

**Longmont Housing and Human Services Advisory Board
Minutes of January 10, 2019 Meeting**

- Members Present: Dan Brewington, Jake Marsing, Graham Steers, David Spencer, Brian Coppom, Madelyn Woodley, Ann Baldwin, Council Liaison- Polly Christensen
- Members Absent: Camilo Pineda
- Staff Present: Kathy Fedler, Eliberto Mendoza, Molly McElroy
- TRG Members Present: Sandy Stewart
- Guests Present: Mike King from Mobile Home Park Co-Op Board; from Thistle - Mary Duvall and Elycia Boyer and Alisa Wilson from SB Clark
- Agenda Item 1: *Call to Order:* Kathy Fedler, who facilitated the meeting until a new Chair and Vice Chair are elected, called the meeting to order.
- Agenda Item 2: *Introductions*
- Agenda Item 3: *Public invited to be heard:* Kathleen Norris was present, but declined to speak.
- Agenda Item 4: *Approve minutes from December 13, 2018 meeting.* Jake Marsing moved and Brian Coppom seconded a motion to approve the minutes. The minutes were unanimously approved.
- Agenda Item 5: *Affordable Housing Fund Applications* – Recommendations from the Technical Review Group (TRG): When the TRG met on December 12, 2018 and on January 7, 2019, they reviewed the applications/projects and also had questions regarding information on the applications so staff went back to the two applicants with different questions and asked about different funding scenarios/options. Kathy Fedler sent out the TRG recommendations the morning of January 10, 2019.
- a) Thistle – Scattered Site Rehab (English Village Apartments, Parkville Apartments and Terry Street Apartments). The project will refinance the three properties (tax exempt financing that is currently on these properties is going away) and will include a comprehensive rehabilitation of the facilities. This is a joint application and includes two Boulder properties and three Longmont properties. Staff has presented information on the expenses from the application for the Longmont properties only. The Longmont properties’ loan request portion is for \$38.5 million, of which \$11.5 million is for rehab of the properties. One hundred percent of the 132 total units are low to moderate income housing. Units will become permanently affordable by Longmont putting in this funding. TRG recommended a 2% interest loan of \$600,000 total, with interest only payments for the first ten years, 0% interest with accumulated principal and interest amortized over the next 20 years (total of 30 years). Thistle believes this amount of interest and payment would negatively affect their request from CHAFA. Staff considered and presented a few different options to Thistle and is proposing \$600,000 into the project at a 1% interest only loan for the first 18 years, additional payments of principal from net cash flow would occur in years 16-18 and then start repayment of accumulated interest and principal over the next 12 years (still a total of 30 years). A member of the TRG Board asked about the current existing loans on these three properties, so that was discussed by the COL and Thistle and used in negotiations of this proposal. Based on these negotiations, there will be a cash

repayment of \$261,229 and \$80,000 in existing loans will be forgiven in the next four years. \$150,000 loan would stay in as debt and would be due at the next refinance or sale of the property. **David Spencer motioned to approve the final loan agreement presented and Jake Marsing seconded, unanimously approved.**

- b) Longmont Mobile Home Park Cooperative – Acquisition of Park to become Resident-Owned. Kathy Fedler presented a summary of the application. The TRG is recommending a loan of \$300,000, from Affordable Housing Fund, at 0% until they refinance the ROC USA loan in 10 years. When they refinance the loan, they would repay the total due to the city. Funding this project would help meet several goals including regional consolidated plan, Longmont’s 12% housing goal and Envision Longmont goals.. Mike King– the idea is that the group refinance every 10 years. As new people enter the park they have to join the cooperative board and meet the low-income requirements, currently they are at 68% membership. The cooperative has been formed and has a board. Thistle will provide ongoing technical assistance and support as they form and develop the permanent Co-op Board. Ann Baldwin asked about the increase from \$575 to \$700 in rent and if people are okay and Mike King explained that this was increased to ensure an appropriate level of funds are available to accommodate for inflation and possible repairs needed. If members decide not to join the cooperative, their lot rent is higher than those who are members. The Longmont Mobile Home Cooperative Board approved this increase unanimously. **David Spencer motioned to approve expenditure and Dan Brewington seconded, unanimously approved.**

Agenda Item 6:

Update on new Inclusionary Housing Program and estimated Payment-in-Lieu for redistribution – Kathy Fedler updated the board on the new inclusionary housing ordinance. Program requires 12% of residential development to be affordable housing. Developers can choose to meet this requirement by providing units on site or at a different site, donate land to support units or they can make the payment in lieu. They can also choose to do a combination of these or reach a voluntary alternative agreement. The payment in lieu for for-sale homes is \$7.90 per square foot and for rental homes is \$1.90 per square foot. In regards to rental properties, they can only make the payment in lieu, donate land, or volunteer to agree to provide the units onsite, because of the Telluride Decision. Location of offsite homes can be anywhere in the city but not clustered in HUD/Low/moderate income areas, unless council approves this. There is no minimum size requirement or exemption, unless building a single home on a lot already platted or adding an ADU on a lot that has a primary residence. All developments that did not have final plat or site plan approval by December 24, 2018 have to comply with this ordinance. If a developer creates more than the required 12%, they will earn credits to use for the future or to donate/sell to another developer. Once a unit is sold to an affordable buyer, it is permanently affordable and must be sold to another low/moderate income buyer or there will be a second mortgage that is paid back to the COL if they need to sell outside of the program. A few incentives added by council are if a developer does not want to build affordable but agrees to sell homes between 81% and 100% of area median income those homes will be exempt from the 12% requirement. Any homes sold between the 101-110% of area median incomes would be have to meet 40% of the requirement and any homes sold between 111%-120% of area median income, there would be an 80% requirement. Developers will be able to calculate the requirements on our website. Currently the average density of rental housing is 20 units per acre. If developers are providing housing at a higher density rate, the units in that higher density will be exempt from this 12% requirement. Any fees in lieu collected will be put back into the

Affordable Housing Fund and be used for projects such as purchasing land, building new homes, purchasing existing market housing and converting it to affordable, rehabilitation/preservation of existing affordable housing, etc. Estimate of fee in lieu to be collected is about \$50,000 in 2019 and \$300,000-\$400,000 in 2020.

- Agenda Item 7: *Update on Housing Plan to meet Regional Affordable Housing Plan goals and possible upcoming housing projects* – Kathy Fedler presented to board and asked for feedback on where we should prioritize affordable housing funds. We will start housing needs analysis in 2019 for the consolidated plan for 2020-2024, which will be a more comprehensive look into the needs and goals. This plan looks at how we are going to get to the number of units needed to meet our goal by 2035. We need 3400 new affordable homes - 2000 from new construction (inclusionary zoning, new construction projects) and 1400 by acquiring existing market rate homes and converting them to affordable housing. We will work towards achieving the goal of 3400 new homes by continuing to collaborate with Habitat for Humanity, acquiring land to construct homes and support low income housing tax projects. Preserving existing owner occupied affordable housing, offering our rental rehab program, acquiring and refinancing existing affordable housing that might convert to market, mobile home zoning and or supports (resident owned projects) to ensure long-term affordability in addition to fee waivers and offsets are other ways we will work towards achieving the goal. Brian Coppom asked if there was data to help guide areas of need. Kathy Fedler responded that between 30% and 50% AMI rental housing is the most needed. There was a question if HUD funding is at risk of being delayed because of Government shutdown? Response is yes, there is a possibility that the shutdown will affect the allocation of funding. Jake Marsing suggested 50% AMI and below needs to be the focus because new families wanting to move out on their own and stay in the community fall into the entry-level housing category.
- Agenda Item 8: *2019 CDBG funding available and timeline around Housing and Human Service Needs Assessment for 2020-2024 Consolidated Plan.* Brief discussion on the 2019 funding round. The board was interested in how funds have been used in the past, so staff will pull together historical data on how the federal funds and local Affordable Housing Funds have been utilized in the past and will bring back in February for formal approval provided we are out of the government shutdown.
- Agenda Item 9: *DRAFT 2019 HHSAB Work Plan* – No changes and will discuss in February for formal adoption.
- Agenda Item 10: *Election of Chair and Vice-Chair for 2019* – Dan Brewington nominated Brian Coppom as chair and David Spencer second. After the unanimous agreement, Brian Coppom accepted role as Board Chair. Madelyn Woodley nominated Ann Baldwin as Vice Chair Dan Brewington second. After the unanimous agreement, Ann Baldwin accepted role as Vice Chair.
- Agenda Item 11: *Other business* – Ann Baldwin suggested that we change the time of the board meeting to 5:00PM-7:00PM or 5:30PM-7:30PM. The group decided that it was better to keep it at the 7:00PM-9:00PM timeframe. Eliberto Mendoza mentioned SNAP benefits for February being sent out by January so families are not without benefits. Madelyn Woodley mentioned the possibility of having formal bios and pictures for our group

posted to the website.

Agenda Item 12: *Adjournment:* There being no other business to conduct Dan Brewington motioned to adjourn and Ann Baldwin seconded.