



Five-Year Agency Plan 2018-2022

Housing Catalyst is a Fort Collins, mission-driven real estate developer and the largest property management company in northern Colorado. Housing Catalyst provides sustainable, long-term housing solutions, and now serves more than 2,200 families per year. Employing innovative programs and resident support systems, Housing Catalyst offers critical tools and resources that families need while creating vibrant, sustainable communities throughout Fort Collins.

Founded in 1971 with just one employee, Housing Catalyst now has more than 70 employees, an annual operating budget of over \$27 million, and assets owned and managed totaling over \$166 million. The agency's primary sources of operating funding are the U.S. Department of Housing and Urban Development (Housing Choice Voucher pass-through funding), property rental income, real estate developer fees, and project-specific competitive public and private grants. Housing Catalyst does not directly receive any City of Fort Collins general funds.

Situational Summary:

Fort Collins has a population estimated to be 171,100. The city proper has a population density of 2,653 people per square mile (984/square kilometer). The Fort Collins-Loveland Metropolitan Statistical Area (MSA) has a population estimated to be 339,993.

The rental market has tightened considerably and rents continue to increase. The market currently has a vacancy rate of approximately 3%. The national economic condition continues to create challenges for both renters and rental property owners. It will continue to be important for Housing Catalyst to respond to the market conditions whenever possible.

According to the 2015-2019 City of Fort Collins Affordable Housing Strategic Plan, "Over the course of the next 25 years, the long-term goal identified in this plan is to increase the amount of affordable housing units to 10% of the overall housing stock. That means that the amount of affordable housing units as a percentage of the overall housing stock must increase one percentage point every five years. By using the same assumptions as the short-term goal, this means that Fort Collins will have approximately 87,807 housing units by 2040. To reach the 10% goal, 8,781 of the overall housing units in Fort Collins must be affordable by 2040. This requires that 5,706 affordable housing units will need to come online by 2040, which translates to an average of 228 units per year. What this means is that for every 5-year plan between now and 2040, the City will have to increase the amount of affordable housing by one percentage point as a ratio to the overall housing stock. This would represent a historically high rate of affordable housing production."

Housing Catalyst Entities:

Housing Catalyst carries out its mission by managing eleven separate entities, including:

1. The City of Fort Collins Housing Authority doing business as Housing Catalyst
2. Larimer County Housing Authority (Intergovernmental Agreement)
3. Villages, Ltd. 501c3 (Management Agreement)
4. Housing Catalyst, LLC (Wholly owned LLC)
5. Wellington Housing Authority (Management Agreement)
6. Village on Elizabeth (Housing Tax Credit Partnership)
7. Village on Stanford (Housing Tax Credit Partnership)
8. Redtail Ponds Permanent Supportive Housing (Housing Tax Credit Partnership)
9. Village on Redwood (Housing Tax Credit Partnership)
10. Village on Horsetooth (Housing Tax Credit Partnership)
11. Village on Shields (Housing Tax Credit Partnership)

In addition, Housing Catalyst or its affiliated entity is a formal partner in the following housing developments:

1. Provincetowne, CARE Housing
2. Springfield Court, Mercy Housing
3. Legacy Senior Apartments, Cornerstone
4. Lakeview on the Rise, Pedcor (2019)

Housing Catalyst also administers the Veterans Administration Supportive Housing (VASH) voucher program on behalf of HUD and the Veterans Administration in Weld County.

Future Forecast:

The instability of funding continually presents challenges for staff managing Housing Catalyst goals and budgets. The national economic conditions will continue to contribute to local housing challenges. Congressional appropriations are often uncertain when Housing Catalyst annual budgets are created and staff must rely on estimates based on Congressional actions and historic data to estimate annual subsidies. Continuing resolutions and sequestration have significantly impacted operations. Congress has been unwilling to pass meaningful reform legislation. Continuing to increase sources of revenue other than those dependent upon congressional appropriations will be crucial to the sustainability of Housing Catalyst's current programs and future growth.

To maintain an investment grade credit rating, Housing Catalyst must balance having a certain level of financial stability against its overall public purpose goals. Housing authorities with large portions of their income derived from federal subsidies are exposed to weak margins and a negative change in net assets to equity in any given year. In fiscal 2016, 61.45% of Housing Catalyst's revenues came from government sources, including HUD, grants, Housing Assistance Payments (HAP) and other federal agencies. Therefore, its revenue and Expenses Before Interest, Taxes, Depreciation and Amortization (EBITDA) are subject to changes in congressional appropriations.

HOUSING IS THE CATALYST
for building strong communities

Housing Catalyst Mission:

Just as a house is built upon a solid foundation, Housing Catalyst is built upon its mission:

To create vibrant, sustainable communities throughout Northern Colorado.

Housing Catalyst Business Objective:

To achieve this mission, all Housing Catalyst functions are operated with attention paid to a triple bottom line:

- *Maintaining the fiscal viability of the organization.*
- *Achieving a social goal through the provision of affordable housing and supportive services.*
- *Embracing environmental sustainability.*

Housing Catalyst Core Values:

Throughout day-to-day operations, Housing Catalyst's core values are prevalent:

- *Accountability*
- *Compassion*
- *Honesty*
- *Teamwork*
- *Fun*

Housing Catalyst Guiding Principles for Asset Development and Asset Management:

<p>Quality Design</p>	<p>We create places that:</p> <ul style="list-style-type: none"> • Fit well within their neighborhood • Are attractive for our residents, our neighbors, and our community
<p>Resident Health & Resiliency</p>	<p>We support residents’ health and resiliency by:</p> <ul style="list-style-type: none"> • Choosing sites that are close to basic services and amenities, • Creating safe living environments • Reducing the cost of living • Providing opportunities for active living • Incorporating healthy building practices • Providing resident support services
<p>Positive Community Relationships</p>	<p>We build trust and goodwill with our community partners, governmental agencies and official, neighborhoods, residents, and our funders. Further, we value peer to peer learning and build positive relationships with others in the affordable housing industry at large.</p>
<p>Asset Life Cycle</p>	<p>We focus on asset life cycle:</p> <ul style="list-style-type: none"> • Including a sustainable income target mix • Lowering overall operating costs through utility savings • Selecting durable materials • Incorporating effective maintenance practices
<p>Environmental Stewardship</p>	<p>We are responsible environmental stewards by:</p> <ul style="list-style-type: none"> • Selecting properties that have good community connectivity • Reducing the demands on energy, water, waste, and the climate • Choosing environmentally responsible materials and services

STRATEGIC GOALS

To achieve its vision and fulfill its mission, Housing Catalyst will focus its financial and human resources to accomplish the following five strategic goals:


Goal 1: Preserve existing affordable housing

Goal 2: Increase supply of affordable housing

Goal 3: Empower and equip residents for stability and success

Goal 4: Achieve business/organizational excellence

Goal 5: Build community support for affordable housing



Preserve and enhance the existing property portfolio of Housing Catalyst and its affiliated and managed entities through excellence in property and asset management so that these properties are vibrant healthy communities for the residents and the neighborhoods in which they are located for many years to come.

Strategy 1.1: Operational Efficiency

- Develop and implement operational efficiency goals with benchmark data in all areas of effective property management, including; net operating income, occupancy/vacancy, vacancy turn-times, gross potential rent, tenant accounts receivable, resident eligibility compliance, physical inspections, utility consumption, lease compliance legal actions and program integrity.

Strategy 1.2: High Standards for Physical Property Conditions

- Develop and implement consistent, integrated, and enhanced efficiency and quality property standards/benchmarks to ensure that for all Housing Catalyst properties exceed basic livability, safety and sustainability goals.

Strategy 1.3: Sound Long-term Asset Plans

- Develop comprehensive asset management plans for maintenance, rehab and redevelopment of Housing Catalyst's properties.

Strategy 1.4: Resident Housing Stability and Resiliency

- Support residents with the goal of housing stability and resiliency through a multitude of methods.
- Minimize negative resident move-outs

Strategy 1.5: Strong Neighborhood Relationships

- Support property and resident integration into existing neighborhoods.
- Maintain and enhance strong relationships between Housing Catalyst, residents, and neighborhoods.

Goal 2

Increase supply of affordable housing

Strategically expand the supply of affordable housing, supporting the City of Fort Collins net goal of 228 new affordable units per year.

Strategy 2.1: Build New Housing and Secure/Preserve Existing At-Risk Properties

- Strategically time the implementation of a 5-year schedule of acquisition/rehab and new construction projects.

Strategy 2.2: Build New Resources

- Identify and collaborate with partners who can bring resources (capital, connections, subsidies) that are otherwise unavailable to Housing Catalyst.

Strategy 2.3: Value Great Design, the Environment, and Sense of Community

- Approach new construction and substantial renovation with a focus on good design, environmental stewardship and the importance of a creating sense of place that supports vibrant engaged communities.

Strategy 2.4: Dispose of Obsolete/Unsustainable Models and Restructure Portfolio

- Complete RAD Public Housing restructuring/replacement of all units.

Strategy 2.5: Maximize Housing Catalyst and Community Resources

- Determine project size/scale/scope/density needed to maximize Housing Catalyst capital/equity input, in order to decrease reliance on local and federal gap funding (CDBG/HOME/Division of Housing, City general fund subsidies.)

Strategy 2.6: Maximize Rental Assistance

- Effectively manage and maximize utilization of all housing assistance program funds.
- Expand opportunities for voucher assistance participants to obtain quality housing in neighborhoods that meet their needs.
- Pursue all opportunities to increase the supply of housing assistance vouchers, including those designated for special populations.
- Improve outreach and communication with property owners throughout Larimer County to encourage participation in rent assistance programs and to increase quality rental options for voucher assistance participants.

Goal 3

Empower and equip residents for stability and success

Recognizing that people often need more than a stable home to build a stable life, resident services are designed and provided to help people live to their full potential.

Strategy 3.1: Provide Support Services

- Provide supportive services for vulnerable families and special populations focusing on trauma informed care and utilizing progressive engagement.

Strategy 3.2: Engage in Housing Access and Retention Strategies

- Remove Housing Catalyst unintentional barriers to housing access.
- Provide eviction prevention services which focus on harm reduction strategies and assisting families in complying with their lease.

Strategy 3.3: Promote and Guide Economic Self Sufficiency

- Provide on-going support towards economic self-sufficiency through the JumpStart program focusing on education, training and employment.

Strategy 3.4: Create Vibrant Communities Through Engaged Residents

- Provide opportunities that create a sense of resident pride and involvement through diverse community activities designed to bring people together.

Goal 4

Achieve excellence in business operations

Achieve excellence in business operations, organizational financial health and overall viability through data-driven business operations in the areas of property management, accounting, finance, procurement, risk management, human resource management, information technology, and strategic communications.

Strategy 4.1: Provide strong reporting and guidance tools

- Provide strong financial reporting processes including standardized easily readable metrics which provide guidance to the organization's leaders and support informed organizational financial decision making at all levels.

Strategy 4.2: Pursue national and international recognition of Housing Catalyst's financial and operational excellence.

- Annual recognition by Government Financial Officers Association (GFOA) Certificate of Excellence in Financial Reporting and GFOA Certificate of Excellence in Financial Budgeting.
- Investment grade credit rating from Standard and Poors or other rating entity.

Strategy 4.3: Ensure strong systems with proper controls

- Improve procurement systems including use of technology, processes and reporting of general purchasing, vendor management and contract administration, and internal control systems.

Strategy 4.4: Manage Risk

- Coordinate and maintain comprehensive Insurance and Risk Management services.

Strategy 4.5: Maintain Strong Underlying Tech Tools

- Utilize best practices in Information Technology including fully utilizing the robust data management systems currently in place.

Strategy 4.6: Attract and Retain Top Human Talent

- Continue to support a market data-driven, best practice approach to employee recruitment, development and retention for an organizational structure and human capital that supports Housing Catalyst's mission and goals (including pay/benefits/professional development and wellness.)

Goal 5

Build Community Support for Affordable Housing

Build support for housing as a key component of vibrant, sustainable communities through public information, engagement, and advocacy that promotes high quality affordable housing and supports the advancement of the people served by Housing Catalyst.

Strategy 5.1: Engage the Community

- Engage the community in discussions on housing issues and solutions. Increase community interest, participation, and education by expanding the visibility of affordable housing and evidence around housing as a key component of a strong, sustainable region.

Strategy 5.2: Become the “Go To”

- Become the ‘go to’ resource for information and advocacy efforts, and the leader of a broad coalition of partners.

Strategy 5.3: Lead the Community

- Articulate and illustrate the agency’s role in local and national housing policy and development.

Strategy 5.4: Tell the Story

- Strategic outreach, building on Housing Catalyst and Villages brands through communication, image, visibility, public affairs, and policy.

Strategy 5.5: Advocate

- Advocate on behalf of the community for quality, affordable housing to meet the needs of its diverse population.

Strategy 5.6: Empower

- Teach Housing Catalyst residents and program participants to advocate for their needs as lower income members of our community.