

**RESOLUTION AUTHORIZING THE OPTION TO LEASE AND THE LEASE OF  
PROPERTY LOCATED AT 7605 UNIVERSITY CITY BLVD**

---

**WHEREAS**, the City of Charlotte (“City”) owns a certain tract or parcel of land located at 7605 University City Boulevard in Charlotte, Mecklenburg County, North Carolina, and identified as Tax Parcel ID No. 049-241-15 (the "Property"); and

**WHEREAS**, the Property is not currently 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 and staff to work with recommended affordable housing developers to finalize preliminary affordable housing proposals;

**WHEREAS**, an appraisal dated May 31, 2023, determined the current fair market value of the Property to be \$1,510,000.00;

**WHEREAS**, following negotiations with the City, Merit AH, LLC, a New York limited liability company (“Merit”), desires to enter into an option to ground lease the Property (“Option Agreement”) for a period of one (1) year, subject to two (2) extension periods of up to six (6) months each (the “Option Term”), whereby Merit 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**, Merit and the City desire for the ground lease (“Lease”) of the Property to be for a term of ninety-nine (99) 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 a minimum of 68 rental units (“Housing Units”), and for the term of the Lease said units comprising the multi-family housing development shall adhere to the Low Income Housing Tax Credit (“LIHTC”) restrictions applicable to the development project and be reserved for families having earned incomes ranging from less than 30% and up to 80% of the Area Median Income (“AMI”) as defined by the U.S. Department of Housing and Urban Development for Charlotte, North Carolina. The lease of the Property shall also be subject to a development restriction requiring that the multi-family housing development be completed, such that the housing units are available for occupancy, within three (3) years from the commencement date of the Lease. If this development deadline is not met, the Lease shall be subject to termination

and the City shall have the right to retake possession and resume unencumbered ownership of the Property;

**WHEREAS**, in the event Merit does not exercise its option to lease the Property prior to the end of the Option Term, the option and right to lease the Property 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 City Council may determine;

**WHEREAS**, the City Council of the City of Charlotte has determined that the Option Agreement and Lease of the Property to Merit (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; and

**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** by the City Council for the City of Charlotte hereby authorizes the Option Agreement and Lease of the above referenced Property to Merit 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 8<sup>th</sup> DAY OF JANUARY 2024.