

To: Andy Smith, Redevelopment Manager
Fort Collins Urban Renewal Authority (URA)
222 LaPorte Avenue, Fort Collins, CO 80522

Re: Bristlecone Affordable - Request for Conditional URA Financing

Dear Andy,

Following up on our conversations over the past year, the Bristlecone Affordable development team respectfully submits this letter to both formally introduce the project and to make a **request for a commitment of approximately \$1,500,000 to \$2,000,000 in conditional, future subordinate financing** to help complete the project capitalization and demonstrate meaningful local support to Colorado's tax credit allocation agency, CHFA. Through this letter, we hope to outline how our proposed project perfectly complements the URA's mission and activities and how an investment from the URA could unlock and leverage many multiples of its funds from state and federal sources to benefit the North College neighborhood.

Bristlecone Affordable is a proposed 112-unit, new-construction affordable housing community located on a vacant infill parcel on the south side of Bristlecone Drive within the North College URA. The project is designed as a dense, four-story, transit-oriented, elevator-serviced building that will incorporate good urban design and utilize income-averaging to serve a wide range of low- and middle-income households. Recognizing the dire need for family housing in Fort Collins, approximately 51% of our units are designed as two- and three-bedroom floorplans to help serve families and multi-generational households. The development team behind the proposal is a joint venture between MJT Properties, Inc. (Hendricks Communities), who has successfully delivered more than 1,450 affordable housing units over the last 30 years, (including, within Fort Collins, the Northern Hotel, Caribou Apartments, and Fox Meadows), and Featherstone Development, a Denver-based affordable housing developer.

Above-and-beyond the affordability and rooftops the project will bring to the neighborhood, Bristlecone Affordable will also help solve historic infrastructure deficiencies around North College and catalyze significant additional development capacity in the area. First, the project will help "complete the grid" by extending Red Cedar Circle through the property up to Bristlecone Drive, enhancing connectivity and traffic flow. Second, the project will bring very meaningful stormwater upgrades to the area, including constructing and upsizing approximately 3,055 linear feet of regional stormwater pipe at an estimated cost of nearly \$2.5 million, for which Fort Collins Stormwater has full included a full developer reimbursement into their draft 2028-29 budget. This single infrastructure investment provides the necessary stormwater outfall to unlock approximately 23 acres of downstream land for future development.

Additionally, we believe the Bristlecone Affordable will advance specific aspects of the goals outlined in the URA's *North College Community Investment Plan*, including:

- **An Anti-Displacement Anchor:** The North College corridor is home to a large, vulnerable Latinx population. By delivering 112 permanently deed-restricted affordable

homes, Bristlecone will act as an anti-displacement anchor, ensuring that local workforce families can remain in the neighborhood and share in its growing prosperity.

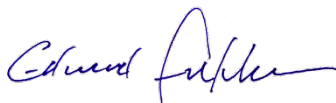
- **Supporting the "Community Hub":** Located just blocks away from the forthcoming Community Hub at 1636 N College, Bristlecone Affordable will provide the critical mass of residential density—the "rooftops"—necessary to support the programming and vitality of this new neighborhood asset.

To deliver on these goals we're working to maximize the impact of local support to leverage state and federal resources. The development will be capitalized by more than \$21 million in Federal 4% LIHTC tax credits and an additional roughly \$9 million in Colorado State AHTC and Transit-Oriented Communities tax credits. However, even with these sources (plus the project's supportable first mortgage and City's \$2.5 million stormwater reimbursement) we anticipate a remaining gap in our sources of between \$2,500,000 and \$3,500,000. Although we will be making additional applications to both Colorado Division of Housing (CDOH) and to Fort Collins Housing and Community Vitality Department, those sources are competitive and uncertain. Therefore, we are hoping to secure URA commitment to stand in as the final "gap" source, contingent on award of the tax credits mentioned above and sized only as necessary to complete the capital stack, up to \$2,000,000. While delivery of these funds at the start of construction is preferable, it's important to note that receipt of funds from the URA could be deferred until *following the completion of the project* (likely 2029), as a "permanent" project source. In that case the development team would be able to bridge these funds during the construction period.

We understand the URA is actively looking to deploy its accumulated tax increment funds into high-impact neighborhood projects before the 2030 sunset. We request that the URA Board consider this financing conditioned entirely upon Bristlecone Affordable successfully securing our tax credit awards. However, because CHFA's State AHTC credits are highly competitive, a demonstration of strong local backing is critical to our scoring and success. Therefore, we respectfully **request to receive an indication of support from the URA prior to our CHFA application deadline of August 3, 2026**. This early indication of support (plus our prior receipt of private activity bonds from City of Fort Collins) will significantly strengthen our application and demonstrate the unified local commitment to this project.

An overview of our project is included with this letter. Please let us know what additional information could be helpful for the URA to further consider our request. We feel strongly that our proposal will be a wonderful complement to the URA's goals and initiatives and we hope to continue the conversation of how a partnership between the URA and the Bristlecone Affordable development team could help make this transformational neighborhood asset a reality.

Sincerely,



J. Marc Hendricks MJT Properties, Inc.
Edward (Ted) Featherstone Featherstone Development, LLC