



Legislation Text

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Department of Community Development

Reference: Reduction of Fees and Affordable Housing Agreement for Libretto Senior Apartments Phase II

To: Mayor Kenneth J. Kreutzer and Members of City Council

Through: Philip A. Rodriguez, City Manager

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Date Prepared: December 6, 2018

PURPOSE

Based on the direction provided by City Council at their November 27, 2018 and December 11, 2018 Study Sessions, this item is being brought before City Council for their review and consideration of reducing and waiving certain fees for the Libretto Senior Apartments Phase II Project (the "Project") and entering into an Affordable Housing Agreement with HC Brighton Libretto 2011 LP and Hendricks Communities, LLC (collectively, the "Developer"). Per Brighton Municipal Code, such an agreement shall be presented to City Council for their decision.

STRATEGIC FOCUS AREAS

1. Recognizable and Well-Planned Community
2. Strong Regional Relationships and Partnerships

Additionally, this project fits into the 'Recognizable and Well-Planned Community' Section of the 2018-2019 Business Plan, as it aligns with the third item being to "promote, support, and advocate for redevelopment projects in the core city including areas north of Strong Street and south of Egbert Street."

BACKGROUND

On November 8, 2018, pursuant to the requirements of Section 3-5-50 of the Municipal Code, a representative of HC Brighton Libretto 2011 L.P. and Hendricks Communities, LLC, submitted to the City an Application for Affordable Housing Assistance (*attached*) that requested a reduction in or the waiving of certain development fees. Phase II is planned to consist of 42 units that will be deed-restricted to residents aged 62 and over. The development's site plan has received administrative approval from the Development Review Committee and the Developer plans to submit plans to the City's Building Division in December of 2018. The Brighton Housing Authority (BHA) will eventually take full ownership of the property.

At the December 11, 2018, Study Session, staff went in-depth on the proposed fee reductions and waivers for the Project. Additionally, staff provided information on recent projects in the City that have received fee reductions and waivers for affordable housing.

CRITERIA BY WHICH COUNCIL MUST CONSIDER THE ITEM

Municipal Code Article 3-5, 'Development Impact Fees', outlines the fees that are eligible for reduction or subsidy by City Council.

SUMMARY OF FINDINGS / STAFF ANALYSIS

The application submitted by the Developer outlines all the necessary items as required by Section 3-5-50.

Staff has prepared an Area Median Income (AMI) Housing Matrix Fee Reduction Sheet for the Project (*attached*). This sheet outlines the fee reductions and waivers that are available under the Municipal Code at the discretion of City Council. The sheet outlines that the Developer will pay proportionately reduced fees for water, sewer, and drainage as adjusted to the AMI percentage of the unit mix. As an example, the Developer will pay 30% of the standard fees for units at 30% AMI, and 60% for units at 60% AMI. If approved, the Developer will pay full fees for building permits and plan check fees. Fees that meet the criteria for a full waiver include the use tax on construction materials, park impact fees, crossing fee, and traffic impact fee.

The Project has a valuation of \$6,750,000. For the 42 planned units, 5 units will be at 30% of the AMI, 12 units will be at 40% AMI, 17 units will be at 50% AMI, and 8 units will be at 60% AMI. 100% of the units are subject to some form of affordable housing. The Project is calculated to have a Standard Fee Total of \$856,997.82. The amount of the proposed fee reductions and waivers will be \$565,106.20, therefore the remaining fee that the developer will pay is \$291,891.62.

PUBLIC NOTICE AND INQUIRY

Notice of this item will be carried out with the standard posting of a scheduled meeting of the City Council. As such, staff will discuss any formal comments received at the December 18, 2018, City Council meeting.

STAFF RECOMMENDATION

City staff is recommending approval of the reduction and waiving of fees as discussed for the Project, and approval of the Affordable Housing Agreement for the Project. Two draft resolutions have been provided to the Council should it decide to proceed with approval for each item.

OPTIONS FOR COUNCIL CONSIDERATION

The City Council has four options when reviewing each resolution as a separate measure. City Council may:

- 1.) Approve the Resolution as drafted;
- 2.) Approve the Resolution with specific changes;
- 3.) Deny the Resolution as drafted with specific findings to justify the denial; or
- 4.) Continue the item to be heard at a later, specified date.

ATTACHMENTS

- Draft Resolution Approving the Reduction of Fees
- Draft Affordable Housing Agreement
- Draft Resolution Approving the Affordable Housing Agreement
- Libretto Senior Apartments Phase II - AMI Housing Matrix Fee Reduction Sheet
- Application for Affordable Housing Assistance
- Draft City Staff PowerPoint