

302 Conifer Middle Income Housing: Redevelopment Agreement



- Consider a Resolution approving a Redevelopment Agreement to grant up to \$100,000 in Tax Increment to support the proposed Middle Income Housing project at 302 Conifer
- Authorizes the Acting Executive Director to execute the agreement, at the time of project finance closing (anticipated later this summer)

- **Loan of \$3.2 million + a TIF grant not to exceed \$100,000** (*tonight's action*)
- **Within the North College Urban Renewal Plan Area boundaries**
 - *Housing = reliable blight prevention and mitigation strategy*
- **59 units (77%) @ 80% or less; and 17 units between 81% and 100% of Area Median Income (AMI)**



Loan: \$3.2 million [*Previously Authorized*]

- ✓ ***11-12% of project cost***
- ✓ ***URA to receive interest payments until capital returned sooner of 12.5 years or significant capital event that releases cash (sale or major cash-out refinance)***

TIF Grant: \$100,000 (not to exceed) [***TONIGHT'S ACTION***]

- ✓ ***100% of estimated property taxes from 17 units not eligible for tax abatement***
- ✓ ***Housing Catalyst to be Special Limited Partner in 302 Conifer which abates the other 59 units***
- ✓ ***Actual amount depends on when project completed***

Purpose

- Offset the property taxes paid on the 17 deed-restricted units occupied by households earning 81-100% AMI
- Support project stabilization in early years

Key Terms

- Eligible for reimbursement of **actual cost** only in 3 of next 10 years
- Amount capped at \$100,000 or 3 requests, whichever occurs first
- Must obtain Certificate of Occupancy no later than Dec. 31, 2030
- Must be in good standing: lenders, affordable covenants, etc.

Commitment

- Set-aside \$100,000 in a specifically designated account
- Account to remain open beyond expiration of North College Urban Renewal Plan Area Tax Increment Finance (TIF) revenue collection period
- Any unspent funds at the end of the 10-year period, or after 3 reimbursement requests will be remitted proportionally to the taxing entities of record at the time of expiration of the TIF collection period

Commitment enables retention after expiration of TIF period

Backup Slides

Estimated Total Development Cost: \$26.2 million

Loans: \$13.6 million

Equity & Credits: \$1.85 million

Prop 123: \$7.0 million

Gap: \$4.2 million



Impact Development Fund

- **URA to be Lender, but Impact Development Fund (IDF) will underwrite and administer loan**
- **IDF is a non-profit Community Development Financial Institution (CDFI) certified by the US Treasury**
- **IDF has growing regional reach and is based in Loveland.**
- **Started as Funding Partners in Fort Collins**



Key Loan Terms

AMOUNT:	\$3.22 million
TERM:	12.5 years
INTEREST:	3% annually
PAYMENTS:	Interest only, annual payment
PRINCIPAL:	Returned upon maturity (12.5 years) or at major capital event

URA loan to be subordinate to Freddie Mac and Colorado Housing & Finance Authority (CHFA) loans

Interest payments to be made from available cash flow, after two other loans but before developer or Prop 123 equity distributions

Unpaid interest will be added to principal amount

Borrower to provide tax returns annually and financial statements upon request

- **URA does not get paid back**
- **Non-recourse after the construction term**
- **Third-position deed of trust**
- **Black Swan Event**

- **URA staff to negotiate and finalize agreement(s) with IDF and developer/borrower**
- **URA Board review May 22, 2025, meeting**
- **Summer 2025: Project Groundbreaking**
- **Summer 2026: Project Ribbon-Cutting**

