

## MEMORANDUM

**DATE:** July 27, 2020  
**TO:** Fort Collins City Council  
**FROM:** Kristin Fritz, Chief Real Estate Officer, Housing Catalyst  
**RE:** Landmark Designation of Three Public Housing Properties

Housing Catalyst is in the process of applying to the Department of Housing and Urban Development (HUD) for approval to reposition our public housing portfolio to a more sustainable affordable housing model through HUD's Section 18 Disposition program. Federal funding for public housing does not adequately cover the costs of necessary maintenance, and units have a backlog of capital needs that continues to grow as the properties age. Therefore, Housing Catalyst is pursuing this repositioning program, which will ultimately allow us to better provide safe, healthy, and affordable homes now and into the future.

In their current status as public housing, properties are owned by HUD and are considered protected from any "adverse effects," which includes any negative impact or alteration to the characteristics of a home with historical significance. HUD wants to ensure that historic homes remain protected even as ownership changes. One of the best methods of doing so is to designate them as historic landmarks, which guarantees adequate City and State review of physical changes to the homes. A potential concern from Housing Catalyst has been whether the proposed designation would add future cost or burden to the future low-income homeowner and/or possibly contribute to the ongoing affordability of the properties. The properties that have been identified for designation as historic landmarks are 331 S. Loomis, 228 Whedbee, and 1016/1018 Morgan. Both City of Fort Collins and Colorado State Historic Preservation Office staff agree that this is the best approach for future protection of these homes.

At the July 21, 2020 meeting, City Council inquired about Housing Catalyst's financial incentive in repositioning its public housing. This repositioning is an opportunity to both preserve existing affordable housing and develop additional affordable units with business models and management methods that are more sustainable and better serve our residents. Housing Catalyst will use the proceeds from the disposition to rehabilitate existing Housing Catalyst-owned affordable housing properties, as well as to develop additional affordable units. In addition, Housing Catalyst will be selling a portion of its public housing portfolio (44 units) to Elevation Community Land Trust (ECLT), a non-profit organization that creates and preserves affordable housing through homeownership opportunities. ECLT purchases homes in need of rehabilitation, updates them, and then offers them for sale as an affordable homeownership option for families earning 80% of the area median income or less.

If you have any further questions, please contact me at [kfritz@housingcatalyst.com](mailto:kfritz@housingcatalyst.com) or (970) 416-2938.