March 3rd Council meeting.

Meeting adjourned at 11:01 am

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Nina Bodenhamer

Date: March 16, 2020

SUBJECT FOR DISCUSSION

- Digital Equity: A Blueprint for Income-Qualified Internet Rate

EXECUTIVE SUMMARY

The City of Fort Collins is committed to increasing digital equity and reducing the digital divide.

Informed by community poverty benchmarks, today's presentation is a review of the blueprint for Digital Equity's overall program structure, suggested income eligibility, and compatibility with existing income-qualified City programs.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Objective: Informational and Update Only
- Desired Outcome: Council input regarding Digital Equity's overall program elements and suggested income eligibility.

BACKGROUND/DISCUSSION

An income-qualified rate to increase the equitable access to the internet and reduce the digital divide is a Council and Leadership priority. Recommendations for a Digital Equity program includes three (3) core components:

1. Expanded Digital Access to Income-Qualified Households through:
 - Reliable, affordable access at high quality and high speeds.
2. Strengthened Digital Inclusion through:
 - Promotion and enrollment through the development of user-informed materials.
 - Outreach and enrollment via trusted community partners.
3. Coordination with Existing City Income Qualified Programs through:
 - Reduced enrollment barriers and complications for clients.
 - Leveraged operational efficiencies and economies.

The funding source for Digital Equity is 6% of Connexion revenue paid to the General Fund as payment in lieu of taxes (PILOT) which drives market parity. Digital Equity launch and reach will be metered by Connexion's build out and revenue.

ATTACHMENTS

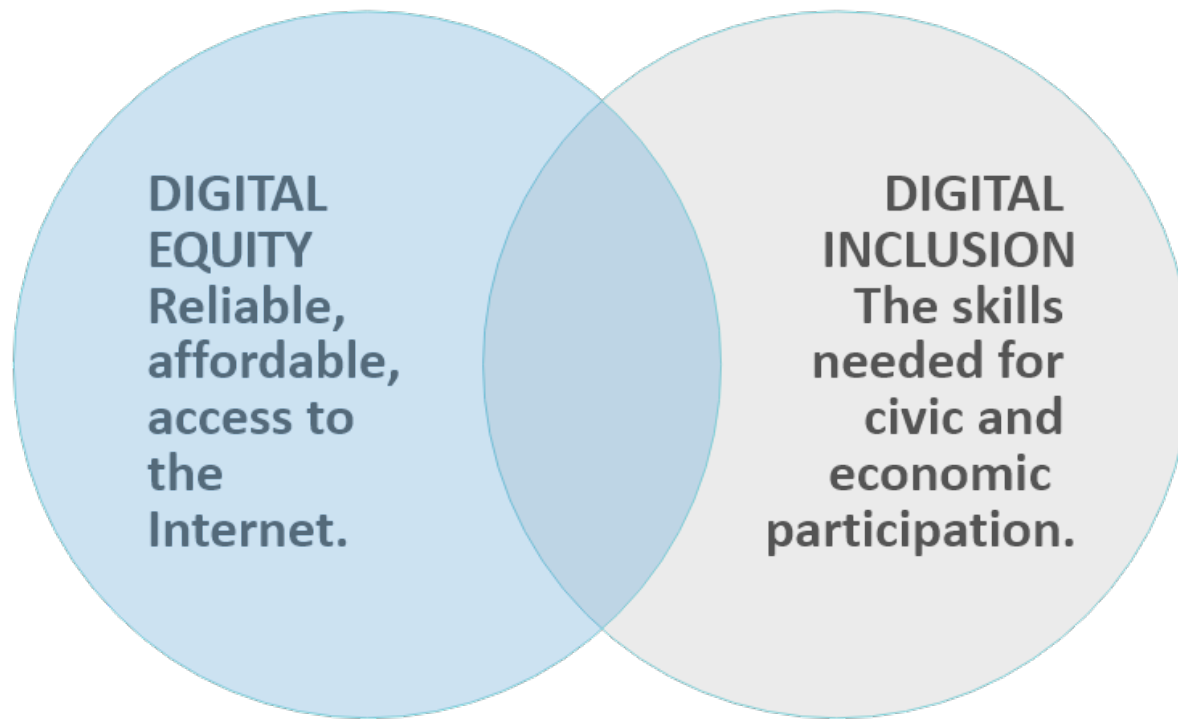


MARCH 16, 2020

Today's Purpose: Review the overall structure and program elements of the City's Digital Equity program.

WHEN WE TALK ABOUT DIGITAL EQUITY

The City of Fort Collins is committed to increasing equitable access to the internet and reducing the digital divide.



HOW IS POVERTY MEASURED?

How is poverty measured?



Federal Poverty Level (FPL)

- Reflects income cutoff levels annually which are used to determine eligibility for Federal Programs.
- Issued by the U.S. Department of Health & Human Services
- Does account for variability in cost of living across broad regions of the country.

Not typically used for regional poverty.



Area Median Income (AMI)

- Income level that divides the population income distribution in one half: half of the population living above the amount, half living below.

Factors local cost of living and a good estimate of regional buying power.



Self Sufficiency Level, (SSI)

- Published by the Colorado Center on Policy & Law
- Calculates how much income a family must earn to meet basic needs without public or private assistance based on family composition in each of Colorado's 64 counties.

INCOME BENCHMARKS

Federal Poverty Level (FPL), Area Median Income (AMI),
and Self-Sufficiency Level (SSL)



3-Member Household

(1 adult, 1 preschooler,
1 school- aged child)

PSD Reduced Lunch

PSD Free Lunch

	100% FPL	130% FPL	185% FPL	30% AMI	50% AMI	60% AMI	SSL
3-Member Household (1 adult, 1 preschooler, 1 school- aged child)	\$20,780	\$27,024	\$38,443	\$23,550	\$39,250	\$47,100	\$59,694
4-Member Household (2 adults, 1 preschooler, 1 school-aged child)	\$25,100	\$32,630	\$46,435	\$26,150	\$43,600	\$52,320	\$67,352

A Family of 4, Fort Collins, CO



Sample Occupation	Hourly Salary	Annual Income	Income Qualification
Bank Teller; Utility Technician; Office Assistant; Certified Nursing Assistant; Housekeeper; Janitor	\$12.57	\$26,150	30% of AMI
PSD School Custodian; Credit Union Financial Specialist; City Office Support Specialist; Forestry Field Worker; Maintenance Technician	\$16.76	\$34,880	40% of AMI
PSD 1st through 4th year teacher with BA; Larimer County Accountant I, Civil Engineer I; Health Dept Social Worker; Accounting Clerk; Landscape Project Manager	\$20.96	\$43,600	50% of AMI
PSD 5th through 9th year teacher with BA or 1st through 6th year teacher with MA; Pharmacy Technician; CSU Financial Aid Counselor; County Employment Specialist	\$25.15	\$52,320	60% of AMI

HARDWARE & INCLUSION



DIGITAL EQUITY

Most low- and moderate-income families have some form of Internet. But are **UNDER CONNECTED**.

- Inconsistent connectivity: 1/5 have had Internet cut off in the last year due to lack of payment.
- 1/3 of families below the FPL have mobile-only access; And, 3 in 10 report hitting data limits on their plan in the past year.

DIGITAL INCLUSION

Low- and moderate-income families use the Internet for a broad range of purposes, but **MOBILE-ONLY** families are:

- Less likely to use online banking or bill-paying.
- Less likely to apply for jobs or services online.
- Less likely to get news or follow local events online.

Opportunities for All? Technology in lower-income families. Rideout & Katz, 2018

ALTERNATIVE IQ INTERNET OPTIONS

National surveys project 5% - 7% of low to moderate-income families have ever signed up for discounted Internet service.

Federal Reporting: 6% utilization for households at 185% FPL.

COMCAST ESSENTIALS, \$9.95/mo. for up to 15 Mbps

- Income eligibility and verification: SNAP, MEDICAID, LEAP, Public Housing

LIFELINE, FCC, \$9.25 toward monthly bill

- Income Eligibility: 135% of the FPL
- A federal program that lowers the monthly cost of phone and internet.
- Many providers, such as CenturyLink, Verizon and AT&T, utilize Lifeline as their platform to offer reduced rate Internet.

ACCESS from AT&T, \$10 per month/10 Mbps

- Income Eligibility: SNAP
- Includes a Wi-Fi-capable modem or gateway

DIGITAL EQUITY PROGRAM STRUCTURE



DIGITAL EQUITY

Income-Qualified \$19.95 per month

1 GIG INTERNET SPEED

CONNEXION PILOT (Payment in Lieu of Taxes)

6% Connexion Revenue Paid to General Fund

Dedicated to Income-Qualified Rate Per Council Priority

At Build Out: Estimate \$1.9M

OUTREACH & MARKETING

Development of User-Informed Materials

Via Community Access Points I.e.

Neighbor to Neighbor, CSU Care, Food Bank for Larimer County

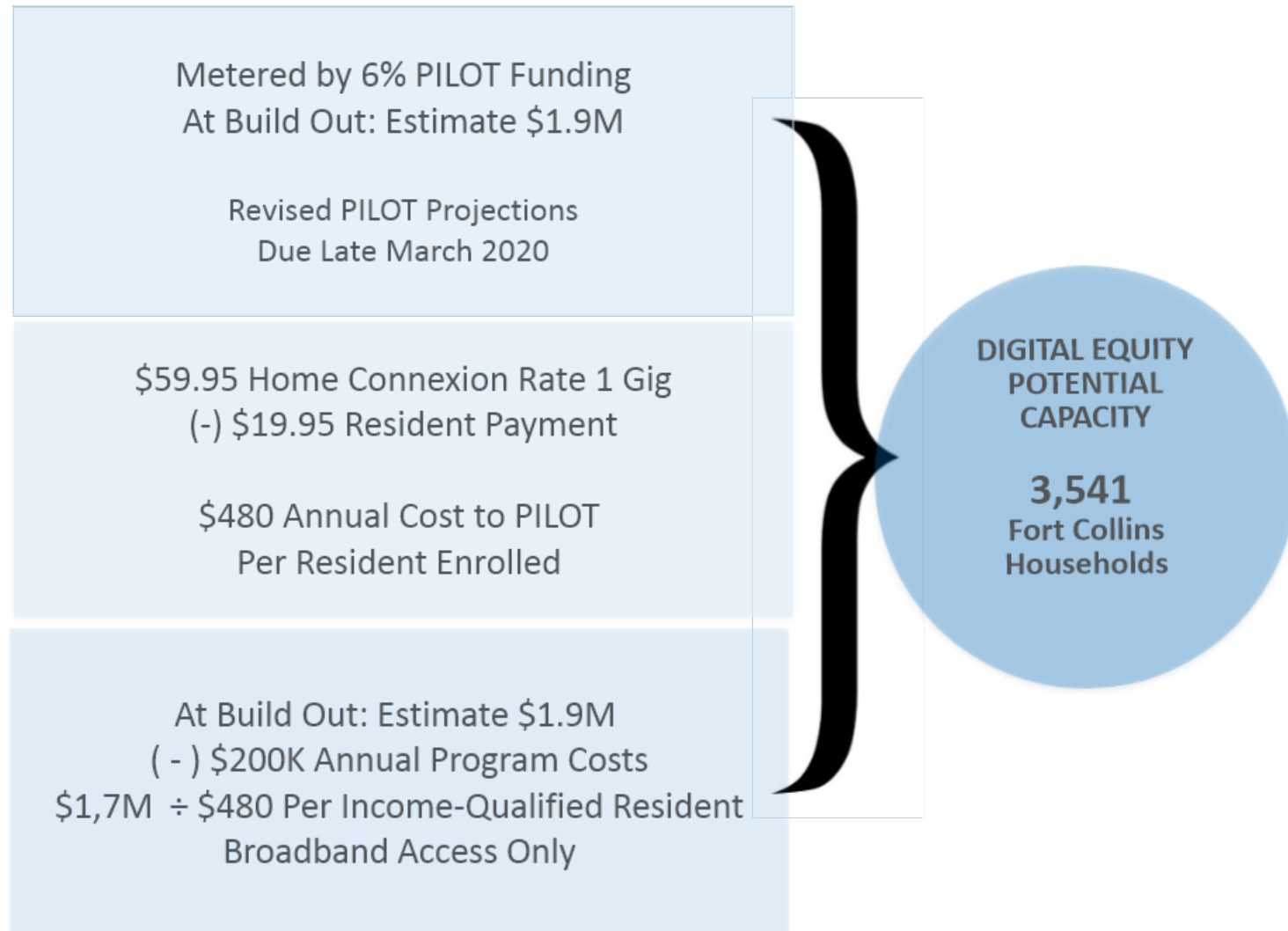
WIRELESS SERVICE

Demonstrated Need
for All Device Access

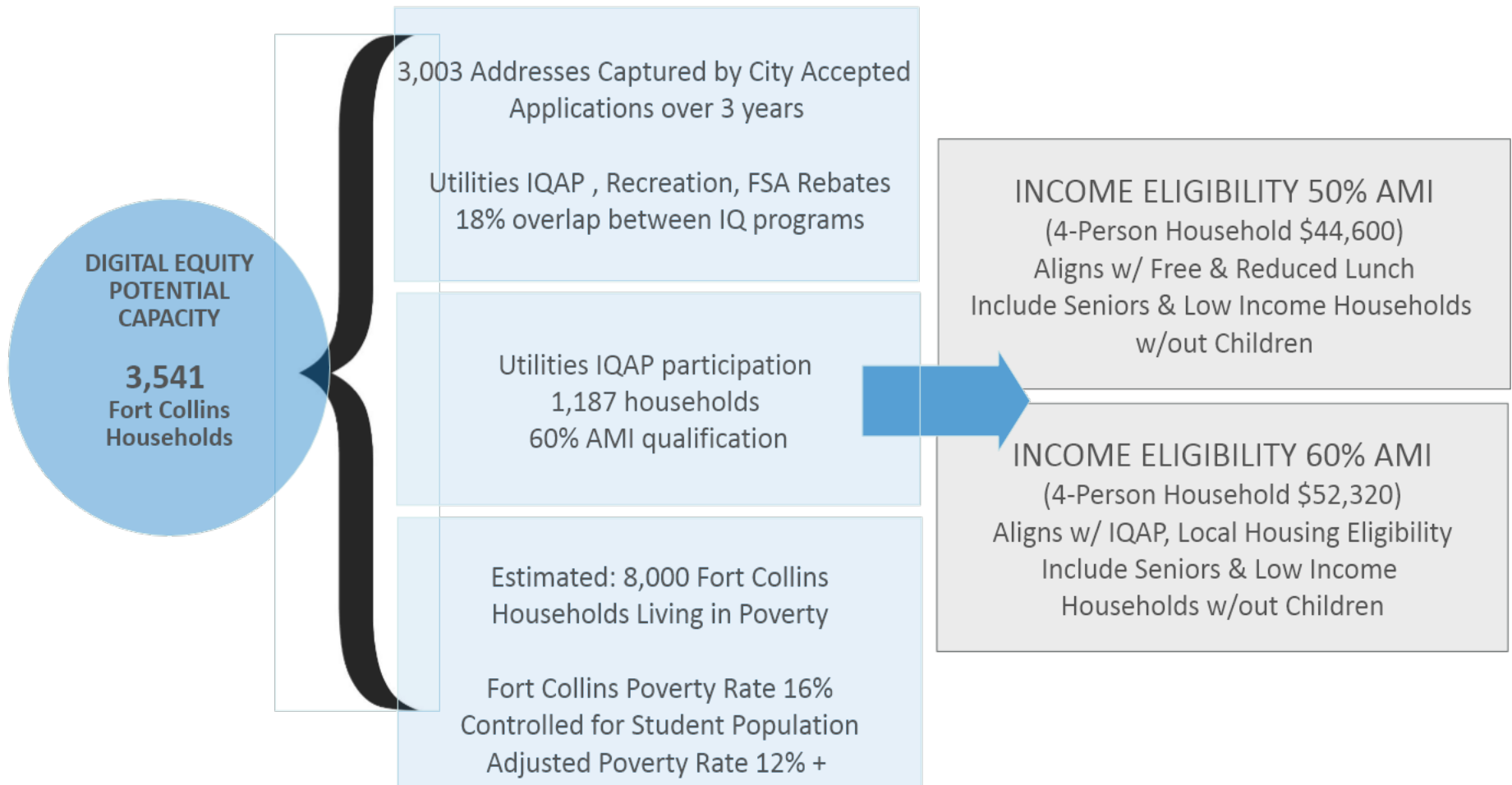
DIGITAL LITERACY

I.e. Community Workshops, Stipends to
Community Partners

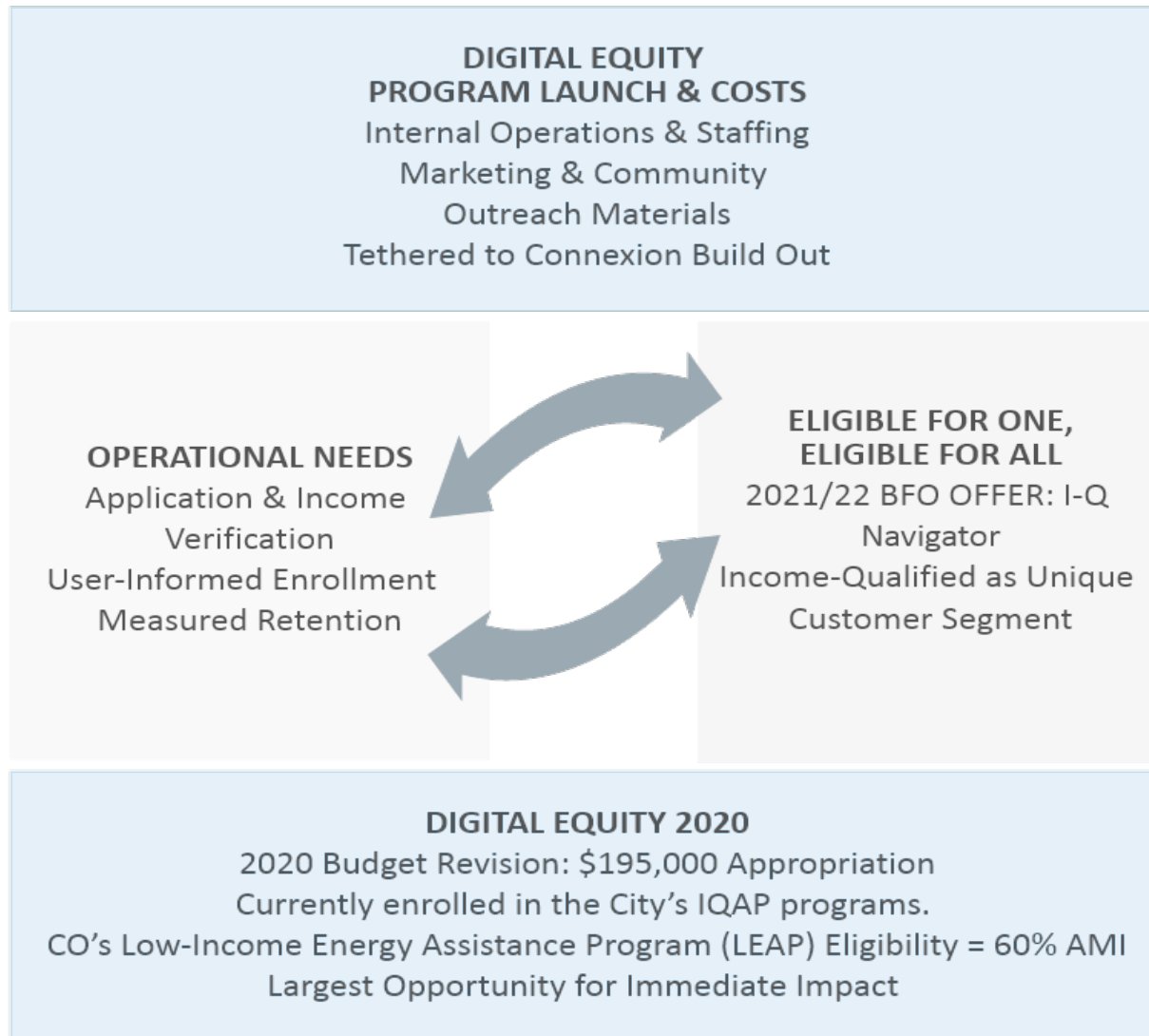
COSTS OF CORE SERVICES



HOW MANY CAN WE SERVE?



OPERATIONAL NEXT STEPS





Data, Sources & References

- American Community Survey, Census Bureau
- City of Fort Collins Performance and Program Evaluation
- City of Fort Collins Income-Qualified Working Group
- Community Expertise & Passion
- *Opportunities for All? Technology in lower-income families. Rideout & Katz, 2018; Funded by Bill & Melinda Gates, fielded research by Stanford Social Innovation Review*
- Pew Research Center, Internet & Technology

With gratitude, Nina

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Victoria Shaw, Noelle Currell, Sue Beck-Ferkiss

Date: March 16, 2020

SUBJECT FOR DISCUSSION: Affordable Housing Fee Waiver Process

EXECUTIVE SUMMARY

The purpose of this item is to seek feedback on a proposed change to the City's process for waiving eligible fees to support Affordable Housing. Fee waivers are available to subsidize the development of units which serve families that earn up to 30% of Area Median Income (AMI). The proposed change would be financially neutral to the City and not alter which units are eligible to receive a fee waiver but would yield staff time savings and benefit prospective applicants.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Is Council Finance supportive of the proposed new administrative structure for Affordable Housing Fee Subsidy?

BACKGROUND/DISCUSSION

The fee waiver program offered by the City of Fort Collins is currently the City's only mechanism to specifically incentivize units which serve households that earn 30% or less of AMI. These units are the hardest to obtain since they have the largest cost gap. Most mechanisms to incentivize Affordable Housing are available for units that serve up to 80% of AMI. The table below illustrates the 2019 AMI thresholds for the Fort Collins – Loveland MSA.

Number of People/Household	Median (100%)	80% AMI	60% AMI	50% AMI	30% AMI
1	\$61,100	\$48,850	\$36,660	\$30,550	\$18,350
2	\$69,800	\$55,800	\$41,880	\$34,900	\$20,950
3	\$78,500	\$62,800	\$47,100	\$39,250	\$23,550
4	\$87,200	\$69,750	\$52,320	\$43,600	\$26,150
5	\$94,200	\$75,350	\$56,520	\$47,100	\$28,250
6	\$101,200	\$80,950	\$60,720	\$50,600	\$30,350

Fee waivers are currently calculated using the sum of eligible fees, prorated by the percent of the development's total units which are restricted to serve $\leq 30\%$ AMI. Fees historically considered eligible for waiver include:

- City Development Review Fees
- Building Permit Fees
- City Capital Expansion Fees (Fire, Police, Streets, General Government and Parks)

Other fees collected by the City that are not considered eligible for waivers include fees which are collected on behalf of other agencies (such as Larimer County, Poudre Fire Authority and

Poudre School District) and plant investment fees for utilities. The detailed breakdown of total fees and waived fees for a recent project can be found in **Attachment 2**

Since 2015, the City has issued fee waivers on 5 Affordable Housing developments. Those projects yielded a total of 169 units serving the $\leq 30\%$ AMI level. After issuing recent fee waivers, City staff from Sustainability and Planning, Development, & Transportation Service Areas mapped out the end-to-end process and identified multiple inefficiencies.

Staff between the Service Areas collaborated to identify opportunities to simplify the process. The proposed new process would include a flat amount per qualifying unit. This amount would be deposited into a trust account owned by the City and used by the developer to pay any balances owed to the City. By providing an offset to fees in this manner, all fees are paid and therefore there is no need to reimburse City departments with backfill funding.

There is a large benefit to the developer in that they would know early in the project the exact amount of fee offset they will receive (currently this must be calculated and is not solidified until later in the project). In addition, there is a benefit to developer cash flows as they would not have to bring money to the project first and wait for reimbursement. For City Staff there would be no need to do iterative calculations on waiver amounts nor create a different financial model for each development. The processing time involved is also greatly reduced by using the trust account method.

Staff recommends the fee offset amount be set to \$13,500 per qualifying unit in a new development project and \$5,500 per qualifying unit in a re-development project. These amounts are based on analysis which calculated what would have been issued to previous projects if they were constructed under the updated 2020 fee structure. The results of that analysis are included in the below table. Fixing the amount of the fee offset per unit would be more predictable for the City and for prospective developers.

Project	Year	Actual			Proforma Based on 2020 Fee Updates	
		Fee Waivers	# of 30% AMI Units	Waiver per Qualifying Unit	Proforma 2020 Waiver Amount	Proforma Waiver per Qualifying Unit
Redtail Ponds	2015	\$ 274,762	40	\$ 6,869	\$ 512,300	\$ 12,808
Village on Redwood	2017	\$ 100,708	13	\$ 7,747	\$ 185,842	\$ 14,296
Oakridge Crossing	2018	\$ 90,923	13	\$ 6,994	\$ 172,882	\$ 13,299
Village on Horsetooth	2018	\$ 352,319	43	\$ 8,193	\$ 595,737	\$ 13,854
Mason Place	2020	\$ 326,081	60	\$ 5,435	\$ 317,572	\$ 5,293
TOTAL		\$ 1,144,793	169	\$ 6,774	\$ 1,784,333	\$ 10,558

While any Affordable Housing units that serve $\leq 30\%$ AMI currently qualify for a fee waiver, the individual requests are evaluated, approved, and appropriated separately by the City Council. Council can then provide direction on which funding sources to use for the appropriation. This would continue under the proposed fee offset process.

ATTACHMENTS

1. Staff Presentation
2. Fee Schedule for Village on Horsetooth



Affordable Housing Fee Credit Proposed Changes
Victoria Shaw, Noelle Currell, Sue Beck-Ferkiss

Council Finance Direction Sought

- Is Council Finance supportive of the proposed new administrative structure for Affordable Housing Fee Subsidy?

Incentivizing 30% AMI Units

Resource	Serves up to 80% AMI	Serves up to 30% AMI	Requires Permanent Affordability	Requires Ownership
Affordable Housing Capital Fund	X			
Competitive Process Grant	X			
Fee Waivers		X		
Private Activity Bond	X			
Development Incentives (<i>Density Bonus, Priority Processing, Fee Delay</i>)	X			
Land Bank Program	X		X	
Land Trust Partnership	X		X	X
Special Taxing District	X			

Historically Eligible for Fee Waiver

- ✓ Development Review
- ✓ Building Permit
- ✓ Capital Expansion (e.g. Fire, Parks, Streets)

Not Waived

- Fees collected on behalf of other agencies (County, PSD, other utilities)
- Utilities Plant Investment Fees

Waiver Amount Calculation

Apply % of total units that serve up to 30% AMI against total eligible fees

Current Fee Waiver Calculation

Apply % of total units that serve up to 30% AMI against total eligible fees

- Hypothetical Scenario:
 - 25 Unit Development; 5 Units serving up to 30% AMI

Qualifying Units	Total Units	% Development $\leq 30\%$ AMI
5	25	20%

- Total Fees of \$500K; Waivable Fees of \$250K

Total Fees	Waivable Fees	% Development $\leq 30\%$ AMI	Waiver Amount
\$500K	\$250K	20%	\$50K

- Waiver approval and appropriation require Council approval
- \$50K waiver amount may be backfilled within the City

- Past 5 Affordable Housing projects with fee waivers:

Project	Backfill of Waivers			Backfill Sources		
	Total Waivers	% Backfilled	Total Backfill	General Fund	Transportation Fund	AHCF
Redtail Ponds	\$ 274,762	85%	\$ 233,781	\$ 274,199	\$ -	\$ -
Village on Redwood	\$ 100,708	0%	\$ -	\$ -	\$ -	\$ -
Oakridge Crossing	\$ 90,923	100%	\$ 90,923	\$ -	\$ -	\$ 90,923
Village on Horsetooth	\$ 352,319	83%	\$ 292,345	\$ 179,845	\$ -	\$ 112,500
Mason Place	\$ 326,081	90%	\$ 294,054	\$ 190,554	\$ 3,500	\$ 100,000
Total	\$ 1,144,793	80%	\$ 911,103	\$ 644,598	\$ 3,500	\$ 303,423

- 28% of Affordable Housing Capital Fund dollars have been expensed on waivers to date

Proposed Structure

- Grant a lump amount per each unit that serves up to 30% AMI
- Deposit amount into trust account held with City for when permits are issued
- Developer may use funds from trust account to pay any balances due to City

Other Considerations

- Amount of per unit subsidy to be updated every 4 years with the fee update process and tied to historically waivable fees
- Would require code updates to implement

Proposed Fee Offset Amount

Project	Year	Actual			Proforma Based on 2020 Fee Updates	
		Fee Waivers	# of 30% AMI Units	Waiver per Qualifying Unit	Proforma 2020 Waiver Amount	Proforma Waiver per Qualifying Unit
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TOTAL		\$ 1,144,793	169	\$ 6,774	\$ 1,784,333	\$ 10,558

- To date, waivers for new development construction ranged \$7-8K/unit
- 2020 Development Review Fee updates coupled with new Capital Expansion Fees will increase eligible fees
- Staff recommends \$13,500 per qualifying new development unit & \$5,500 per qualifying re-development unit
- Recommendations intended to be financially neutral

A large, light blue plus sign with a thin black outline, positioned to the left of the "City Benefits" section.

City Benefits

- Reduced City staff time
- City holds its own cash in trust account unit permits are issued

A large, light blue plus sign with a thin black outline, positioned to the right of the "Developer Benefits" section.

Developer Benefits

- Incentive amount is known at the beginning of the process
- Developer does not have to float cash and wait for reimbursement

Council Finance Direction Sought

- Is Council Finance supportive of the proposed new administrative structure for Affordable Housing Fee Subsidy?

ATTACHMENT 2

Village on Horsetooth

Summary of City of Fort Collins Bills & Payments

Total - All 10 Buildings						
Type	Fee Description	Fee Amount	Fee Eligible for Waiver	% of Qualifying Units	Total Waiver	
Building Fees	Building Permit Fee w/Subs	\$ 79,826	\$ 79,826	45%	\$	35,922
Capital Expansion Fees	Fire Captial Exp (Res)	\$ 38,114	\$ 38,114	45%	\$	17,151
Capital Expansion Fees	General Govt. Capt. Exp. (Res)	\$ 46,328	\$ 46,328	45%	\$	20,848
Capital Expansion Fees	Parkland: Community	\$ 147,056	\$ 147,056	45%	\$	66,175
Capital Expansion Fees	Parkland: Neighborhood	\$ 173,368	\$ 173,368	45%	\$	78,016
Capital Expansion Fees	Plan Check Fee	\$ 38,435	\$ 38,435	45%	\$	17,296
Capital Expansion Fees	Street Oversizing Fee: Res-Multi	\$ 225,784	\$ 225,784	45%	\$	101,603
Development Review Fees	Police Capital Exp. (Res)	\$ 19,004	\$ 19,004	45%	\$	8,552
Storm Drainage DR Fee	Sewer Dev. Review	\$ 4,786	\$ 4,786	45%	\$	2,154
Storm Drainage DR Fee	Stormwater Dev. Review	\$ 5,442	\$ 5,442	45%	\$	2,449
Storm Drainage DR Fee	Water Dev. Review	\$ 4,786	\$ 4,786	45%	\$	2,154
Building Fees	Poudre School District (5 or more Units)	\$ 88,920	\$ -	45%	\$	-
Capital Expansion Fees	Larmier County Reg. Road (Res)	\$ 21,944	\$ -	45%	\$	-
Building Fees	Sewer PIF	\$ 275,330	\$ -	45%	\$	-
Building Fees	Stormwater PIF	\$ 22,765	\$ -	45%	\$	-
Building Fees	Water Meter	\$ 6,943	\$ -	45%	\$	-
Building Fees	Water PIF	\$ 177,234	\$ -	45%	\$	-
Building Fees	Water Right	\$ 373,802	\$ -	45%	\$	-
Total - All 10 Buildings		\$ 1,749,865	\$ 782,928	45%	\$	352,319