

FCHA waiting for decision on affordable housing plan



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(Photo: Valerie Mosley/Coloradoan)

Fort Collins Housing Authority expects to know by the end of May whether it will receive funding to help build affordable housing on Horsetooth Road.

FCHA submitted a proposal to the Colorado Housing and Finance Authority in February to build 96 units at 1506 W. Horsetooth Road at a cost of about \$24 million.

The 8.3 acres is part of the city's Land Bank program, which buys property and holds it with the intent of selling it at below market rate, when conditions are right. The development's rental units would be subsidized based on residents' income.

The city purchased the land in 2003 for \$645,870, according to Larimer County records. The city has agreed to sell it to FCHA for about \$1.1 million, or 90 percent of the 2014 appraised value, said Sue Beck-Ferkiss of the city's social sustainability office.

Land prices have escalated the last two years, making the eventual discount much more than 10 percent, she said.

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The land bank program "is designed to be evergreen," Beck-Ferkiss said, so proceeds from the sale of the land will be put back into the program to buy more land. The city is looking at several purchase opportunities, she said.

FCHA Executive Director Julie Brewen said the project is similar in size and zoning to Village on Redwood, a 72-units project FCHA is building in north Fort Collins near the intersection of Redwood Street and Nokomis Court.

The similarities allow the housing authority to use some of the same architecture and programming so it can "hit the ground running," she said.

FCHA hopes to pair a low-income housing tax credit with disaster recovery funds available after the September 2013 flood that displaced dozens of Larimer County families.

With the median price of houses topping \$350,000 and rents averaging \$1,200 per month, the city has identified the need for affordable housing for low-income residents as a top priority.

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The U.S. Department of Housing and Urban Development uses area median income, or AMI, as a measurement of relative poverty and wealth in a community.

In Fort Collins, the AMI for a household of four is \$79,300 in 2015. An income of \$38,900, which is 50 percent of AMI, is considered very low income for a household of four.

The Horsetooth project would be targeted at household earnings of 30 to 60 percent of AMI, with 43 units set aside for the lowest income bracket. The average for the development would be about 50 percent AMI.

Eventually, the council would have to amend city code to allow an affordable housing project that would serve households earning 60 percent of AMI. Under current code, Land Bank property sold for affordable housing is limited to projects that would serve residents earning up to 50 percent of AMI.

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FCHA will discuss preliminary plans with the city's planning staff May 2 "to ensure there are no fatal flaws and to get initial feedback," Beck-Ferkiss said.

There will be ample opportunities for community and neighborhood input as the project progresses, she said.



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