

ORDINANCE NO. 101, 2022
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE RELEASE OF A RESTRICTIVE COVENANT ON PROPERTY
AT 331 NORTH HOWES STREET OWNED BY VILLAGES, LTD.

WHEREAS, on October 1, 2001, the City entered into a Recipient Contract with the Fort Collins Housing Authority, now known as Housing Catalyst (“FCHA”), through which FCHA received a grant from the City of \$174,931 in Community Development Block Grant (CDBG) funds to rehabilitate 41 affordable rental housing units in eleven buildings in Fort Collins (the “Project”); and

WHEREAS, as required by the Recipient Contract, at the completion of the Project FCHA recorded a Restrictive Covenant enforceable by the City on all the units in the Project, requiring the units to remain affordable for twenty years (the “Covenant”); and

WHEREAS, the Covenant is set to expire in October 2023; and

WHEREAS, FCHA used \$3,000 of the grant proceeds to make improvements to a single-family rental property located at 331 North Howes Street (the “Property”); and

WHEREAS, the Property is owned by Villages, Ltd., a 501(c)(3) corporation managed by FCHA; it is currently vacant and has extensive long-term capital needs; and

WHEREAS, the Recipient Contract does not require repayment of the grant funds, but Villages, Ltd. has offered to repay the City’s \$3,000 investment in the Property in exchange for the early release of the Covenant on the Property so that FCHA can sell the Property and use the proceeds for other multifamily housing; and

WHEREAS, the City would add the repaid grant funding to the funds distributed through the Social Sustainability’s annual competitive grant process; and

WHEREAS, the City’s right under the Covenant to restrict the use of the Property constitutes an interest in real property owned by the City that the City would be giving up by releasing the Covenant; and

WHEREAS, Section 23-111(a) of the City Code states that the City Council is authorized to sell, convey or otherwise dispose of any interest in real property owned by the City, provided that the City Council first finds, by ordinance, that such sale or other disposition is in the best interests of the City; and

WHEREAS, the Affordable Housing Board reviewed this request at its regular meeting on September 1, 2022, and voted to support the Council’s granting of this request.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby finds that releasing the Covenant on the Property on the terms and conditions described herein is in the best interests of the City.

Section 3. That the City Council hereby authorizes the City Manager to execute such documents as are necessary to release the Property from the Covenant upon repayment of the \$3,000 in CDBG funds, on terms and conditions consistent with this Ordinance, along with such other terms and conditions as the City Manager, in consultation with the City Attorney, determines are necessary and appropriate to protect the interests of the City or effectuate the purposes of this Ordinance.

Introduced, considered favorably on first reading and ordered published this 20th day of September, A.D. 2022, and to be presented for final passage on the 4th day of October, A.D. 2022.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 4th day of October, A.D. 2022.

Mayor

ATTEST:

City Clerk