

**RESOLUTION AUTHORIZING THE OPTION TO LEASE AND THE LEASE OF
PROPERTY LOCATED AT 11217 PROVIDENCE ROAD WEST AND PORTION
OF 15024 BALLANCROFT PARKWAY**

WHEREAS, the City of Charlotte owns the following two tracts of land (the "Property"): a 2.745 acre tract located at 11217 Providence Road West and identified as Tax Parcel ID No. 223-132-40, and a 0.626 acre tract located at 15024 Ballancroft Parkway and identified as a portion of Tax Parcel ID No. 223-132-39;

WHEREAS, the Property is not actively being used for any City purpose;

WHEREAS, on April 20, 2021, the Property was submitted to the Charlotte-Mecklenburg Planning Commission for its review in accordance with Mandatory Referral Legislation;

WHEREAS, on February 14, 2022, City Council authorized City Manager to negotiate with CSE Communities, LLC ("CSE") for the disposition of the Property for development of affordable housing;

WHEREAS, an appraisal dated April 6, 2023, determined the current fair market value of the Property to be \$2,350,000.00;

WHEREAS, following negotiations with the City, CSE desires to enter into an Option Agreement (the "Option Agreement") with the City whereby CSE would have the right and opportunity to perform due diligence on the Property for purposes of developing affordable housing and to exercise an option to lease the Property subject to certain terms and conditions;

WHEREAS, CSE and the City desire for the ground lease (the "Lease") of the Property to be for a term of Sixty (60) years at a rate of \$1.00 per year, on the condition that an affordable multi-family development be developed and operated on the Property consisting of approximately sixty (60) mixed income rental housing units ("Housing Units"), all of which shall be reserved for residents earning equal to or less than 30% up to 80% of the Area Median Income ("AMI"), as defined by the U. S. Department of Housing and Urban Development ("HUD"), and which shall be further reserved as follows: 12 units at $\leq 30\%$; 32 units at or below 51-60%; and 16 units at or below 61-80%. The Property must be developed so that the Housing Units are available for occupancy within three (3) years from the date of the Lease. If this development deadline is not met, the Lease shall be subject to termination, and the City of Charlotte will have the right to retake possession and resume unencumbered ownership of the Property;

WHEREAS, in the event CSE does not exercise its option to lease the Property on or before January 18, 2024, and no extension has been granted, the Option shall terminate.

WHEREAS, the City of Charlotte Charter §8.131 authorizes the City to lease property for such terms and upon such conditions as the Council may determine;

WHEREAS, the City Council of the City of Charlotte has determined that the Option Agreement and Lease of the Property to CSE (or its wholly owned or managed assignee) will advance the City's 2016 Council-adopted goal to create 5,000 affordable and workforce housing units and is also consistent with the Council-adopted 2018 "Housing Charlotte Framework" Policy;

WHEREAS, notice of the proposed transaction was advertised at least thirty (30) days prior to the adoption of this Resolution in accordance with the City Charter and North Carolina General Statutes.

NOW THEREFORE, BE IT RESOLVED the City Council for the City of Charlotte, hereby authorizes the Option Agreement and Lease of the above referenced Property to CSE upon the terms, restrictions and conditions set forth hereinabove; and the City Manager, or his designee, is authorized to execute all instruments incident thereto and in conformity herewith.

THIS THE 12th DAY OF JUNE 2023.