



March 15, 2023

Beth Yonce
Director of Social Sustainability
City of Fort Collins
P.O. Box 580
Fort Collins, CO 80522

RE: Request for assignment of 2023 Private Activity Bonding Authority

Dear Ms. Yonce:

Housing Catalyst respectfully requests assignment from the City of Fort Collins' 2023 Private Activity Bond (PAB) cap for the purpose of affordable housing development. As the primary developer and operator of affordable housing in Northern Colorado, Housing Catalyst intends to utilize this authorization to further expand affordable housing opportunities within the City of Fort Collins.

As a quasi-governmental entity formed under the state housing statute, Housing Catalyst will be the direct issuer of bonds utilizing the PAB allocation. Therefore, the City of Fort Collins will not be required to provide assistance, nor incur any costs associated with the utilization of the authorized PAB cap.

Housing Catalyst contact information for this request:

Kristin Fritz, Chief Real Estate Officer
415-531-5617 / kfritz@housingcatalyst.com
1715 W. Mountain Ave.
Fort Collins, CO 80521

Amount of Allocation Requested: \$6,289,735

Housing Catalyst is requesting \$6,289,735 of the City of Fort Collins' 2023 PAB allocation. The 2023 award from the City of Fort Collins will be used to fulfill the PAB requirements for qualifying pipeline projects, which may include affordable housing at Montava. Housing Catalyst is aware that CARE Housing currently needs an additional \$4 million in PAB cap from the City of Fort Collins for their current project. To foster local partnerships and ensure the greatest benefit to the community, Housing Catalyst is therefore requesting the balance of the City's 2023 allocation.



Once the PAB cap is allocated to Housing Catalyst, it can be carried over or maintained for 3 years to allow for its utilization in an approved project. Housing Catalyst maintains a robust development pipeline to continue to address the significant need for affordable housing in the community. Any PAB allocation awarded to Housing Catalyst will be utilized to meet this need, either through partnerships or Housing Catalyst's own pipeline of new construction and preservation projects. CHFA has limited PAB per unit to no more than \$175,000. Utilizing this calculation, the \$6.289 million we are requesting will support 36 affordable housing units. The typical size of Housing Catalyst's pipeline projects is 100 units, so we are requesting allocations now to build enough cap to meet the needs of the pipeline in the future.

PAB Awards for Qualified Affordable Housing Projects

- *PAB Awarded in 2022:* \$15,230,059 from City of Fort Collins and Larimer County
- *PAB Awarded in 2021:* \$14,998,888 from City of Fort Collins and Larimer County

Over the past 10 years, Housing Catalyst has developed/preserved over 625 affordable housing units utilizing PAB cap from the City of Fort Collins, Larimer County, and the State of Colorado.

All PAB awarded to Housing Catalyst will be used for current and future affordable housing pipeline projects.

Bond Counsel Firm:

Gilmore & Bell, P.C.

15 West South Temple, Suite 250

Salt Lake City, UT 84101

Principal Contact: Ryan Warburton

801-258-2726 / rwarburton@gilmorebell.com

Description of Applicant's Local Projects and History of Operations: See Attachment A

Number of Years Entity has been doing business in State of Colorado: 51 years

Certificate of Good Standing:

Housing Catalyst was originally formed as the Housing Authority of the City of Fort Collins in 1971 under state statute. As a result, this legal entity does not maintain a corporate filing with the Colorado Secretary of State office and therefore is not required to maintain a Certificate of Good Standing under that entity.



Description of Assets to be Purchased or Constructed:

Housing Catalyst consistently develops affordable housing units at 30% - 80% AMI and maintains a robust development pipeline to continue to address significant demand for affordable housing in Fort Collins and Larimer County. Selection criteria for projects and partnerships prioritize:

- Creating new affordable housing or preserves or sustains existing affordable housing at risk of being lost or adversely affected,
- Including households that earn 30-50% of Area Median Income (AMI),
- Serving special needs populations, such as elderly or persons with disabilities, in all or some units,
- Securing long-term or permanent affordability, and
- Protecting and utilizing local funding resources wisely

Housing Catalyst has been in conversations with the developers of Montava over the last several years and has planned on developing the affordable housing component of the project. Recently, Housing Catalyst learned more about the risks and barriers for a tax credit development in Montava's selected affordable housing location, which is above the grocery store. This structure requires that Housing Catalyst and the Tax Credit Partnership assume the full financial risk associated with the cost and development of both the grocery store and the housing component. This would not be an acceptable risk for LIHTC funders and investors and is not in alignment with Housing Catalyst's core mission. While Montava does not have an interest in considering other locations for the affordable housing development, there may be some opportunity for a different partnership structure that will still involve Housing Catalyst at this location, and discussions about the possibilities are still in the early stages.

See Attachment B for more project information.

Explanation of how project aligns with City objectives:

Housing Catalyst is the primary affordable housing provider, developer, and operator in the City of Fort Collins and is a public housing authority formed under state statute. All projects of Housing Catalyst align with the objectives outlined in the City of Fort Collins 2021 Housing Strategic Plan.

Largely, Housing Catalyst upholds an objective to assist all affordable housing deals in Northern Colorado to come to fruition. This assistance is achieved in several ways, including education,



tracking and prioritizing developments, providing technical expertise in development and financing, and issuing PAB on their behalf.

Number of Housing Units and Target Demographics:

There is a significant shortage of affordable housing units in the community with 99% of the affordable housing units in the area occupied. According to a recently conducted market analysis for Housing Catalyst, there is significant demand for additional family LIHTC rental housing in the area, as evidenced by the low vacancy rates; lengthy waitlists and wait times up to 4 years; the projected renter household growth; and the relatively limited supply of new family LIHTC units in the local development pipeline.

As a mission-driven real estate developer, Housing Catalyst forges public-private partnerships to build and preserve affordable homes to meet the vast and growing need in our community. Our goal is to strategically increase the supply of affordable housing, through new development, preservation, acquisitions, and partnerships. With affordable housing real estate development experience spanning more than 15 years and including both new construction and rehabilitation, we use a Triple Bottom Line model to build healthy and sustainable affordable communities. Our development portfolio includes 961 affordable units in 10 developments financed with Low Income Housing Tax Credits, private activity bonds, and other local, state and federal funding sources. An award of the 2023 City of Fort Collins PAB capacity will assist Housing Catalyst in continuing to develop and preserve affordable units.

Housing Catalyst provides more than a place to live. Our goal is to support residents of all ages for long-term stability. Through our Resident Services Program, we provide direct services and connections to local resources that are vital in supporting our residents. We work with dozens of other nonprofits, service providers and initiatives in our community to expand our residents' opportunities and help them reach their educational, employment and economic goals. Our programs focus on four areas:

- **Stability:** We work with residents on their various needs to ensure they can remain in their homes.
- **Health and Wellness:** We provide a range of activities to support our residents' mental, physical and social wellbeing.
- **Education:** We support our resident parents and their children in achieving success at school.



- **Community Engagement:** We organize activities to cultivate community bonds and nurture a sense of belonging.

Statement from Bond Counsel of Project Eligibility: See Attachment C

Thank you for your consideration. I am happy to provide any additional information as needed.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kristin Fritz', with a stylized flourish at the end.

Kristin Fritz
Chief Real Estate Officer



ATTACHMENT A

DEVELOPMENT RESUME

Housing Catalyst is the largest affordable housing developer and property management company in Fort Collins. Housing Catalyst's affordable housing real estate development experience spans more than 15 years and includes both new construction and rehabilitation. Our development portfolio includes 961 affordable units in 10 developments financed with Low Income Housing Tax Credits, private activity bonds, and other local, state and federal funding sources. With this combination of public and private financing, Housing Catalyst secures long-term financing for each development.

Housing Catalyst uses a Triple Bottom Line model to build healthy and sustainable affordable communities. We are led by a skilled executive team with extensive experience in real estate acquisition, development, management, and financial administration. We create vibrant, sustainable communities, incorporating green building design into all our ventures and serving as a model for high standards in asset and property management, as evidenced by numerous awards for project designs, innovations, environmental sustainability, accountability, and financial reporting.



OAK 140

2023

(79) Studio, 1 & 2 bedroom apartments serving 30% - 80% AMI

- Downtown Fort Collins location
- \$31.5M new construction
- 4% LIHTC, \$13.6M federal and state tax credit investment, \$19.3M Private Activity Bonds, DDA equity, City AHCF

MASON PLACE PERMANENT SUPPORTIVE HOUSING

2021

- (60) 1 & 2 bedroom apartments
- All units at or below 30% AMI, serving individuals experiencing homelessness
- Midtown Fort Collins, transit-oriented development
- \$19.4M new construction
- 9% LIHTC, \$11.9M tax credit investment
- City AHCF, DOH, CDBG, HOME



2022 HOUSING COLORADO EAGLE AWARD

2022 CITY OF FORT COLLINS URBAN DESIGN AWARD

FINALIST: 2021 AFFORDABLE HOUSING FINANCE READERS' CHOICE AWARDS



MYRTLE STREET SINGLE ROOM OCCUPANCY

2021

- 16 apartments at or below 50% AMI, serving those experiencing homelessness and reintegrating adult felony offenders
- \$1M renovation
- City of Fort Collins Affordable Housing Fund, Villages, Ltd. equity

VILLAGE ON SHIELDS

2018

- (285) 1, 2, & 3 bedroom apartments serving 50% - 60% AMI
- \$68M renovation
- 4% LIHTC, \$41.1M federal and state tax credit investment, \$35M Private Activity Bonds, RAD proceeds, CDBG, HOME, Owner loan



2019 NAHRO AWARD OF EXCELLENCE FOR COMMUNITY REVITALIZATION
2019 NAHRO AWARD OF MERIT FOR COMMUNITY REVITALIZATION
2019 CO NAHRO YES! IN MY BACKYARD AWARD



VILLAGE ON HORSETOOTH

2018

- (96) 1, 2, 3 & 4 bedroom apartments serving 30% - 60% AMI
- First City Land Bank Project
- \$27M new construction
- 4% LIHTC, \$12.5M federal and state tax credit investment, \$19M Private Activity Bonds, CDBG-DR, RAD proceeds

2019 NAHRO AWARD OF MERIT FOR PROGRAM INNOVATION IN AFFORDABLE HOUSING



VILLAGE ON REDWOOD

2017

- (72) 1,2,3 & 4 bedroom apartments & townhomes in North Fort Collins serving 30% - 60% AMI
- \$19.4M new construction
- 4% LIHTC, \$10M federal and state tax credit investment, \$12M Private Activity Bonds, RAD proceeds

2018 NAHRO AWARD OF EXCELLENCE FOR PROJECT DESIGN

2018 NAHRO AWARD OF MERIT FOR PROJECT DESIGN

2018 FORT COLLINS UTILITIES ENERGY EFFICIENCY AWARD

REDTAIL PONDS PERMANENT SUPPORTIVE HOUSING

2017

- (60) 1 & 2 bedroom apartments
- All units at or below 30% AMI, serving individuals experiencing homelessness
- South Fort Collins, transit-oriented development
- \$12.5M new construction
- 9% LIHTC, \$8M tax credit investment, CDBG, HOME



2017 ULI COLORADO IMPACT AWARD FOR INFLUENCE

2016 NAHRO AWARD OF EXCELLENCE FOR PROJECT DESIGN

2016 NAHRO AWARD OF MERIT FOR PROJECT DESIGN

2015 HOUSING COLORADO EAGLE AWARD



VILLAGE ON PLUM

2015

- (95) 1, 2 & 3 bedroom apartments serving 30% - 60% AMI
- \$16.1M renovation
- 4% LIHTC, \$5.3M tax credit investment, \$8.75M Private Activity Bonds, Villages, Ltd. equity; previous grantors: City of Fort Collins, DOH

ATTACHMENT B

COMMUNITY NEEDS & DEVELOPMENT PIPELINE PRIORITIES

Housing Catalyst's goal is to strategically increase the supply of affordable housing, through new development, preservation, acquisitions, and partnerships.

According to the 2021 City of Fort Collins Housing Strategic Plan, disproportionate increases in housing costs have continued to place a strain on residents. From 2010–2020, rents in Fort Collins increased 68%, the median sales price of single-family detached homes increased 124%, and the median sales price of townhomes and condos rose 164%. During the same time period, wages increased by just 25%.

With demand for rental homes at an all time high, rents continue to rise. In 2012, 50% of the rental housing stock cost less than \$1,000 per month to rent. In 2018, only 20% of the rental housing stock cost less than \$1,000 per month. More than 60% of renters in Fort Collins are considered “cost burdened,” spending more than 30% of their income on housing.

Similar trends are taking place at the county level. Larimer County has added about 55,000 residents since 2010. Growth is concentrated in incorporated areas, particularly those along the I-25 corridor. According to Larimer County's 2021 Housing Needs Assessment, the median rent in Larimer County increased from \$849 to \$1,228 per month between 2010 and 2018. Renter incomes did not keep pace with the 45% increase.

Housing market conditions, among other factors, have contributed to the number of people experiencing homelessness in Northern Colorado. According to the Northern Colorado Continuum of Care, an estimated 1,500–2,000 individuals are without a stable home. About 600 are experiencing chronic homelessness, having been without a home for at least one year.

As a mission-driven real estate developer, Housing Catalyst forges public-private partnerships to build and preserve affordable homes to meet the vast and growing need in our community.



DEVELOPMENT PROJECT PRIORITIES & CRITERIA

Housing Catalyst consistently develops affordable housing units at 30% – 80% AMI and maintains a robust development pipeline to continue to address significant demand for affordable housing in Fort Collins and Larimer County. Selection criteria for projects and partnerships prioritize:

- Creating new affordable housing or preserves or sustains existing affordable housing at risk of being lost or adversely affected
- Including households that earn 30–50% of Area Median Income (AMI)
- Serves special needs populations, such as elderly or persons with disabilities, in all or some units
- Securing long-term or permanent affordability
- Protecting and utilizing local funding resources wisely

AFFORDABLE HOUSING AT MONTAVA



Montava is a complete community focused on connecting people to their food, the environment, to nature, and to each other. It aims to meet the basic needs of all residents in the community through integrated land use planning, transportation planning, and community design. It will occupy 1,000 acres in Northeast Fort Collins, 3 miles from downtown Fort Collins and 4 miles from Colorado State University.

*LOCATED IN THE APPROVED MONTAVA
METRO DISTRICT*



As part of the approved Metro District, the overall project will ultimately provide 400 affordable homes. The details of the unit mix will be determined based on a future market study, outreach, and the design development process. The units will be located near a park, library, school, town center, and numerous amenities included in the Montava development plans.

The Montava Metro District and Planned Unit Development have been approved by the City of Fort Collins. Construction of infrastructure and site work is expected to begin soon in summer of 2023. The construction of the affordable housing phase is estimated to begin in 2025. All of the homes being built at Montava will strive to meet Department of Energy (DOE) Zero Energy Ready Home (ZERH) Standards.

ATTACHMENT C



15 West South Temple, Suite 1450
Salt Lake City, Utah 84101-1531

(801) 364-5080 / (801) 364-5032 FAX / gilmorebell.com

March 7, 2023

Beth Yonce
Director of Social Sustainability
City of Fort Collins
P.O. Box 580
Fort Collins, CO 80522

Re: Housing Catalyst request for assignment of 2023 Private Activity Bonding Authority
from the City of Fort Collins

Dear Ms. Yonce:

We serve as bond counsel to Housing Catalyst. You will receive this letter as part of a package requesting an assignment from the City of Fort Collins, Colorado of its 2023 Private Activity Bond (PAB) cap to Housing Catalyst. Housing Catalyst intends to use the PAB authority to issue multifamily housing revenue bonds to finance in part the acquisition, construction and/or rehabilitation of one or more multifamily housing apartment developments within the City of Fort Collins. The proposed bonds can be validly issued by Housing Catalyst under Part 2 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended and Article 56, Title 11, Colorado Revised Statutes, as amended. Further, such bonds will be classified as private activity bonds issued as exempt facility bonds for qualified residential rental projects under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended, and consequently will require an allocation of volume cap.

Should you have any questions with respect to this financing please feel free to contact us at any time.

Very truly yours,

A handwritten signature in blue ink that reads "Gilmore & Bell, P.C.".

Gilmore & Bell, P.C.

cc: Julie Brewen, CEO