



## AGENDA ITEM SUMMARY

City Council

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### STAFF

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### SUBJECT

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**Resolution 2026-060 Approving an Option Agreement for the Potential Sale of City-Owned Real Property Located at 314 North Howes Street in Support of Affordable Housing Development.**

### EXECUTIVE SUMMARY

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The purpose of this item is to authorize an Option Agreement granting Housing Catalyst the right to purchase City-owned real property. On October 21, 2025, Councilmembers held an executive session to discuss City owned real estate assets. Following that discussion, staff identified a site for potential partnership with Housing Catalyst to produce a plan for redevelopment of 314 North Howes Street (the "Property"), focusing on affordable housing. The Property is currently owned by the City and supports EcoThrift, which is a private tenant, and has been evaluated for possible disposition to Housing Catalyst. The current tenant's lease expires on September 30, 2026. City staff has negotiated an Option Agreement with the intention to convey 314 North Howes to Housing Catalyst at nominal consideration in support of affordable housing. The proposed resolution would approve an Option Agreement to allow staff to continue negotiations toward a final Purchase and Sale Agreement. The rationale for this proposal is outlined below. The original Resolution is also attached to this AIS.

### STAFF RECOMMENDATION

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Staff recommends adoption of the Resolution.

### BACKGROUND / DISCUSSION

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The City currently owns 314 North Howes Street, also known as LOT 3, PENNY FLATS, FTC (20070007427), Parcel #9711182903, in Downtown Fort Collins, bounded by the Trolley Barn to the north, North Howes Street to the west, Mason Street Flats to the east, and Maple Street to the south (see Location map). The property is located within the North Mason sub-area of the Downtown Plan and is located within the boundary of the Downtown Development Authority (DDA). The 0.87 acre property currently supports "EcoThrift," which functions as a second-hand store for clothing and household items. The other half of the site is utilized for City fleet vehicles and seasonal storage for Parks. While the property has most recently been contemplated for development as a parking garage to serve the future Civic Center build-out, the property is currently platted for development as multi-family housing.



**Current Plans:** Housing Catalyst, the Fort Collins housing authority, plans to include a minimum of 50% affordable housing serving households at 80% Area Median Income (AMI) or below. These units will be deed restricted, to be occupied by and affordable to low-income households for at least sixty (60) years. The Downtown Plan recommends building within the North Mason Subdistrict to be no more than 85 feet in height and between 5 and 6 stories. This is consistent with the other residential buildings that are immediately adjacent to this site. A Phase I Environmental Assessment has been ordered and a Historic Review of existing structures has been completed by the City’s Historic Preservation Department.

Housing Catalyst would manage the project and build the affordable rental units.

**Site’s Appropriateness for Housing:** This site is in a Downtown infill context with jobs, amenities, transportation, education, and recreation all located nearby including:

- Less than 1/8 mile from MAX (Bus Rapid Transit line) and the North Transit Station
- Immediate access to Downtown jobs, goods, and services including groceries, retail shops, and public/community amenities (0.5 miles)
- Proximity to parks and trails including Oak St. Plaza (0.25 miles), Library Park (0.5 miles), Civic Center Park (0.4 miles), and the Poudre River Trail (0.25 miles)
- Access to childcare centers (0.5 miles)
- Proximity to schools (0.5 – 1.0 miles)

**Parking demand:** While the original use contemplated a parking garage, staff are working on alternatives for fleet storage and future parking facilities as part of the Civic Center Plan.

**Donation consideration:** Real Estate Services staff has performed a reconnaissance valuation of the Property (not an appraisal) and have determined the 0.87-acre property has an estimated value range between \$2,250,000 - \$2,500,000, after demolition of the existing structures (an appraisal can be obtained to confirm the estimated value range). To achieve the requirement of reaching incomes below 80% AMI, the project would require a land donation from the City to Housing Catalyst.

The development of this site intends to implement Council's priority to operationalize City resources to build affordable housing and to support the City's adopted housing goals as outlined in the Housing Strategic Plan to achieve 10% deed-restricted, affordable housing stock by 2040. The project as proposed is a mixed-income community in the heart of the downtown area.

### **Adherence to the City's adopted Policy Plans and Goals**

This project meets several goals and strategies within several of the City's adopted policy plans:

- **Previous Council Priority:** Operationalize City Resources to Build Affordable Housing
- **City Plan:**
  - Policy LIV 5.1 - Housing Options: "To enhance community health and livability, encourage a variety of housing types and densities, including mixed-use developments that are well served by public transportation and close to employment centers, shopping, services and amenities."
  - Policy LIV 5.2 – Supply of Attainable Housing: "Encourage public and private sectors to maintain and develop a diverse range of housing options, including housing that is attainable (30% or less of monthly income) to residents earning the median income."
  - Policy LIV 5.4 – Land Supply for Affordable Housing: "Continue to grow and utilize the Affordable Housing Land Bank Program and other programs to create permanently affordable housing units."
  - Policy LIV 5.5 – Integrate and Distribute Affordable Housing: "Integrate the distribution of affordable housing as part of individual neighborhoods and the larger community."
- **Downtown Plan:**
  - This site is located within the North Mason Subdistrict, which is defined as: "An evolving redevelopment area forming a transition from commercial and civic uses to residential and small neighborhood commercial uses compatible with adjacent neighborhoods."
  - "Land uses will complement the Historic Core and Civic Subdistricts with an emphasis on residential, office and studio uses."
- **Housing Strategic Plan:**
  - Affordability Goal: "Fort Collins aims to have 10% of its housing stock be deed restricted and affordable to households making 80% of Area Median Income (AMI) by 2040."

### **Next Steps**

- Housing Catalyst will determine whether to exercise its option to purchase the City property.
- If it does, staff will finalize a Purchase and Sale Agreement and bring that to Council for approval once the parties agree to all terms of the contract.
- Staff will continue coordinating communications with EcoThrift and will address lease/transition steps separately as appropriate.
- Execution of the Purchase and Sale Agreement shall be contingent upon the approval of the City Council..
- Upon execution of the Purchase and Sale Agreement, Housing Catalyst will proceed through the City's Development Review process for any proposed redevelopment.

## **CITY FINANCIAL IMPACTS**

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An internal valuation by City staff, taking the recent appraisals of adjacent and nearby properties into mind, has been completed for the subject property. The staff estimate of value is \$2,250,000 - \$2,500,000. Staff is expected to procure a third-party appraisal to complete the disposition process.

## **PUBLIC OUTREACH**

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Limited public outreach has been conducted, and more is planned by Housing Catalyst once the development review process is underway.

## **ATTACHMENTS / LINKS**

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1. Resolution 2026-021 (copy)
2. Resolution 2026-060