



## **LOVELAND PLANNING COMMISSION MEETING AGENDA**

**Monday, October 09, 2017  
500 E. 3<sup>rd</sup> Street – Council Chambers  
Loveland, CO 80537  
6:30 PM**

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**LOVELAND PLANNING COMMISSIONERS:** Jeremy Jersvig (Chair), Carol Dowding (Vice-Chair), Michele Forrest, Pat McFall, Rob Molloy, Jamie Baker Roskie, and Jeff Fleischer, and Tim Hitchcock

### **I. CALL TO ORDER**

### **II. PLEDGE OF ALLEGIANCE**

### **III. REPORTS:**

#### **a. Citizen Reports**

This is time for citizens to address the Commission on matters not on the published agenda.

#### **b. Current Planning Updates**

- 1. Monday, October 23, 2017 Agenda Preview**
  - i. Foundry Hotel – SDP**
  - ii. Foundry – Vacation**
  - iii. Pfeiff -Annexation**
  - iv. Centerra Parcel 222 Industrial - Rezone**
  - v. Hip Streets Modernization**

2. **Hot Topics:**
  - i. **Unified Development Code process update**
- c. **City Attorney's Office Updates:**
- d. **Committee Reports**
- e. **Commission Comments**

#### **IV. APPROVAL OF MINUTES**

##### **Review and approval of the September 25, 2017 Meeting minutes**

#### **V. CONSENT AGENDA**

The consent agenda includes items for which no discussion is anticipated. However, any Commissioner, staff member or citizen may request removal of an item from the consent agenda for discussion. Items requested to be removed from the consent agenda will be heard at the beginning of the regular agenda.

Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption by the Planning Commission and acceptance by the Applicant of the staff recommendation for those items.

- Does anyone in the audience wish to remove an item from the Consent Agenda?
- Does any staff member wish to remove an item from the Consent Agenda?
- Does any Commissioner wish to add any item from the Regular Agenda to the Consent Agenda or remove an item from the Consent Agenda?

#### **VI. REGULAR AGENDA:**

##### **1. Affordable Housing Code Changes ( Presentation Time: 15 minutes)**

This public hearing is for the purpose of considering amendments to the Title 16 of the Municipal Code. The amendments address a process for providing City incentives to non-profit and for-profit developers to build for-sale, single-family affordable housing units. City Community Partnership staff has prepared a tiered an incentive structure corresponding to the Area Median Income (AMI) of the targeted housing occupants. This approach has been developed with input from the City Council, the Planning Commission, the Affordable Housing Commission and several non-profit and for profit developers. The Planning Commission's role is to make a recommendation on the proposed amendments to the City Council. The City Council public hearing on the amendments is scheduled for October 17th.

#### **VII. ADJOURNMENT**

**CITY OF LOVELAND**  
**PLANNING COMMISSION MINUTES**  
**September 25, 2017**

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A meeting of the City of Loveland Planning Commission was held in the City Council Chambers on September 25, 2017 at 6:30 p.m. Members present: Chairman Jersvig; and Commissioners Dowding, Molloy, McFall, Roskie, Fleischer, and Hitchcock. Members absent: Commissioner Forrest. City Staff present: Bob Paulsen, Current Planning Manager; Laurie Stirman, Assistant City Attorney; Linda Bersch, Interim Planning Commission Secretary.

*These minutes are a general summary of the meeting. A complete video recording of the meeting is available for two years on the City's web site as follows: <https://loveland.viebit.com/>*

**CITIZEN REPORTS**

There were no citizen reports.

**CURRENT PLANNING UPDATES**

1. **Robert Paulsen**, Current Planning Manager, reviewed the agenda items scheduled for the Monday, October 09, 2017 Planning Commission meeting. He alerted the Commission that the Foundry hotel and right-of-way vacation could be a part of this meeting. **Mr. Paulsen** reported that there will also be a public hearing regarding Affordable Housing Code Provisions with Alison Hade of Community Partnership office.
  
2. In regard to the Unified Development Code (UDC) Study Sessions schedule and the public hearing scheduled for October 16<sup>th</sup>, Mr. Paulsen introduced **Mr. Greg George**, Special Projects Manager, for an update on the UDC process. **Mr. George** informed the Commissioners that, following discussions with the Planning Commission, the City Council, and after a development review team/consultant meeting earlier in the evening, he is proposing a new schedule for the finalization of the UDC. This proposed schedule will require moving the completion of the project and subsequent approval by City Council to March of 2018. This change has come about because of the realization that not enough time has been allowed for review of the new code by the technical and professional planning and engineering staff and the desire for more input from the general public through public workshops and/or focus groups. Therefore, it is everyone's best interest to postpone/cancel all study sessions, Title 18 meetings and public hearings currently scheduled for the UDC project. A revised schedule that works for everyone showing the project complete and ready to go to City Council in March of 2018 will be provided as soon as possible.

**Commissioner Roskie** inquired if this meant going back to the original schedule for Title 18 and the Planning Commission meetings. **Mr. George** said a complete schedule will be created that will get us to completion in March of 2018. One that allows time with staff, customers and the community

**Mr. Todd Messenger**, Consultant, informed the group that he did not feel he could deliver a quality product within the current timeframe. He felt a pause of one to one and one/half months would be realistic before study sessions/meetings for Planning Commissioners' would resume. He foresees scheduling a workshop on the complete project draft and the enCode process for the Commissioners as a necessity.

**Commissioner Dowding** asked if the October 16<sup>th</sup> public hearing and the scheduled study sessions would be cancelled and was informed that the Commission would have to take action to cancel those meetings.

**Commissioner McFall** commented that he has was concerned about the pace of the project and this change makes him feel good. He finds reviewing the changes on line hard to follow and wants a hard copy of the final proposal before any public hearings or sooner.

**Commissioner Molloy** notes that there has been quite a bit of standards to go thru and it does help to have the separate pieces. He hopes the links to the completed portions of the code continue to be available as they are developed. **Mr. Messenger** responded that Commissioners will continue to receive links to changes and Commissioner' comments will be addressed weekly.

**Commissioner Dowding** addressed a question about the one of the provisions in the materials scheduled for review tonight regarding churches. **Mr. Messenger** said that because of the long standing federal government's Religious Land Use and Institutional Provisions Act, churches cannot be differentiated from any other place of public assembly. It is not a government function to know if the place of assembly is secular or non-secular.

**Commissioner Dowding** asked for that information to be included in the definition of "place of assembly".

The general consensus of the Commissioners was that the rescheduling of the Unified Development Code was a good move and it was fully supported. The following motions were made to accommodate this change:

*Commissioner Dowding moved to cancel the UDC study sessions scheduled October 2nd and 9<sup>th</sup>. Following a second by **Commissioner McFall**, the motion was unanimously approved.*

*Commissioner Dowding moved to cancel the UDC Public Hearing scheduled for October 16<sup>th</sup>. Following a second by **Commissioner McFall**, the motion was unanimously approved*

*Commissioner Dowding moved to adopt a new schedule as outlined on the record. Following a second by **Commissioner McFall**, the motion was unanimously approved*

## **CITY ATTORNEY'S OFFICE UPDATES**

There was nothing to report from the City Attorney's Office

## **COMMITTEE REPORTS**

There were no committee reports.

## **COMMISSIONER COMMENTS**

There were no comments.

## **APPROVAL OF THE MINUTES**

*Commissioner Dowding made a motion to approve the Planning Commission minutes for September 11, 2017; upon a second from Commissioner Molloy, the minutes were approved with Commissioner Roskie abstaining.*

## **CONSENT AGENDA**

**Mr. Paulsen**, Current Planning Manager, stated that the staff is requesting removal of item 1 from the consent agenda as a notice of objection has been received. The public hearing should be opened to determine if anyone present wishes to speak.

### **2. Thornburg –Hamilton Easement Vacation**

This is a Public Hearing for consideration of a request to vacate a 30-foot access and utility easement on Lot 3, Block 1, Thornburg-Hamilton First Subdivision. As described in item one, the overall development site is approximately 74 acres and is located at the southwest corner of Fairgrounds Avenue and Country Road 30, north of the Larimer County Fairgrounds. The easement on Lot 3 proposed to be vacated is approximately 1.8 acres in size. The vacation of the easement is necessary to accommodate a proposed a multi-family residential development. This easement is unnecessary as new easements accommodating planned future development will be established with approval of the minor subdivision plat for the property; the new plat is currently undergoing administrative review. The applicant is Windsor Plains LLC, represented by Jon Turner. Staff is recommending approval. The Planning Commission's role is to make a recommendation to the City Council for final action.

*Commissioner Dowding moved to approve the Consent Agenda consisting of the Thornburg-Hamilton First Subdivision easement vacation. Following a second by Commissioner Roskie, the motion was unanimously approved.*

## **REGULAR AGENDA**

### **1. Thornburg –Hamilton Mineral Estate Hearing**

This is a Public Hearing to consider a minor subdivision plat that contains a severed mineral estate owner. The property is approximately 74 acres and is located at the southwest corner of Fairgrounds Avenue and Country Road 30, north of the Larimer

County Fairgrounds. The plat proposes to create four new lots to accommodate a multifamily residential development and an elementary school site for the Poudre School District. In accordance with State Statutes, when a plat contains severed mineral owners, a public hearing is required with the Planning Commission. The purpose of the hearing is to provide mineral owners notice and an opportunity to be heard. Any mineral owners objecting to the minor subdivision plat at the public hearing may seek a surface use agreement with the property owner or pursue other civil remedies.

**Ms. Kerri Burchett**, Current Planning, informed the Commissioners that she had just received an e-mail from Anadarko Petroleum Corporation stating their objection to this item. The Applicant and Anadarko will now have 30 days in which to negotiate a surface use agreement or show reasonable access to the site for mineral extraction purposes. This now becomes a civil matter and cannot proceed until this period expires or an agreement is reached.

**Commissioner Jersvig opened the public hearing at 7:02 PM.**

There were no public comments.

**Commissioner Jersvig opened the public hearing at 7:02 PM.**

### **3. Shamrock West (Davis Dental) Preliminary Development Plan**

**Noreen Smyth**, Current Planning, noted that this is a public hearing for consideration of a request to amend the Shamrock West/Greenbriar Preliminary Development Plan to allow development of Lot 3, Block 1, Shamrock West Third Subdivision. The 0.63 acre subject property is located within a developing commercial area along the west side of North Taft Avenue to the south of 43rd Street. The proposed building will accommodate a dental office along with a future complementary office or retail use. In conjunction with the change, the amendment proposes to change the building elevation design required of the subject lot along with updating other details of the PUD as necessary to accommodate the proposed development. The applicant is Paul Battista, Battista Design. Staff is recommending approval. The Planning Commission's recommendation will be forwarded to the City Council, who will have final decision-making authority on this application.

**Ms. Smyth** explained that this lot was originally designated for retail development; however, the office designation would allow for a less intensive use near the existing residential area. She stated that a public hearing is necessary because of the proposed change in the use of the lot. The plan is for a dental office with additional rental office space on this lot. Should the subject request be approved, the applicant will still have to submit a combination final and site development plan for staff review and obtain a building permit. She presented illustrations of the building design and placement.

**Commissioner Hitchcock** commented that there is not much retail in this area now and this is removing more. He asked if this fact was reviewed by staff. **Ms. Smyth** indicated

that such an assessment is not a requirement of the application, and further indicated that there are other lots in the development that are designated as retail that are a better fit for retail than this lot.

The applicant, **Mr. Paul Battista**, introduced himself as the architect for the property. He noted that Dr. Pam Davies Bowers would like to expand her dental practice into this location. The lot has been available for a long time. During the neighborhood meeting, neighbors expressed appreciation for the change to a less dense use and better buffering. He noted that any other changes to the usage in the development would have to undergo this same process. He stated that the change in architectural plans provided a good transition from the residential area. The building is not a two-story structure and the upper windows are designed to provide more natural light into the space.

#### **COMMISSIONER QUESTIONS AND COMMENTS:**

- **Commissioner Dowding** inquired about the garage door illustrated on the east side in the plans. She also noted that this is a very small lot. Mr. Battista replied that the garage door was a temporary design treatment as a tenant for this part of the building is undetermined. For the time being, this entry and space will be left unfinished with the door designed to give potential tenants some options.

#### **CITIZEN COMMENTS:**

**Commissioner Jersvig opened the public hearing at 7:18 p.m.**

There were no public comments.

**Commissioner Jersvig closed the public hearing at 7:18 p.m.**

#### **COMMISSIONER COMMENTS:**

- **Commissioner Molloy** commented that the architecture does look residential in nature. He noted that the landscaping in the buffer area could be less intensely planted and hoped that would be considered on the Final Development Plan.

*Commissioner Dowding moved to make the findings listed in Section VII of the Planning Commission staff report dated September 25, 2017 and, based on those findings, recommend that the City Council approve the Shamrock West Preliminary Development Plan Amendment, as amended on the record. Following a second by **Commissioner McFall**, the motion was unanimously approved.*

#### **ADJOURNMENT**

**Commissioner** Dowding, made a motion to adjourn. Upon a second by **Commissioner McCall**, the motion was unanimously adopted.

**Commissioner Jersvig adjourned the meeting at 7:25 p.m.**

Approved by: \_\_\_\_\_  
Jeremy Jersvig, Planning Commission Chair

\_\_\_\_\_  
Linda Bersch, Interim Planning Commission Secretary.



## MEMORANDUM

**To:** Planning Commission

**Through:** Rod Wensing, City Manager's Office

**From:** Alison Hade, Community Partnership Office

**Date:** October 9, 2017

**Subject:** Proposed amendments to Title 16 at Chapter 16.43 of the Municipal Code regarding affordable housing

### I. SUMMARY

This is a public hearing item. The proposed Community Housing Development code change described below outlines a process for non-profit and for-profit developers to receive incentives from the City of Loveland to build single-family affordable housing (see **Attachment 1** for redlined changes). This final recommendation is the result of a Study Session with City Council on September 26, 2017, as well as the Study Session with the Planning Commission on September 11, 2017. It also came from meetings with the Affordable Housing Commission, Loveland Housing Authority, Loveland Habitat for Humanity, Aspen Homes, Brinkman Partners and LC Real Estate. Recommended is a code change that describes an incentive for developers who construct homes that will be priced as affordable to residents living between 30% and 60% of the area median income (AMI) (**Attachment 2**) and a process for developers to apply to the city for incentives to construct homes that will be priced as affordable to residents living above 60% AMI.

### II. MOTION

Motion to recommend approval to the City Council of amendments to Chapter 16.43 of the Loveland Municipal Code regarding affordable housing as specified in the October 9, 2017 Planning Commission staff report, as amended on the record.

### III. BACKGROUND

The City of Loveland supports affordable housing primarily through the waiver of development, capital expansion (CEF) and other fees for non-profit and for-profit developers. Other fees include utilities and charges that must be reimbursed, or backfilled, by the general fund and cannot be waived outright by City Council. Non-profit developers, namely the Loveland Housing Authority and Loveland Habitat for Humanity, have historically received a waiver of close to 100% of building permit and capital expansion fees, as well as utility fees that require backfilling, for providing housing that is priced as affordable for residents with incomes between 30% and 60% of the AMI. For-profit organizations or developers have historically only received fee waivers that do not require backfilling, with resulting housing

typically priced as available to residents living at 60% of the AMI for rentals and 70% of the AMI for for-sale units.

Considerations discussed during the City Council study session on September 26, 2017, the Planning Commission study session on September 11, 2017 and Affordable Housing Commission meeting on September 14, 2017, including the outcome of the conversation and possible next steps, are as follows:

- **Definition of affordable housing versus work force housing.** Defining both affordable housing and workforce housing was suggested during the Planning Commission study session but was not discussed during the City Council study session. After researching both definitions, the Community Partnership Office believes that current definitions should not be changed and the definition of work force housing should not be added to 16.43.010. The U.S. Department of Housing and Urban Development (HUD) defines affordable housing as any housing in which the household pays no more than 30% of income on housing. Workforce housing is meant to suggest that the occupant is employed at an entry-level income range but can refer to any type of housing. Recently, affordable housing and work force housing have been used interchangeably. Current definitions used for Community Partnership Office housing programs and affordable and workforce housing can be found in **Attachment 3**. Revising the definition in the Municipal Code could reduce the flexibility of the City to review and approve certain unique proposals that can benefit certain residents at different income levels. Additionally, the definition of "affordable" could be specifically defined in any resulting partnership agreements or development agreements.
- **Negotiating incentives for units sold to people at 60% AMI or higher.** The Planning Commission discussed whether granting incentives to housing projects for residents living at 100% of the AMI is necessary or desirable. The Affordable Housing Commission and City Council questioned the response of builders seeking an incentive knowing that another company received one in the past, raising concerns that one builder will compare an incentive against another. The Community Partnership Office believes the Community Housing Development Fund balance can be used to make funding level decisions and help create equity and predictability. Estimates of incentives that the Community Partnership Office anticipates will be requested for planned projects in development by the Loveland Housing Authority and Habitat for Humanity (the City's preferred providers of affordable housing) can be found in **Attachment 4**. This document is provided to show the projected incentive requests that may be requested by those organizations for new single-family and multi-family housing, although all funding requests would still require council approval and may not be approved. Apart from those plans, funding in the Community Housing Development Fund could be used for other project incentives. Whether or not incentives should be granted for people living at 100% of the AMI (or for any project, regardless of the AMI to be served) will be subject to review and approval on a case-by-case basis.
- **Incentives other than fee waivers or reductions.** City Council is interested in other types of incentives and would like to explore allowing increased housing density instead of a waiver of fees. This work will continue with the Affordable Housing Commission as a next step (see PowerPoint slide 6, **Attachment 5**).

- **Working with high quality builders.** City Council asked about a vetting process to ensure partnerships are with quality builders. Questions may be added to the Affordable Housing Designation application to address council concerns. Submitted projects with unknown builders will be thoroughly vetted by the Affordable Housing Commission and may require a site visit to view other completed projects.
- **Elements of a Partnership Agreement.** City Council asked to see the potential elements of a Partnership Agreement. Slide 5 of the PowerPoint shows items that are likely to be a part of every agreement (**Attachment 5**).

#### IV. RECOMMENDATION

##### 1. Incentives for single-family housing [16.43.070(B)(3-4)]

The Community Partnership Office recommends a tiered incentive structure for single-family housing with a greater incentive for housing affordable to residents living between 30% and 60% of the AMI. Loveland Habitat for Humanity is currently the only builder of affordable for-sale homes for very low-income residents and has been receiving an almost 100% waiver of building development and capital expansion fees (including back-filled utility fees and charges) for about 20 years. As recommended, this 100% waiver would be formalized and available to all developers providing housing affordable to residents in the 30-60% of AMI category subject to City Council's approval. The code would retain the language that makes every waiver of fees subject to the City Council's sole discretion.

A new, second tier, of incentives for housing affordable to residents living above 60% of the AMI will no longer be listed showing a specific incentive. The City would not commit to a percentage waiver of fees, but would instead review on a case-by-case basis proposed projects for residents living between 60% and 100% of the AMI. Removing the incentive chart from the code creates more flexibility and allows Council choice in the type of incentive offered, potentially including assistance with infrastructure or other public improvements instead of a waiver or reduction of fees, or a lock in the total cost of fees paid over time. Projects can be evaluated based on the priorities of the Council with a specific commitment described in a partnership agreement.

Specific requirements of all projects in which an incentive is requested will include:

- An Affordable Housing Designation approved by the Affordable Housing Commission and City Council.
- Review of pro forma financials by the City of Loveland with a review by a third party and a cap on the amount of profit received by the company.
- An approved partnership and development agreement.
- An application process for eligible buyers that would include a preference for applicants that live or work in Loveland.

The goal of collaborating with developers building single-family housing is to provide an incentive that is flexible and responsive to market conditions, such as the cost of construction or fluctuation in interest rates. This change acknowledges that no two projects are the same and does not indicate a specific commitment.

## **2. Incentives for multi-family housing [16.43.070(B)(1)]**

City Council approved changes to incentives for multi-family projects in April 2017. Shortly after, the Loveland Housing Authority submitted an Affordable Housing Designation application that did not match 16.43.070(B)(1). The goal of the Housing Authority is to provide more housing for residents living at 30% of the AMI, which requires more housing for residents living at 60% of the AMI to create enough rental income to ensure the project is financially viable. The change shown in the redline code (**Attachment 1**) creates more flexibility for projects while maintaining the overall objective of creating housing for residents living between 30% and 60% of the AMI. This information was presented to City Council on July 5, 2017.

## **3. Sales of deed-restricted housing [16.43.090(B)]**

Protecting city investment by limiting the ability of the owner of a deed-restricted home to sell at a market rate was approved by City Council in April 2017. Projects approved prior to July 1, 2017 will not be affected by this change.

## **V. TERMS**

Area Median Income (AMI) – The Median Income for Loveland is calculated annually by HUD using American Community Survey (ACS) data and includes all of Larimer County. See: <https://www.huduser.gov/portal/datasets/il.html> (To see data: 1) Click here for FY 2017 documentation. 2. Select CO and Larimer County.)

## **VI. POTENTIAL NEXT STEPS:**

Explore and potentially integrate the following elements:

- A cap on assets for applicants for affordable housing, which would eliminate purchasing an affordable house for downsizing. Currently, residents living on a fixed income can sell a home and use the equity to purchase a new, smaller home.
- Limiting the resale value of homes to ensure long-term affordability. See Town of Breckenridge: <http://www.townofbreckenridge.com/home/showdocument?id=7470>
- Additional density or utilizing a flexible zoning overlay.

## **VII. ATTACHMENTS**

- Attachment 1 – Title 16 Code revisions
- Attachment 2 – AMI Tables
- Attachment 3 – Definitions
- Attachment 4 – Community Housing Development Fund spending
- Attachment 5 – PowerPoint Presentation

## **VIII. PLEASE DIRECT QUESTIONS TO:**

Please contact Alison Hade for any questions regarding the items listed above by telephone, email, or in-person.

Alison Hade, Community Partnership Office  
500 E. Third Street, Suite 210  
[alison.hade@cityofloveland.org](mailto:alison.hade@cityofloveland.org)  
970-962-2517

**16.43.070      Exemption from capital expansion fees – designated affordable housing developments and affordable housing units.**

- A. Council may by resolution grant an exemption from all or part of the capital expansion fees or any other fees imposed by the city upon new development, whether for capital or other purposes, upon a finding, set forth in a development agreement, that the project for which the fees would otherwise be imposed is an affordable housing development, and the development has been previously designated as such by resolution of council. When a capital-related fee is waived pursuant to this section, there shall be no reimbursement to the capital expansion fund by the general fund or any other fund, unless the capital-related fee is a utility fee or charge in which case the affected utility fund shall be reimbursed by the general fund.
- B. Exemptions granted pursuant to this section shall be done in accordance with the following tables:
  1. A new development that will contain rental housing and will not include market-rate units for rent may be eligible for a waiver of 100% of capital-related fees and charges or any other fees imposed by the city upon the development, at the discretion of council, if the development meets the following criteria: (a) 100% of the units will be available for rent by persons earning 60% of the area median income or lower, and (b) at least 6050% of the units will be available for rent by persons earning 50% of the area median income or lower.
  2. If granted for a new development that will contain rental housing that does not meet the criteria above, any exemption approved by council shall only apply to individual affordable housing units and, and shall not apply to market-rate units. Unless otherwise approved by council, the exemption shall be calculated as follows:

Percentage of area median income to be served for a particular affordable housing unit	Percentage of fees waived for the particular affordable housing unit
30%	100%
40%	90%
50%	80%
60%	70%

3. A new development that will contain affordable for-sale housing units may be eligible for a waiver of 100% of capital-related fees and charges or any other fees imposed by the city upon new development, at the discretion of council, if those units will be available for-sale to persons earning 60% of the area median income or lower. Such a waiver may only apply to the fees and charges to be imposed on the particular affordable for-sale housing units available to persons earning 60% of the area median income or lower, and may not apply to any market-rate for-sale housing units that may be part of the same housing development.
4. A new development that will contain affordable for-sale housing units to be made available for persons earning 70-100% of the area median income may be eligible for a waiver of capital-related fees and charges or any other fees imposed by the city upon the development, depending upon the unique circumstances of the project and only following specific review and approval of the project by staff and council. To be considered for approval by council of a waiver of fees and charges, the development must contain the following elements, restrictions, or characteristics: (a) designation by council as an affordable housing development, (b) review of pro forma financial analysis of the development by staff and third-party independent consultant, (c) approval of partnership agreement and development agreement with the city, and (d) preference for affordable units to be available for sale to families that currently live or work in Loveland. A waiver of fees or charges, or other economic or infrastructure incentives, may be approved in the sole discretion of council for

projects that meet these characteristics and requirements and further the goal of increasing the supply of affordable housing to the residents of the city

If granted for “for sale” housing, the exemption shall be as follows:

Percentage of area median income to be served	Minimum percentage of units in development set aside as affordable housing	Percentage of fees waived for affordable housing only
40%	5%	90%
50%	10%	80%
60%	15%	70%
70%	20%	60%
75%	25%	25%
80%	30%	15%

45. Notwithstanding the above provisions of this Subsection B, council may increase the percentage of fees waived under this section upon making a finding in its resolution waiving the fees that such percentage increase will serve a public purpose, which public purpose shall be specified in the resolution. Council may also decrease the percentage of fees waived under this section based upon the unique circumstances of a proposed development, the availability of funds, or for any other reason.

- C. Exemptions granted pursuant to this section shall be effective for one year from the date on which the exemption is granted unless extended by council for good cause shown. Any such extension shall be set forth in an amendment to the development agreement approved by resolution of council.
- D. Exemptions for fee waivers under this Title 16, including those capital-related utility fees and charges that must be reimbursed by the general fund, are granted at the sole discretion of council and under the specific terms approved by council.

#### **16.43.090 Sales of deed-restricted affordable housing units.**

- A. Every household-buyer of a deed-restricted affordable housing unit must be income-qualified by the community partnership administrator.
- B. Within the deed-restriction period of a particular affordable housing unit, the owner of a deed-restricted affordable housing unit may only sell or transfer the unit to another income-qualified household unless council approves a hardship waiver of the requirements of this section. The requirements of this section shall not apply to the owner of an affordable housing unit with a deed restriction recorded prior to July 1, 2017 or to those deed restrictions that are related to or the subject of a development agreement between the city and a developer executed prior to July 1, 2017.
- C. Deed restriction hardship waiver and payment required. Council may waive the requirement provided in subsection B, above, to allow an owner of a “for sale” affordable housing unit to sell such unit to a household that does not meet the definition of a qualifying household. Any requests for such deed restriction hardship waiver must be approved first by the affordable housing commission. The affordable housing commission’s denial of a waiver may be appealed to council. A deed restriction hardship waiver granted by council shall require the owner to pay the city the amounts set forth by applying the calculation in the table below:

Number of years from original sale	Amount owed to city
1	95% of net proceeds
2	90% of net proceeds

3	85% of net proceeds
4	80% of net proceeds
5	75% of net proceeds
6	70% of net proceeds
7	65% of net proceeds
8	60% of net proceeds
9	55% of net proceeds
10	50% of net proceeds
11	45% of net proceeds
12	40% of net proceeds
13	35% of net proceeds
14	30% of net proceeds
15	25% of net proceeds
16	20% of net proceeds
17	15% of net proceeds
18	10% of net proceeds
19	5% of net proceeds
20	\$0

In no instance shall the payment required exceed the owner's amount of net proceeds from sale of the affordable housing unit.

## ATTACHMENT 2 – Area Median Income

AMI tables are distributed annually by the U.S. Department of Housing and Urban Development (HUD).

### 2017 HUD Income Guidelines

Larimer County

Issued April 2017

# of Persons in Household	1	2	3	4	5	6	7	8
100%	\$53,800	\$61,500	\$69,200	\$76,800	\$83,000	\$89,100	\$95,300	\$101,400
80%	\$43,040	\$49,200	\$55,360	\$61,440	\$66,400	\$71,280	\$76,240	\$81,120
75%	\$40,350	\$46,125	\$51,900	\$57,600	\$62,250	\$66,825	\$71,475	\$76,050
70%	\$37,660	\$43,050	\$48,440	\$53,760	\$58,100	\$62,370	\$66,710	\$70,980
60%	\$32,280	\$36,900	\$41,520	\$46,080	\$49,800	\$53,460	\$57,180	\$60,840
50%	\$26,900	\$30,750	\$34,600	\$38,400	\$41,500	\$44,550	\$47,650	\$50,700
40%	\$21,520	\$24,600	\$27,680	\$30,720	\$33,200	\$35,640	\$38,120	\$40,560
30%	\$16,150	\$18,450	\$20,750	\$24,600	\$28,780	\$32,960	\$37,140	\$41,320

The table below shows that a family of three making 70% of the AMI (\$48,440) can afford a mortgage of about \$150,000.

### Affordable For-Sale by AMI

AMI	Family of 3	Family of 4
70%	\$ 150,000	\$ 165,000
80%	\$ 170,000	\$ 190,000
90%	\$ 190,000	\$ 210,000
100%	\$ 210,000	\$ 235,000

## **ATTACHMENT 3 – Definitions**

### **16.08.010 Definitions.**

B. As used in this title:

“Affordable housing development” means a development that received a designation as such by council by resolution in accordance with Section 16.43.035 and that is a housing development, either for-sale or for-rental housing in which a percentage of the total proposed units, as determined by council, are affordable to households earning a percentage of qualified income, as determined by council. As used herein, “affordable” shall mean that the monthly cost of a rental housing unit is no more than the monthly rent set forth by income and rent tables released annually by the Colorado Housing and Finance Authority, a copy of which is on file with the city clerk’s office.

“Affordable housing unit” means a single unit of housing that is located within an affordable housing development, or a single unit of housing constructed on a single lot as part of development or redevelopment within a previously platted subdivision, and that is made available to a qualifying household.

“Net proceeds” shall mean the seller’s sales price for the real property being sold less seller’s original purchase price for the real property and less seller’s customary closing costs reasonably incurred in such sale.

“Qualified income” means the median annual family income as adjusted for household size, as established by the United States Department of Housing and Urban Development.

“Qualifying household” means a household in which the combined income of all wage earners, who are over the age of eighteen and who are not full-time students, is eighty percent or less of qualified income and in which no household member has an ownership interest in an existing residential property.

## **AFFORDABLE HOUSING**

### **affordable housing**

NOUN

subsidized housing for people on lower incomes in which rent or mortgage costs do not exceed a specific percentage, usually 30 percent, of the gross annual household income

## **WORK FORCE HOUSING**

**Workforce housing** is a term that is increasingly used by planners, government, and organizations concerned with housing policy or advocacy. It is gaining cachet with realtors, developers and lenders. **Workforce housing** can refer to any form of housing, including ownership of single or multi-family homes, as well as occupation of rental units.

**COMMUNITY HOUSING DEVELOPMENT FUND**

**GOAL:** Improve the quality of life for Loveland residents through partnerships that address the community issue of housing and homelessness.

Year	Fund Balance	Project	# of Units	Dollars Leveraged
<b>2017</b>	\$ 400,000			
	\$ (57,747) Habitat for Humanity		5	\$ 750,000
	\$ (10,000) LHA The Edge (year 2 of 3 for homeless case management)			
	<b>\$ 332,253</b>			
<b>2018</b>	<b>\$ 832,253 Adding \$500,000 each year starting in 2018. All amounts are estimates.</b>			
	\$ (58,000) Habitat for Humanity		5	\$ 850,000
	\$ (10,000) LHA The Edge (year 3 for homeless case management)			
	\$ (430,000) LHA multi-family senior housing		60	\$ 12,000,000
	<b>\$ 334,253</b>			
<b>2019</b>	<b>\$ 834,253</b>			
	\$ (70,000) Habitat for Humanity		6	\$ 930,000
	\$ (450,000) LHA multi-family housing. Potential for homeless.		72-84	\$ 14,000,000
	\$ (45,000) LHA multi-family housing		8	\$ 1,280,000
	<b>\$ 269,253</b>			
<b>2020</b>	<b>\$ 769,253</b>			
	\$ (81,000) Habitat for Humanity		7	\$ 1,060,000
	\$ (475,000) LHA multi-family housing		84	\$ 14,000,000
	<b>\$ 213,253</b>			
<b>2021</b>	<b>\$ 713,253</b>			
	\$ (93,000) Habitat for Humanity		8	\$ 1,190,000
	\$ (425,000) LHA multi-family housing with complete neighborhood		60	\$ 12,000,000
	<b>\$ 195,253</b>			
		<b>Total housing units and leveraging amount</b>	<b>243</b>	<b>\$ 58,060,000</b>

Estimates listed above are only projected, not committed appropriations, used to provide a projected estimate of currently-anticipated affordable housing projects by the City's preferred providers.

# COMMUNITY HOUSING DEVELOPMENT CODE

Planning Commission

October 9, 2017

# HISTORY

- Planning Commission Study Session – 9/11/17
  - *Definitions at 16.08.010*
  - *Incentives for families at 100% AMI*
- Affordable Housing Commission – 9/14/17
  - *Consistency of incentives*
- City Council Study Session – 9/26/17
  - *Consistency of incentives*
  - *Other types of incentives*
  - *High quality builders*
  - *Partnership Agreement*

# 16.43.070 Changes

- Rentals for 30%-60% AMI –
  - *50% of all units need to be available to families earning 50% AMI or lower*
  - *Change from 60% of all units*
- Homes for sale between 30%-60% AMI – up to 100% waiver.
- Homes for sale at 60%-100% – may be eligible for a waiver.
- Sale of deed-restricted housing grandfathered.
- Requirements

# REQUIREMENTS

- Approved Affordable Housing Designation
- Financial Review
- Partnership Agreement
- Live/Work Loveland

# PARTNERSHIP AGREEMENT

- For City: milestones, process, result
  - *AMI level served*
  - *Cost of housing*
  - *Application criteria and process*
- For Partner: description of incentives

# NEXT STEPS

- Cap on assets prior to buying
- Appreciation limits
- Density/Flexible Zoning Overlay

# HOUSING in Loveland

## For Rent



Room for rent \$600



LHA - The Edge



Lakemont Place \$1,100



Greens at Van de Water \$1,500

## For Sale



Cost = \$59,000  
Lot rent = \$600



Habitat for Humanity



400 sf x 2 = \$170,000?



\$210,000

Assumes family of 3

AMI	30%	40%	50%	60%	70%	80%	90%	100%
Income	\$ 20,760	\$ 27,680	\$ 34,600	\$ 41,520	\$ 48,440	\$ 55,360	\$ 62,280	\$ 69,200
Affordable Rent	\$ 519	\$ 692	\$ 865	\$ 1,038	\$ 1,211	\$ 1,384	\$ 1,557	\$ 1,730
Mortgage	\$ 62,909	\$ 83,879	\$ 104,848	\$ 125,818	\$ 146,788	\$ 167,758	\$ 188,727	\$ 209,697

# Discussion