



About Housing Catalyst:

Housing Catalyst serves thousands of Northern Colorado residents each year. As a quasi-governmental agency and housing authority creating public-private partnerships and operating as a non-profit property developer and manager, Housing Catalyst uses a variety of federal, state, and local tools to make homes affordable in Northern Colorado. Housing Catalyst is a mission-driven real estate developer that has been building in Northern Colorado for over 50 years. See the Housing Catalyst website (www.housingcatalyst.com) for more information.

About CARE Housing:

Established in 1992 by a team led by Sister Mary Alice Murphy, CARE Housing is a non-profit organization that develops and manages affordable housing communities while providing supportive services to strengthen and empower residents. CARE is a unique partnership of public, private and faith-based sponsorship with expertise in housing finance, development, property management, and social service. See the CARE Housing website (www.carehousing.org) for more information.

Housing Catalyst and CARE Housing collaborate in the affordable housing space to try to maximize opportunities for those in the community needing affordable housing. They also collaborated in answering the following questions for Westminster Presbyterian Church:

1. What makes the Westminster Presbyterian Church property appealing for the purposes of affordable housing?

It is important that affordable housing developments contribute to promoting equity and economic mobility for residents and our community. The location of the Westminster Presbyterian Church property is ideal for affordable housing for a variety of reasons, including the following:

- Within walking distance of public transportation with a bus stop adjacent to the property.
- Easy access to employment opportunities.
- Close proximity to schools, shopping, medical services, and parks.
- Currently within a Qualified Census Tract (QCT) which represents an area in need of support within our community. A QCT is an area where 50% or more of the households have incomes below 60% of the area median income, or where the poverty rate is 25% or higher.

The primary financing tool for developing affordable rental housing includes housing tax credits allocated by the Colorado Housing and Finance Authority (CHFA). CHFA's competitive allocation process gives preference to proposals that include location features such as those listed above.

2. What is the extent of the local need for affordable housing?

The need for affordable housing in Fort Collins is significant. Nationally ranked as one of the most desirable places to live in the U.S., Fort Collins' desirability and significant demand for student housing present a unique and high-pressure housing market.

Fort Collins has experienced a significant increase in housing costs in recent years due to factors such as population growth, limited land availability, and increasing demand for housing. This has led to higher rental and home prices, making it challenging for low-and middle-income individuals and families to find affordable housing options.

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% to \$575,000, 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.

Many individuals and families struggle to afford housing that meets their needs, especially those with lower incomes. According to the National Low Income Housing Coalition, the full-time wage necessary to afford a two-bedroom apartment in Fort Collins is \$27.33 per hour, yet the hourly mean renter wage is \$18.49.

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.

The availability of affordable housing plays a vital role in attracting and retaining a diverse and skilled workforce in Fort Collins. If housing costs are too high, it becomes difficult for workers to afford to live near their workplaces. This can lead to longer commutes, increased traffic congestion, and a strain on the local economy.

Affordable housing is essential for promoting social equity and inclusion within the community. It ensures that individuals from diverse socio-economic backgrounds have access to safe and decent housing options, reducing the risk of homelessness and housing instability.

The City of Fort Collins aims to have 10% of its housing stock be deed restricted and affordable by 2040. According to the City's Housing Strategic Plan, affordable housing currently makes up only 5% of the City's housing stock. To achieve the 10% goal, the city needs an additional 282 affordable units built per year.

3. What qualifies as “affordable housing”? How much is rent? Where does rent money go? And what is the typical income range of residents?

Affordable housing is generally defined as housing where the occupant is paying no more than 30% of their gross income for housing costs. This threshold is used as a guideline to ensure that housing expenses remain manageable for households, allowing them to be able to meet their other basic needs. The affordable housing that Housing Catalyst and CARE Housing provide in the community is deed restricted, which stipulates the income range the apartments need to serve, how many units that requirement applies to, and how long that restriction is in place.

The typical income range for households living in affordable rental housing communities is between 30% - 60% of the area median income (AMI). As an example, a family of 4 would be eligible if their income is between \$35,610 (30% AMI) and \$71,220 (60% AMI). AMI is determined by the Colorado Housing and Finance Authority (CHFA) each year, and they provide the income and rent limits for each Colorado county. Each apartment within a community is designated according to these AMI levels and rent limits.

Rents vary depending on what the apartment AMI designation is. Here are a couple of examples:

- 2-bedroom/30% AMI=\$533
- 3-bedroom/60% AMI=\$1,247

The rental income is applied to ongoing property operating expenses such as staffing, water, sewer, and trash, property insurance, general maintenance, and landscaping. An operating reserve is established and maintained to address larger maintenance expenses.

4. Since the latest zoning recommendations didn’t pass, how would that affect trying to build affordable housing on our property?

In December 2022, the City Council repealed the land development code that was adopted in November 2022. The City is currently engaged in extensive public outreach about land use. The City’s plan includes bringing a refined update to the previously adopted code for a Council vote later this year.

The property is currently designated as Low-Density Residential District (RL). To build the type of affordable rental housing that both organizations specialize in, the property will need to be rezoned. The property is adjacent to a Medium Density Mixed-Use Neighborhood District (MMN), and it would be appropriate to attempt to rezone to MMN. Rezoning the property will include significant neighborhood outreach, a recommendation from the City’s Planning and Zoning Board, and City Council approval. The code updates adopted in November did not significantly alter the MMN development standards.

5. What kinds of environmental features are included/possible? In terms of the buildings (water use, lighting, HVAC systems, energy use, building materials, solar, etc.)? And the land (community gardens, water use, use of native plants, etc.)?

Both organizations are committed to sustainability, and adhere to Enterprise Green Communities criteria, a national green building program for the affordable housing sector. The five themes of the program include:

1. Integrative design approaches that give residents a voice in the design process.
2. A path to zero energy with strategies to help developments move closer to zero emissions.
3. Healthy living practices such as ample ventilation and healing-centered design.
4. Water standards that promote efficiency and protect against lead poisoning.
5. Resilience requirements that prepare homes for local climate hazards.

In addition to the green building certification, both organizations are required to meet electric vehicle parking space standards, and report post-construction energy use intensity.

Both organizations work closely with the City of Fort Collins energy and environmental programming including engagement with the Integrated Design Assistance Program (IDAP), and native habitat and water-wise landscaping programs.

6. How would parking work for both residents and church-goers? We would need sufficient parking space for everyone, and also need to be able to have people and equipment driven up to the church front door and dropped/off picked up.

The City has a formula they use to determine the required parking spaces for affordable multifamily developments. It varies based on the number of apartments, the number of bedrooms in each apartment, and the zoning designation. This would have to be part of the project along with the spaces that are required for the church. Parking is surface parking (*not* underground or in garages). Note that vehicle ownership rates tend to be low for low-income residents.

7. What kinds of folks might we house? Some groups that have resonated with us include: families, seniors, and those with disabilities. Are there other groups we should consider?

The groups you've listed are populations who need affordable housing in our community. Another population to consider is youth exiting the foster care system. Restricting housing to specific populations brings different funding models and requirements for services to residents, while affordable housing that is available to anyone who meets the AMI thresholds can also incorporate designs and amenities to serve a variety of populations that will benefit from additional housing.

8. What kinds of features do you build in for those with disabilities?

Both organizations meet Uniform Federal Accessibility Standards (UFAS) on their properties. This includes the following:

- Accessible routes must meet certain space requirements to provide enough room for a person in a wheelchair, an older person or someone with mobility limitation to maneuver safely and easily.
- Parking lots are required to have a certain number of accessible parking spaces.
- Objects that protrude from surfaces or posts into circulation paths must comply with certain width and height standards to ensure the safety of people with vision impairments.
- Stairways must have continuous handrails at both sides for every step.
- Seating spaces and heights must be made accessible for people in wheelchairs.
- At least 5% of housing constructed must be designed or built to be either accessible or readily and easily modifiable to be accessible.

9. What is it like for residents living in your facilities?

Here are a few testimonials from CARE residents:

We lived at CARE Housing for over 6 years. CARE Housing gave us a stable, safe, and affordable place to live and for our kids to grow up. We are very thankful for our time with CARE Housing. With the rent prices very high in Fort Collins, we were fortunate to have CARE Housing keep rent affordable for our family.

We loved our home at CARE Housing, but as a family of five, we were quickly outgrowing our apartment, and of course, my husband and I always had a dream of being homeowners. We had tried previously to get a loan to purchase a house, but with the housing prices in Fort Collins, that dream was completely shut down. We thought if we ever wanted to be homeowners, we would have to move out of our hometown.

As we were living at CARE Housing, their resident services informed us of an opportunity with Habitat for Humanity to build and buy our own home. I thought this could be our chance to purchase our own home and be able to stay in our hometown. We applied for the program. A few months later, we were very blessed to find out we were selected by Habitat for Humanity to build and buy our home. After two long years and over 500 hours of sweat equity we put into building our home, we are now proud homeowners in our hometown. We are very thankful for CARE Housing.

- Danielle

CARE Housing came at a time when I needed it the most. I had just been involved in a near fatal car accident. I needed housing that would support my recent disability needs. I was able to get into an ADA unit and it truly has been a blessing. Being on disability I needed something that I could afford. I didn't want to live in an area that was crime ridden and uncared for. CARE Housing meets all my needs and wants.

I recently had an emergency where I've had to utilize CARE Housing's rent assistance. Through the information provided in CARE Housing's resident services, I've been able to take advantage of The Grocery Rebate Program, discounted services/classes from The Recreator and free services from SPIN.

The biggest impact for me was during the shutdown of Covid. Free weekly meals and an outside performing circus were provided by CARE Housing. I really appreciate the additional support that was given. I felt that really showed how CARE Housing management thought of us as people and not dollar signs.

- Rose

Here are a few testimonials from Housing Catalyst residents:

Just having my own bed and a safe place to lay my head is...enormous. Being able to have a home has allowed me to take big steps in my life. I love my job and it's going great!

- Resident

Just knowing that you have a roof over your head changes your whole attitude about everything. Like, what's the next step? What can I do next?

- Resident

I've been able to follow my dream and go to school, be a role model for my daughter. I don't know where I would be without Housing Catalyst.

-Rental assistance recipient

The only family I feel like I have now are all the people who work at Mason Place. They don't just treat it as a job - they do things because they actually care for us. That place is so wonderful because it is changing people's lives.

- Resident

10. Can agreements be arranged such that the property will always be reserved for affordable housing (and the church) and be kept well-maintained?

Developing affordable housing on the property would require a deed restriction. The deed restriction stipulates the income range the apartments need to be, how many units that requirement applies to and how long that restriction is in place. Currently, the City requires a minimum of 20 years. One of the suggested updates to the land use code is to increase the deed restriction to 99 years.

Both organizations staff property managers and maintenance staff to ensure the properties are well maintained and regularly assess property needs. Maintenance staff perform or hire contractors to perform preventative maintenance and repairs on appliances, irrigation systems, exteriors, landscaping, common areas, and other property needs. Residents are required to report needed repairs or issues and they are responsible for returning their unit to the same condition as it was rented to them less normal wear and tear.

11. What is the process for addressing the concerns of neighbors who don't want affordable housing nearby?

Engaging the surrounding neighborhoods of any affordable housing development involves a commitment to being good neighbors. This begins with proactive, open communication to ensure neighbors are well informed about the proposed development. This includes educating neighbors about the population that will live at the apartments. Many are simply uninformed or have a misunderstanding about what affordable housing means. We find that often neighbors' concerns are quelled by early and frequent communication through the process. A neighborhood meeting in the early stages of development would be a part of the process. This also includes listening and uncovering key issues and concerns and stakeholder needs and desires at the beginning of the process. These efforts to invite participation, listen to concerns, understand alternatives and incorporate feedback results in a more broadly supported project.

12. Can you talk about or show what it might look like? (aesthetics, space usage on the ground and in terms of height, special features, etc.)

At this time, it is challenging to speculate on the design, size, or other features. This will all depend on the number of buildings, the number of apartments, stakeholder and neighborhood feedback, funding availability and the financing model, and other required site and code considerations.

Please see examples of recent designs and developments from both organizations below.



Additional questions and answers from meetings with Housing Catalyst and CARE Housing:

- As one possibility, if we donated the whole property including existing buildings, with the agreement that the sanctuary area would remain while our congregation remains, would maintenance costs for the sanctuary building be assumed by the property recipient?
Uncertain – this would require additional exploration to see if there is a way to structure a deal such that maintenance costs of existing structures are covered.
- What is the general range of number of units that might fit on the WPC property?
Unit density tends to be in the range of 12-15 units per acre. At least 60 units is the goal in order to maximize tax benefits and make the finances work. This would be composed of a combination of 2-story and 3-story buildings. They would be designed to blend in with the surrounding neighborhoods/buildings. Green spaces, garden areas, and sometimes community gardens are also included.
- Thoughts on the trade-offs of sharing our existing community space with residents vs. razing that section and building a joint community building?
It is much more cost-effective to build a new building than to work with a current structure.
- Does it make more sense to designate percentages of the housing for certain populations? Or to keep it open for low-income renters in general?
The market needs change over time. All options are reasonable possibilities. It depends partly on church preferences...whether there is a particular population on which the church wants to focus. Sometimes the design encourages particular populations. For example, accessible facilities naturally attract seniors and those with physical disabilities. Based on the neighborhood, permanent supportive housing for those who are homeless or need intensive on-site services wouldn't be the likely fit for WPC, but there are a variety of other populations in need of housing that could be.
- Affordable housing renters typically earn between 30% and 60% of the Area Median Income (AMI). What are the housing options for those whose income is less than 30% AMI?
Renters earning from 0% to 30% can still reside in affordable housing, but usually need to have vouchers to pay the rent. Housing Catalyst is sometimes able to provide vouchers. Potential renters need to provide evidence that they can pay or cover the rent as part of the application process.
- Can you speak to the quality / standards you build to?
Quality is typically as high or higher than that of the traditional neighborhoods. The same building materials and contractors are used, the same codes must be met, and investors must be confident that the property will meet the needs for which it is intended and also be a valuable asset.
- Is there a possibility that the congregation could continue to park, walk in, and worship in the building during construction?
If that is a high priority, discussions could be held with the construction team to see if and how that might be done. It may also depend partly on the overall plan for the existing buildings as well as the new ones.

- What services do you typically provide to all residents? To certain communities/developments?
Both organizations provide services such as housing stability, financial planning, and emergency internal rent assistance to all residents. They work with residents to avoid the eviction process even if they have to ask a problematic resident to leave. Community-building events and programs such as barbeques, music events, onsite kids' programming, and youth summer programming are also provided.
- How long might a project like this take from the time a decision is made to go ahead and pursue affordable housing on the property to the time it is ready for renters?
This will depend on the project details...scope, design, etc. Re-zoning will be a required prerequisite and will take some time. We could guess perhaps 3-5 years, but the details would have to be worked out before we could provide a solid estimate.
- If we decided that we aren't ready to pursue affordable housing right now, but would like to reserve the property for that purpose should we vacate it in the future, how would that be done?
WPC would set up a "right of first refusal" with an affordable housing developer. That would ensure that the property would be offered to that developer first.