



February 25, 2025

Dear Ms. Sue Beck-Ferkiss,

I am writing to formally request an allocation of private activity bonds (PABs) to support the rehabilitation of CARE Communities' Windtrail Park apartments. CARE Communities is the current owner of this community and will be the developer for this project that will preserve affordable housing opportunities in Fort Collins.

The Windtrail Park rehabilitation aligns with the City's Housing Strategic Plan and meets the criteria for PAB use in preserving affordable housing. This project will ensure long-term affordability for residents while revitalizing a key housing resource in our community.

Under current law, an affordable housing project can receive an allocation of 4% Low Income Housing Tax Credits on 100% of the qualified low-income units if the project is financed at least 50% with tax-exempt bonds. This rehabilitation project will need a total of \$9 million in PABs to meet the 50% PAB test for the 4% LIHTC application we will be submitting in June 2025.

Under current law, an affordable housing project may qualify for an allocation of 4% Low-Income Housing Tax Credits (LIHTC) on 100% of the qualified low-income units if at least 50% of the project is financed with tax-exempt bonds. To meet this requirement, we are seeking a total allocation of \$9 million in PABs, which will enable us to submit our 4% LIHTC application in June 2025. Housing Catalyst has agreed to serve as the bond issuer for this financing.

We respectfully request that the City of Fort Collins allocate a portion of its available 2025 PAB capacity to this project. With this allocation, we anticipate securing all necessary funding commitments by the end of 2025, allowing rehabilitation work to commence in early 2026.

We appreciate your time and consideration of this request. Please let me know if you require any additional information or if you would like to discuss the project further. I look forward to your response.

Sincerely,

Kim Iwanski
Director of Housing Development



City of Fort Collins Private Activity Bonds Request

February 25, 2025

Applicant Information:

CARE Communities, 1303 West Swallow Road, Bldg. 11, Fort Collins, CO 80526

Contacts:

- Kim Iwanski, Director of Housing Development, 970-218-1829, kiwanski@CareCommunitiesNoCo.org
- Tatiana Zentner, Housing Development Project Manager, 970-420-5704, tzenter@CareCommunitiesNoCo.org

Amount requested:

CARE Communities is requesting \$9 million in Private Activity Bonds (PABs) for the rehabilitation of 50 affordable apartments at our Windtrail Park apartment community. This is our only request for PABs.

Bond counsel contact information:

The bond issuer will be Housing Catalyst. The bond counsel will be Taft Stettinius & Hollister.

Contact Information:

Cory Kalanick

675 Fifteenth Street, Suite 2300

Denver, Colorado 80202

CARE Communities' local projects and history of operations:

During its 33 years in business, CARE has developed eight affordable housing communities in Northern Colorado. Seven of these communities are in Fort Collins and one is in Windsor. Over 1,500 people, half of whom are children, call CARE Communities "home."

CARE completed a rehabilitation of its Swallow Road Apartments in 2022. This property is comprised of 84 two- and three-bedroom units. This rehab was very similar to our upcoming rehab, with the goal of maintaining affordability while reviving and restoring an aging apartment community. The Swallow Road Apartment rehab involved extensive updates to apartments while residents were living onsite. Since this was a recent project with a similar scope, existing CARE staff are experienced in executing this project, including the logistics involved with moving residents temporarily as apartments are renovated.

CARE Communities' projects completed in Northern Colorado:

- Greenbriar (1994): New construction, 40 units
- Swallow (1996): New construction, 40 units
- Eagle Tree (1998): New construction, 36 units
- Windtrail (2001): New construction, 50 units
- Fairbrooke Heights (2002): New construction, 36 units
- Cottonwood Townhomes (2007-08): Acquisition/Rehabilitation, 37 Units
- Provincetowne Green (2011): New construction, 85 units
- Swallow Road Apartments (2022): Acquisition/Rehabilitation, 84 Units
- Heartside Hill (to be completed June 2025): New construction, 72 units

Number of years doing business in the State of Colorado and a Certificate of Good Standing from the Secretary of State's office:

CARE Communities has been in business in Colorado for 33 years. Attached is our Certificate of Good Standing.

Description of assets to be purchased or constructed:

CARE Communities is requesting City funds to assist in renovating/rehabilitating its Windtrail Park property. CARE Communities currently owns Windtrail Park, and it will be the General Partner, developer, owner, and property manager of this property throughout the project and post-construction.

Built in 2001, Windtrail Park consists of 50 apartments with 10 of those designated for seniors (55+). This property was developed with Low Income Housing Tax Credits and maintains affordability restrictions. The rehabilitation of this property will reset the affordability restrictions, ensuring it will remain affordable to the community for another 60 years.

This property has not undergone any renovation since it was built, thus the scope of this rehabilitation includes quite a few necessary updates. The most impactful update for residents will be new furnaces that include central air conditioning, as there is currently no central air conditioning in these apartments. Another significant upgrade for residents will be the installation of washers and dryers in each apartment. The renovation includes painting all interiors and exteriors, and replacing flooring, cabinets, and window coverings. We will replace all fixtures and appliances with energy star-rated products, including water heaters, lighting, windows, and water fixtures. Other amenities provided will include covered bicycle storage, community Wi-Fi, and an expanded residential clubhouse that will enhance our youth and resident services programming.

Explanation of how the project aligns with City objectives:

Investing in this project will impact many of the goals in the 2021 Housing Strategic Plan.

Preservation: The City of Fort Collins has set a goal to preserve existing affordable housing. The rehabilitation of this property will preserve existing affordable housing and reset the affordability restrictions for at least another 60 years. Additionally, proceeds from this transaction will be directly invested into the creation of more affordable housing. CARE Communities will invest these funds into our 5-year pipeline of projects and leverage them to bring more funding into our community for future affordable housing.

Healthy Homes: Following the City goal of Healthy Homes, the rehabilitation of these properties will replace outdated, less energy-efficient appliances and fixtures with highly efficient and sustainable products that meet the Enterprise Green Communities program criteria. This green building program includes integrative design, site considerations, water, energy, healthy building, operations/maintenance, and resident engagement. In addition to using ENERGY STAR appliances, WaterSense fixtures, and healthy building materials, CARE is also committed to educating residents about green building principles.

Stable Housing: To help ensure housing stability, CARE has a robust Resident Services program. CARE Communities knows that mental health is equally as important as physical health. Therefore, CARE's Resident Services staff works closely with residents, providing support and serving as vital connectors to services and resources within the community. Additional resident support includes the Housing Success Program (HSP) and



the Sister Mary Alice Fund. The HSP is an opportunity for residents who have violated the lease to cure the issue over an extended period (up to 6 months) by developing an action plan followed by regular progress check-ins with CARE's Resident Services staff. CARE's emergency rent assistance program, the Sister Mary Alice Fund, provides residents with a grant to address emergency situations, including but not limited to, medical expenses, car repairs, and temporary loss of income.

CARE Communities promotes **inclusivity and diversity** as outlined in the Housing Strategic Plan. CARE Communities is a Community Housing Development Organization (CHDO), a private, nonprofit organization that builds affordable housing for its community. A CHDO must be accountable to low-income community residents through significant representation on its governing board. CARE residents are a key component to the organization, and we strive to "lead with the resident's voice." In 2023, CARE launched a Resident Council, a resident-driven group committed to helping improve the quality of life in their communities. Residents have a voice in CARE resident programs, community events, expenditures of program dollars at each property, and strategies to promote vibrant and sustainable communities. One-third of CARE's Board of Directors consists of members from this Resident Council, ensuring their voices are heard in the organization's high-level strategic decisions.

Number of housing units and target demographics:

This development will rehabilitate 50 rental homes for families, seniors, and individuals with disabilities who earn 30-60% of the area's median income.

The AMI unit breakdown is as follows:

- 5 units at 30% AMI
- 25 units at 40% AMI
- 16 units at 50% AMI
- 4 units at 60% AMI

Senior Preference: The Windtrail property has 10 units designated for seniors. CARE Communities will maintain this designation after the completion of rehabilitation.

Statement from bond counsel that the project is eligible for Private Activity Bonds:

Please see attached letter from Taft Stettinius & Hollister f/n/a Sherman and Howard LLC.



OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

COMMUNITY AFFORDABLE RESIDENCES ENTERPRISE, INC.

is a

Nonprofit Corporation

formed or registered on 04/20/1992 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 19921040555 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/30/2025 that have been posted, and by documents delivered to this office electronically through 01/31/2025 @ 11:37:36 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/31/2025 @ 11:37:36 in accordance with applicable law. This certificate is assigned Confirmation Number 16955849 .



Jena Griswold

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."



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February 14, 2025

Mr. Randy Bailey, Controller
City of Fort Collins
City Hall
300 Laporte Ave.
Fort Collins, Colorado 80521

Qualified Residential Rental Project Bonds
(Windtrail Park Apartments Rehabilitation Project)

Dear Mr. Bailey:

We will likely serve as bond counsel in connection with the issuance of the above-captioned bonds (the “Bonds”) by the Housing Catalyst or another “issuing authority” (the “Issuing Authority”) under the Colorado Private Activity Bond Ceiling Allocation Act. CARE Communities is the project sponsor.

The Bonds are to be issued in one or more series in a principal amount to be determined, of which up to \$9,000,000 of such Bonds require additional tax-exempt bond capacity. Assuming that such additional tax-exempt bond capacity is acquired, the Bonds will constitute private activity bonds as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). The Issuing Authority is authorized under the laws and constitution of the State of Colorado, including the Colorado Housing and Finance Authority Act, being Part 2, Article 7, Title 29 of Colorado Revised Statutes, as amended, to issue the Bonds.

The Bonds are intended to finance “qualified residential rental projects” (as defined in Section 142(a)(7) of the Code), including but not limited to the acquisition, construction, rehabilitation and equipping of the Windtrail Park Apartments. The Bonds will constitute “exempt facility bonds” within the meaning of section 146(f)(5)(A) of the Code.

Respectfully submitted,

TAFT STETTINIUS & HOLLISTER LLP