

## AGENDA ITEM SUMMARY

City Council



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### STAFF

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### SUBJECT

**Resolution 2026-021 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.**

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### EXECUTIVE SUMMARY

The purpose for this item is to authorize the negotiation of City-owned real property. On October 21, 2025, Councilmembers held an executive session to discuss City owned real estate assets. Following that discussion, staff identified a site for potential partnership with Housing Catalyst to produce a plan for redevelopment of the property, focusing on affordable housing. The property located at 314 N. Howes Street is currently owned by the City and supports EcoThrift, which is a private tenant, and has been evaluated for possible disposition to Housing Catalyst. The current tenant's lease expires on September 30, 2026. To support the financial feasibility of the project, Housing Catalyst has requested that the disposition occur without fair market value consideration. City staff propose to negotiate a conditional Purchase and Sale Agreement (PSA) with Housing Catalyst for the potential disposition of 314 N. Howes Street at nominal consideration in support of affordable housing. The proposed resolution would authorize staff to negotiate such an agreement, subject to public-purpose protections, and return to Council for final approval of any conveyance by ordinance once the terms are finalized. The rationale for this proposal is outlined below. Final approval of any sale or conveyance of the Property will require adoption of an ordinance by Council following competition of negotiations.

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### STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

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### BACKGROUND / DISCUSSION

The City currently owns 314 N. Howes Street, also known as LOT 3, PENNY FLATS, FTC (20070007427), Parcel #9711182903, in Downtown Fort Collins, bounded by the Trolley Barn to the north, N Howes Street to the west, Mason Street Flats to the east, and Maple Street to the south (see Location map). The property is located within the North Mason sub-area of the Downtown Plan and is located within the boundary of the Downtown Development Authority (DDA). The 0.87 acre property currently supports "EcoThrift," which functions as a second-hand store for clothing and household items. The other half of the site is utilized for City fleet vehicles and seasonal storage for Parks. While the property has most recently been contemplated

for development as a parking garage to serve the future Civic Center build-out, the property is currently platted for development as multi-family housing.



**Current Plans:** Housing Catalyst (HC), the Fort Collins housing authority, plans to include a minimum of 50% affordable housing serving households at 80% Area Median Income (AMI) or below. These units will be deed restricted, to be occupied by and affordable to low-income households for at least sixty (60) years. The Downtown Plan recommends building within the North Mason Subdistrict to be no more than 85 feet in height and between 5 and 6 stories. This is consistent with the other residential buildings that are immediately adjacent to this site. A Phase I Environmental Assessment has been ordered and a Historic Review of existing structures has been completed by the City's Historic Preservation Department.

**Planned Sale & Protections:** The current draft Conditional Contract contemplates transferring the property to HC at a minimal cost of \$10. The sale will include a covenant which requires significant minimum affordable housing development. It will further be protected by a promissory note (or loan) from HC to the City. This "performance loan" can be foreclosed on by the City if HC fails to perform under the covenant. This model was used when the land bank property was transferred at a below-market value at the Birdwhistle Townhomes (f/k/a/Kechter Townhomes) project. Additionally, the draft Conditional Contract will also include conditions for (a) proof of financing, (b) proof of planning approvals, and (c) agreement to lease the property back to the City to operate as parking until construction commences.

Housing Catalyst would manage the project and build the affordable rental units.

**Site's Appropriateness for Housing:** This site is in a Downtown infill context with jobs, amenities, transportation, education, and recreation all located nearby including:

- Less than 1/8 mile from MAX (Bus Rapid Transit line) and the North Transit Station
- Immediate access to Downtown jobs, goods, and services including groceries, retail shops, and public/community amenities (0.5 miles)
- Proximity to parks and trails including Oak St. Plaza (0.25 miles), Library Park (0.5 miles), Civic Center Park (0.4 miles), and the Poudre River Trail (0.25 miles)

- Access to childcare centers (0.5 miles)
- Proximity to schools (0.5 – 1.0 miles)

**Parking demand:** While the original use contemplated a parking garage, staff are working on alternatives for fleet storage and future parking facilities as part of the Civic Center Plan.

**Valuation and consideration:** Real Estate Services staff have performed a reconnaissance valuation of the property (not an appraisal) and have determined the 0.87-acre property has an estimated value range between \$2,250,000 - \$2,500,000, after demolition of the existing structures (an appraisal can be obtained to confirm the estimated value range). To achieve the requirement of reaching incomes below 80% AMI, the project would require a land conveyance from the City to Housing Catalyst.

The development of this site intends to implement Council's priority to operationalize City resources to build affordable housing and to support the City's adopted housing goals as outlined in the Housing Strategic Plan to achieve 10% deed-restricted, affordable housing stock by 2040. The project as proposed is a mixed-income community in the heart of the downtown area.

### **Adherence to the City's adopted Policy Plans and Goals**

This project meets several goals and strategies within several of the City's adopted policy plans:

- **Previous Council Priority:** Operationalize City Resources to Build Affordable Housing
- **City Plan:**
  - Policy LIV 5.1 - Housing Options: "To enhance community health and livability, encourage a variety of housing types and densities, including mixed-use developments that are well served by public transportation and close to employment centers, shopping, services and amenities."
  - Policy LIV 5.2 – Supply of Attainable Housing: "Encourage public and private sectors to maintain and develop a diverse range of housing options, including housing that is attainable (30% or less of monthly income) to residents earning the median income."
  - Policy LIV 5.4 – Land Supply for Affordable Housing: "Continue to grow and utilize the Affordable Housing Land Bank Program and other programs to create permanently affordable housing units."
  - Policy LIV 5.5 – Integrate and Distribute Affordable Housing: "Integrate the distribution of affordable housing as part of individual neighborhoods and the larger community."
- **Downtown Plan:**
  - This site is located within the North Mason Subdistrict, which is defined as: "An evolving redevelopment area forming a transition from commercial and civic uses to residential and small neighborhood commercial uses compatible with adjacent neighborhoods."
  - "Land uses will complement the Historic Core and Civic Subdistricts with an emphasis on residential, office and studio uses."
- **Housing Strategic Plan:**
  - Affordability Goal: "Fort Collins aims to have 10% of its housing stock be deed restricted and affordable to households making 80% of Area Median Income (AMI) by 2040."

## **Communication and Community Engagement**

Staff will communicate with adjacent residents about the potential development of this lot for housing. While further community engagement is not required for affordable housing projects, Housing Catalyst is committed to more communication and engagement as they move through their development process.

### **Next Steps**

- Staff will negotiate a Conditional Purchase and Sale Agreement consistent with the direction provided in the Resolution. Once negotiated, the proposed agreement and conveyance terms will be brought back to City Council for final approval by Ordinance. Following Council action, the Mayor's signature will complete the execution of the Resolution, and staff can proceed with closing steps consistent with Council authorization.
- Staff will continue coordinating communications with EcoThrift and will address lease/transition steps separately as appropriate.
- Staff will engage adjacent stakeholders regarding the anticipated development concept and process.
- After closing, Housing Catalyst will proceed through the City's Development Review process for any proposed redevelopment.

### **CITY FINANCIAL IMPACTS**

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The property is estimated to be worth \$2,250,000 - \$2,500,000 dollars based recent adjacent appraisals. A full appraisal will be conducted as part of this process.

### **BOARDS / COMMISSION / COMMITTEE RECOMMENDATION**

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Due to the time constraints of this project, staff have not taken this proposed land conveyance to any Boards or Commissions for a recommendation.

### **PUBLIC OUTREACH**

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Limited public outreach has been conducted, and more is planned by Housing Catalyst once the development review process is underway.

### **ATTACHMENTS / LINKS**

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1. Presentation
2. Resolution 2026-021