

AGENDA ITEM SUMMARY

City Council



STAFF

Vanessa Fenley, Sr. Housing Manager
Sue Beck-Ferkiss, Social Policy & Housing Programs Manager

SUBJECT

First Reading of Ordinance No. 205, 2025, Authorizing an Intergovernmental Agreement with Housing Catalyst to Assign Certain City Property Rights.

EXECUTIVE SUMMARY

The purpose of this item is to authorize the City to assign its rights of first refusal and offer under HB24-1175 by entering into an intergovernmental agreement with Housing Catalyst. HB24-1175 gives local governments rights of first refusal and offer to purchase qualifying multifamily properties for the purpose of providing long-term affordable housing or mixed-income development. It also allows local governments to assign those rights to a local housing authority. Assigning the City's rights to Housing Catalyst will create a more streamlined and timely process for Housing Catalyst to respond to opportunities to purchase.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

HB24-1175 was signed into law on May 30, 2024, and went into effect in August 2024. It creates a right of first refusal and a right of first offer for local governments to make an offer to purchase certain types of multifamily rental properties to provide long-term affordable or mixed-income housing. The act also specifies the timeframes in which qualifying properties are required to notify the local government of a sale and in which the local government is required to respond to a notice and submit an offer. The rights created under this act are set to terminate on December 31, 2029, per state statute. Key provisions of HB24-1175 are summarized below.

Eligible Properties

A local government has a right of first refusal to make a matched offer for the purchase of properties that are existing restricted affordable housing projects of at least five units, with the requirement that the local government would preserve those units as affordable housing. Owners of these properties are required to give notice to the local government and the Colorado Housing and Finance Authority (CHFA) when affordability restrictions are expiring and when selling the property. Once the local government has received notice of intent to sell a property, the local government has 14 days to preserve its right of first refusal and an additional 30 days to make an offer.

The act also creates a right of first offer for other multifamily properties that are at least 30 years old and have between 15 and 100 units in the property, with the requirement that the local government would use the property to provide long-term affordable housing or mixed-income development. Upon receiving a notice of intent to sell the property, the local government has seven days to either indicate the local government is interested in receiving due diligence information to assess whether it wants to make a first offer or waiving its rights to purchase the property. After the local government has received any due diligence information from the seller, the local government has 14 days to make an offer or waive its rights.

Assignment of Rights

HB24-1175 allows a local government to assign its rights to a local or regional housing authority on either a case-by-case basis or as a blanket assignment, covering all qualifying properties in the jurisdiction. Housing Catalyst, as the housing authority for the City of Fort Collins, is eligible to accept the City's rights.

City staff considered the impacts of retaining its rights, assigning rights to Housing Catalyst on a case-by-case basis, or assigning its rights to Housing Catalyst as a blanket assignment covering all qualifying properties. The City is not ideally positioned to independently make an offer on multifamily properties and would rely on partnerships with Housing Catalyst and other housing providers to acquire and preserve affordable housing. While the City could retain its rights, assess each situation, and assign its rights to Housing Catalyst on a case-by-case basis, this would create additional administrative hurdles that may impact Housing Catalyst's ability to make an offer given the tight timelines outlined in the act. To create a streamlined process that best enables the community to acquire properties and create or preserve affordable housing, staff has recommended making a blank assignment of its rights of first refusal and offer to Housing Catalyst. These rights would terminate on December 31, 2029, as specified by HB24-1175. The City or Housing Catalyst can terminate the intergovernmental agreement prior to this date with 90 days' notice.

An assignment of rights would require an executed intergovernmental agreement with Housing Catalyst to assign its rights. City staff have negotiated a draft intergovernmental agreement with Housing Catalyst.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

City staff worked with Housing Catalyst to draft the intergovernmental agreement.

ATTACHMENTS

1. Ordinance No. 205, 2025