

RESOLUTION 2026-021
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING NEGOTIATION OF A POTENTIAL DISPOSITION
OF CITY-OWNED REAL PROPERTY LOCATED AT 314 N.
HOWES STREET IN SUPPORT OF AFFORDABLE HOUSING
DEVELOPMENT BY HOUSING CATALYST

A. The City of Fort Collins, Colorado (the "City") is the record fee title owner of the real property located at 314 N. Howes Street, Fort Collins, Colorado, commonly identified as Lot 3, Penny Flats, FTC (Reception No. 20070007427), Parcel No. 9711182903 (the "Property").

B. The Property is currently improved and utilized in part by a private tenant, EcoThrift, and the City has utilized a portion of the site for fleet vehicles and seasonal storage for Parks.

C. The City Council has identified affordable housing as a priority and has expressed interest in operationalizing City resources to support the creation of deed-restricted affordable housing.

D. Housing Catalyst is the Fort Collins housing authority and intends to redevelop the Property to provide a mixed-income residential development incorporating a minimum of fifty percent (50%) deed-restricted affordable housing serving households at or below eighty percent (80%) of Area Median Income (AMI) for a term of at least sixty (60) years (the "Project").

E. To support the financial feasibility of the Project and achieve deeper affordability targets, Housing Catalyst has requested that the Property be transferred in the form of a disposition at nominal consideration.

F. City staff is in the process of negotiating with Housing Catalyst a purchase and sale agreement for the disposition of the Property for nominal consideration, with conditions and protections to ensure the public purpose of the transfer is achieved, including but not limited to a recorded affordable housing covenant and related enforcement mechanisms.

G. The purchase and sale agreement will include conditions requiring Housing Catalyst to provide proof of financing, proof of planning and regulatory approvals, and agreement to lease the Property back to the City on a temporary basis to allow continued interim use until construction commences.

H. The purchase and sale agreement will employ a performance-based protection model previously used in other affordable housing transactions, which may include a promissory note and deed of trust intended to provide the City with remedies in the event Housing Catalyst fails to comply with the affordable housing covenant or other key obligations.

I. Any conveyance of the Property will require approval by ordinance of the City Council following completion of negotiations.

J. The City Council recognizes that the fair market value of the Property is greater than the nominal consideration anticipated for the proposed transaction and finds that the difference between the fair market value and the purchase price constitutes a public investment by the City in the creation of long-term deed-restricted affordable housing.

K. The City Council further finds that such public investment is necessary and appropriate to achieve the City's adopted housing goals, including increasing the supply of affordable housing, and that the expected public benefits of the Project outweigh the value of the consideration to be received by the City.

L. The City Council therefore finds that a disposition of the Property at nominal consideration, subject to appropriate conditions and enforceable affordability requirements, serves a valid public purpose and is in the best interests of the City and its residents.

M. The City Council hereby finds and determines that disposition of the Property in support of affordable housing development as described in this Resolution serves the public health, safety, and welfare and is in the best interests of the City and its residents.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. The City Council hereby authorizes City staff to negotiate a conditional purchase and sale agreement with Housing Catalyst for the potential disposition of the Property, consistent with the public purpose and protections described in this Resolution. Any final purchase and sale agreement or conveyance of the Property shall be subject to approval by the City Council by ordinance.

Section 2. In approving the disposition contemplated by this Resolution and authorizing negotiation and execution of the Conditional Purchase and Sale Agreement, the City does not waive its land use authority or any other legal, regulatory, permitting, or other authority granted to it by law, including the Charter and Code of the City of Fort Collins.

Section 3. The City Council finds that the fair market value of the Property is greater than the nominal consideration anticipated for the transaction, and that the difference constitutes a public investment in affordable housing. The Council further finds that such investment is necessary and appropriate to achieve the public purpose of

creating long-term deed-restricted affordable housing and is consistent with the City's adopted policies and goals.

Section 4. The City Council intends that the purchase and sale agreement and related closing documents will include, at a minimum, the following protections ensuring that the disposition advances the City's public purpose:

1. A recorded covenant requiring deed-restricted affordable housing for a specified term;
2. Conditions precedent to closing (including proof of financing and regulatory approvals);
3. A performance-based enforcement mechanism (which may include a promissory note and deed of trust); and
4. A leaseback or interim use agreement allowing temporary City use of the Property until construction commences.

Passed and adopted on February 17, 2026.

Mayor

ATTEST:

Senior Deputy City Clerk

Effective Date: February 17, 2026
Approving Attorney: April Silva

Exhibit: None