

MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



AFFORDABLE HOUSING BOARD

REGULAR MEETING

September 1, 2022 4:00-6:00pm

Remote/Online via Zoom due to COVID-19

DRAFT

CALL TO ORDER

At 4:04 PM the meeting was called to order by John Singleton

1. ROLL CALL

- **Board Members Present:** John Singleton, Bob Pawlikowski, Stefanie Berganini, Seth Forwood, Jennifer Bray, and Kristin Fritz.
- **Board Members Absent:** Sheila Seaver-Davis
- **Staff Members Present:**
 - Meaghan Overton, Social Sustainability– City of Fort Collins
 - Noah Beals, City Planning – City of Fort Collins
 - Taylor Reynolds, Minutes – City of Fort Collins
 - Claire Havelda, City Attorney’s Office – City of Fort Collins
- **Guests Present:**
 - Marilyn Heller

*****Excerpt Related to this Resolution Begins Below*****

2. NEW BUSINESS

b. Request from Housing Catalyst to Release Restrictive Covenant

- Kristin Fritz recused herself from discussions and presented the request for the release of the restrictive covenant on 331 N. Howes Street on behalf of Housing Catalyst.
- The current restrictive covenants are set to expire in 2023; however, the property is currently vacant, and Housing Catalyst would like to move forward with the release of the restrictive covenant now rather than have the property remain vacant for several months.
- Housing Catalyst is repositioning their property portfolio from single family homes to multi-family housing to better provide services for their residents.
- This property is a single-family unit in Old Town that remains expensive to own and operate.
- Proceeds from the sale will be leveraged to purchase a 28-unit property.

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- DISCUSSION:
 - Are there any other restrictive covenants that remain on the property from organizations like CHFA?
 - This restrictive covenant with the City is the only one remaining on this property. Neighboring properties have already been released from their restrictive covenants.
 - Can you provide additional information about the 28-unit property that Housing Catalyst currently has under contract?
 - The current owner of the prospective property approached Housing Catalyst to sell it because it currently exists as naturally occurring affordable housing and the owner feels that Housing Catalyst could provide better management and assistance to the residents. Housing Catalyst agreed.
 - If the 28-unit property was originally intended to be traditional student housing, will it become low-income student housing after it's acquired by Housing Catalyst?
 - Housing Catalyst will operate it as unrestrictive until they can determine the best population/ voucher referrals served by this property. Most of the current residents would qualify under any of Housing Catalyst's programs.
 - Why would someone argue against this release of restrictive covenants?
 - Housing Catalyst typically operates permanent affordable housing and releasing this restrictive covenant could be seen as a loss of an affordable housing unit, even if the proceeds will be used to create permanently affordable housing elsewhere.
 - Will Housing Catalyst pursue funding that will require these units to be restricted housing?
 - The property could be purchased without the use of restricted funds to allow Housing Catalyst time to operate it as affordable without it being tied to a specific program.
 - Is Housing Catalyst able to provide a cost-benefit analysis of the sales of select properties for the purchase of others?
 - There are not any exact calculations to compare the cost and benefit of the sale and purchase of another property; however, the cost per unit at the 28-unit site is significantly less than the cost of the single-family unit in Old Town.
 - Housing Catalyst's strategy is to continue to move away from unsustainable, scattered sites and leverage sales of those properties to acquire more efficient and sustainable permanently restrictive units.

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- Is there a manner in which the release of restrictive covenants and inventory of affordable housing units can be tracked?
 - Housing Catalyst is not the only operator of affordable housing units. Many other restricted units exist throughout the city.
 - Ideally, before any restrictive covenants expire City staff are coordinating with the property owner to extend the affordability.
 - Board members discussed inviting Beth Rosen, Grants Compliance & Policy Manager at the City of Fort Collins, to attend an upcoming board meeting and discuss the monitoring of restricted properties.
- Is there a Plan B following the release of the restrictive covenants if the sale of the 28-unit property does not close?
 - The 28-unit property is currently under contract; however, closing is approximately 60-90 days out. Housing Catalyst is always looking for the best ways to leverage funds to acquire or build new affordable units.

Jennifer Bray moved to approve the release of restrictive covenants and receipt of the funds from Housing Catalyst's property as requested. Bob Pawlikowski seconded.

Approved 5-0. Kristin Fritz abstained.