



Legislation Text

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Department of Community Development

Reference: Libretto Senior Apartments Phase II Fee Discussion

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

Through: Philip A. Rodriguez, City Manager

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PURPOSE

The purpose of this Study Session item is to provide details on the formal request that will be before City Council at their December 18, 2018, meeting regarding affordable housing assistance for the Libretto Senior Apartments Phase II Project ("the Project"). Additionally, City staff would like to provide information on past affordable housing projects.

STRATEGIC FOCUS AREAS

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

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 (collectively, the "Developer"), submitted to the City an Application for Affordable Housing Assistance (*attached*) requesting 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.

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 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.

Table 1 below compares the Project's fees to other projects in Brighton that have had their fees accordingly reduced or waived since City Council passed a resolution of support for the findings of the Attainable Housing Task Force in 2001.

Table 1. Brighton Housing Projects With Fees Reduced Based on Attainable Housing Matrix

Project	Year	Units	AMI by Unit	Standard Fees	Amount of Fee Reductions / Waivers	Remaining Fee Amount Due From Developer
Libretto II	2019	42 (100% subject)	5 at 30%, 12 at 40%, 17 at 50%, & 8 at 60%	\$856,997.62	\$565,106.20	\$291,891.62
Brighton Housing Duplex Redevelopment	2017	32 (100% subject)	32 at 30% AMI	\$358,432.00	\$215,986.00	\$142,446.00
Windmill Ranch	2017	96 (100% subject)	15 at 30%, 12 at 40%, 32 at 50%, & 37 at 60%	\$2,560,838.00	\$1,467,136.00	\$1,093,701.00
Brighton Village Senior Housing Phase II	2016	63 (100% subject)	20 at 30%, 27 at 40%, 11 at 50%, & 5 at 60%	\$1,174,889.66	\$787,352.19	\$387,537.47
Hughes Station	2013	120 (100% subject)	18 at 30%, 18 at 40%, 51 at 50%, & 33 at 60%	\$989,148.00	\$514,226.00	\$474,922.00
Libretto Phase I	2012	28 (100% subject)	6 at 30%, 9 at 40%, 6 at 50%, & 7 at 60%	\$485,801.92	\$324,975.51	\$160,826.41
Brighton Village Senior Housing Phase I	2010	63 (100% subject)	12 at 30%, 25 at 40%, 20 at 50%, & 6 at 60%	\$1,116,862.00	\$681,256.00	\$435,606.00

Every project in Table 1 was done in coordination with BHA from the beginning, with the exception of Hughes Station, which was eventually acquired by BHA. Please also note that both phases of the Libretto and Brighton Village Apartment Projects are restricted to senior housing.

NEXT STEP

Based on the direction provided by City Council at Study Session on November 27, 2018, City staff is bringing forth a proposed agreement for fee reductions and waivers for the Libretto Senior Apartments Phase II Project, which would go before City Council at their meeting on December 18, 2018.

ATTACHMENTS

- Libretto Senior Apartments Phase II - AMI Housing Matrix Fee Reduction Sheet
- Application for Affordable Housing Assistance
- Draft City Staff PowerPoint