

Legislation Text

File #: 15-20105, Version: 1

Bond Issuance Approval for South Village Apartments

Action:

Adopt a resolution granting INLIVIAN's request to issue new multi-family housing revenue bonds in an amount not to exceed \$17,000,000, to finance the development of an affordable housing development known as South Village Apartments.

Staff Resource(s):

Shawn Heath, Housing and Neighborhood Services
Warren Wooten, Housing and Neighborhood Services

Explanation

- This action will not obligate the city financially or impact the Capital Investment Plan and is requested to satisfy Section 147(f) of the Internal Revenue Code of 1986, which requires the issuance of housing bonds to be approved by the local governmental unit with jurisdiction over the area where the development is located.
- INLIVIAN is requesting that City Council adopt a resolution authorizing the issuance of new multi-family housing revenue bonds for South Village Apartments, an 82-unit new construction affordable housing development to be developed, owned, and operated by Scaleybark Apartments, LLC, a North Carolina limited liability company, or an affiliated or related entity.
- The development will be located on approximately 2.42 acres at 3655 DeWitt Lane (parcel identification numbers 149-01-247 and 149-01-251) in Council District 3, and will serve households earning up to 80 percent of the Area Median Income (AMI) with income averaging at 60 percent of AMI for the entire development.
- This action further supports City Council's approval of \$7,705,245 Housing Trust Fund and American Rescue Plan support.
- The new INLIVIAN bonds, not to exceed \$17,000,000, will be used to further finance construction of the development.

Background

- On July 22, 2019, City Council approved a \$3,000,000 Housing Trust Fund allocation to support the South Village Apartments development on city owned property. Due to unprecedented changes in market conditions resulting in cost escalations of housing projects, the developer experienced a financing gap and subsequently requested additional city support for the development. On November 28, 2022, City Council approved an additional \$4,705,245 in American Rescue Plan funds for the development.
- In conjunction with the city Housing Trust Fund request, the developer applied for four percent low-income housing tax credits and housing bond allocation capacity from the North Carolina Housing Finance Agency to help finance construction of the development.
- The North Carolina Housing Finance Agency approved a four percent tax credit and an initial bond allocation capacity of \$12,000,000, and subsequently increased the bond allocation capacity by an additional \$5,000,000 at the request of the developer to help fill the gap resulting from cost escalations, for a total of \$17,000,000 bond allocation capacity. Tax credit and bond allocations are subject to federal income limits, set-aside rules, and include deed restrictions.
- INLIVIAN, as a public housing authority, is duly authorized to issue housing bonds to finance developments that serve persons of low and moderate income, including developments in which it

does not have a direct interest. The INLIVIAN board of commissioners approved the issuance of the initial \$12,000,000 multi-family housing revenue bonds on January 21, 2020 (these bonds have not yet been issued). On March 21, 2023, the INLIVIAN board approved increasing the amount of the multi-family housing revenue bonds by \$5,000,000, for a total amount not to exceed \$17,000,000.

Attachment(s)

Map

City of Charlotte Resolution - South Village Apartments