

AGENDA ITEM SUMMARY

City Council



STAFF

Meaghan Overton, Housing Manager
Clay Frickey, Planning Manager

SUBJECT

First Reading of Ordinance No. 059, 2024, Making a Supplemental Appropriation from the Local Planning Capacity Grant for the Affordable Housing and Planning Development Process Improvement Project and Approving a Related Grant Agreement.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate awarded funds from the Proposition 123 Local Planning Capacity (LPC) Grant, administered by the State Department of Local Affairs (DOLA). This \$200,000 grant to the City will support a 12- to 18-month process improvement project intended to reduce development review timelines for affordable housing developments to meet Proposition 123's 90-day "fast track" approval requirements.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

In February 2024, staff applied for a \$200,000 grant from the Local Planning Capacity (LPC) grant program administered by the Department of Local Affairs (DOLA). In March 2024, staff received notification that the City's grant application had been awarded full funding. To begin the project, Council must appropriate the awarded funds.

This project, "Fast Track LEAN Process Improvements," seeks to reduce approval timelines for affordable housing by approximately 50% compared to Fort Collins's baseline approval averages from 2019-2023. Staff plans to achieve this goal through both land use code changes (expected May 2024) and a formal process improvement project utilizing LEAN principles (12–18-month project timeline). Funding will support consultant expertise in LEAN principles and project management, which are critical for a project that seeks to implement process improvement among the 15+ departments involved in development review. Upon completion, Fort Collins will be poised to consistently achieve the 90-day Fast Track requirements under Proposition 123. This project is aligned with and will be managed concurrently with the Development Review Digital Transformation project.

The LPC grant program was established by Proposition 123, the State Affordable Housing Fund, and is one of several new funding programs available through DOLA. The program supports local government efforts to implement systems that expedite the development review process for affordable housing. These funds can also support local government capacity to achieve local affordable housing goals and maintain

eligibility for Proposition 123 funding. The City's project proposal for the LPC grant program was reviewed based on a variety of factors including readiness, impact on housing, support from local leadership, and local context.

Fort Collins has made a local commitment under Proposition 123 which makes the City and its partners eligible to apply for Proposition 123 funds. This most recent award brings Fort Collins' total Proposition 123 funding to nearly \$5 million to date across multiple projects in less than 2 years:

- \$200,000 - Fast Track LEAN Process Improvement (Local Planning Capacity grant program, 2024)
- \$1.6 million - Housing Catalyst's Village on Eastbrook (Land Banking grant program, 2024)
- \$3.1 million - Several awards to partners including Outreach Fort Collins, Homeward Alliance, Fort Collins Rescue Mission, and the Matthews House (Transformational Homelessness Response grant program, 2023)

CITY FINANCIAL IMPACTS

The \$200,000 grant will be appropriated into the General Fund.

This grant requires a 21% local match, which has already been integrated into the project scope and budget for software expenses as part of the development review and permitting digital transformation project.

The grant is reimbursement-based.

There is no ongoing financial impact to the City.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. Exhibit A to Ordinance
3. Grant Award Letter