



August 20, 2025

Vanessa Fenley
Housing Manager
City of Fort Collins
222 Laporte Ave
Fort Collins, CO 80521

via email only

**RE: Gap Funding Discretionary Request – Affordable Housing Capital Fund
Switchgrass Crossing – 3800 Mason Street, Fort Collins**

Dear Vanessa,

Thank you for the City's continued support of Volunteers of America (VOA) and funding of \$1.2 mm through the 2025 competitive funding process for the Switchgrass Crossing project. The purpose of this letter is to request additional gap funding from the City so we may close on our financing in early March 2026.

As you know, the City's competitive process funding came with Build America Buy America (BABA) requirements. BABA has put a significant administrative burden (increased soft costs) on the Architect and General Contractor in addition to the increased hard costs which both impact the owner's budget. Switchgrass Crossing has experienced cost escalation caused by these new BABA requirements as well as general continued cost escalation. As a result, VOA has also had to submit a funding request to the State Division of Housing for \$1.0 mm in additional gap funding in addition to making this request to the City.

Volunteers of America is a faith based, national non-profit whose mission is to provide high quality services to uplift our communities most vulnerable populations across a spectrum of clients. In the City of Fort Collins, we provide high quality housing to older adults and a range of services to vulnerable populations. The Switchgrass Crossing development follows up the successful Cadence project developed in 2021-2022 where the residents love living and currently has a 400+ person waitlist.

A brief summary of the project is as follows;

- Unit Mix: 39 one bedroom units + 6 two bedroom units = 45 total units.
- Population: Older adults, age 55+.
- Area Median Income: 30-60% which for Larimer County equates to \$27,000-\$61,000.
- Developer/Owner: Volunteers of America National Services.
- Financing: Low Income Housing Tax Credit (LIHTC), loans and gap funds.

National Services

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- Sustainability Features: All electric, have a solar PV system on the roof, and many other sustainable features. It will be built to Enterprise Green Communities, Energy Star and Zero Energy Homes standards.
- Team: The development (architecture/engineering/general contractor, financing (debt/equity), and ownership (VOA/Housing Catalyst) team will be the same as Cadence.
- Financing Status: Awarded CHFA 9% LIHTC (May, 2025), City of Fort Collins (June, 2025), Debt/Equity LOI (August, 2025), & application for DOH funds (August, 2025).
- Design Status: Working with the City via the Integrated Design Process (IDAP) recently completed Design Development (DD) documents and submitting a Building Development Plan (BDR) this week.
- Timing: Our planned financing closing is March, 2026.

The increasing costs and financing plan require additional City funding. For 2026 as in past years, the City's competitive funding process is anticipated to be applications due in February and awards finalized by City Council in June. This funding timeline does not align with our planned project schedule. Volunteers of America requests discretionary funding of \$1.4 mm in funding from the Affordable Housing Capital Fund to be used for development costs of the Switchgrass Crossing project.

Thanks for considering this request and I can be reached at 303-726-1055 and dsnyder@voa.org if you have any additional questions.

Sincerely,

VOLUNTEERS OF AMERICA

Doug Snyder

Vice President, Regional Real Estate Development

National Services

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