

August 11, 2022

Ms. Sue Beck-Ferkiss
Social Policy & Housing Programs Manager
City of Fort Collins
Fort Collins, CO 80521

Dear Ms. Beck-Ferkiss,

Please accept this letter as the formal request to release the restrictive covenants and allow repayment of the CDBG loan for the property owned by Villages Ltd. located at 331 N. Howes St. The covenant pertains to a single-family home with extensive long-term capital needs.

Over the last decade, Villages Ltd., the 501(c)(3) affordable housing corporation managed by Housing Catalyst, has been liquidating aging, high operating cost single-family homes and duplexes from its portfolio and leveraging the sale proceeds to preserve and to build additional affordable housing in our community.

We respectfully request the release of the restrictive covenants which were placed on this property in exchange for repayment of \$3,000 in CDBG loan funds which were awarded for improvements made many years ago. These covenants would expire in 2023 in accordance with the 20-year loan term from project completion. Because the unit is now vacant, Housing Catalyst has elected to pursue the covenant release and sale of the property now instead of occupying the unit with a new lease.

Additional information:

1. The history of the City of Fort Collins rehab loan
 - a. Issued October 1, 2001, 20-year term from project completion, which occurred in 2003, 0% Interest, Due on Sale
 - b. \$174,931 total award for upgrades on 41 total units at 11 properties
 - c. \$3,000 of the total was used for capital improvements on this one unit located at 311 N Howes St.
 - d. 34 units (3 properties) will remain encumbered by the restrictive covenant (7 single family homes from this loan have already been sold, released from the covenant and portions repaid in 2009, 2010, and 2013)

2. Housing Catalyst's plans for the remaining units encumbered by the covenant
 - a. The 34 remaining units at Elizabeth, Stanford, and Castlerock in this particular loan and restrictive covenant are multi-family units, and Housing Catalyst intends to keep them in the portfolio at this time.



3. History and context of the disposition plan
 - a. Villages Ltd. made a strategic decision to liquidate aging, high operating cost single-family homes from its portfolio and utilize the sale proceeds to leverage additional affordable housing in our community. This particular property was near public housing that has since been sold. The affordable rent structure does not support the ongoing operations of this particular property.

Proceeds from the sale of 331 N. Howes St. will be used to leverage additional units or substantially renovate of existing affordable multi-family units.

4. Detailed information on the buyer in relation to the neighborhood
 - a. Housing Catalyst has not specifically identified a buyer for this property. Housing Catalyst has sold a number of its public housing units to Elevation Community Land Trust (ECLT) and continues to communicate with them about properties that may fit their requirements for affordable home ownership offerings. Housing Catalyst will select the buyer based on furthering the mission of Housing Catalyst while best meeting the needs of the community.

I would be very happy to answer any questions you may have. Thank you for your consideration.

Sincerely,



Michele Christensen
Chief Executive Officer