



Legislation Details (With Text)

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On agenda:	7/11/2022	Final action:			
Title:	Affordable Housing Development Support Request				
Attachments:	1. Map_The Barton, 2. Barton Family revised support request				

Date	Ver.	Action By	Action	Result
7/11/2022	1	City Council Business Meeting		
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Affordable Housing Development Support Request

Action:

- A. Approve a total revised funding allocation of \$3,000,000 to support the development of The Barton multi-family affordable housing development, and**
- B. Authorize the City Manager, or his designee, to negotiate, execute, amend, and renew any documents necessary to complete this transaction.**

Staff Resource(s):

Shawn Heath, Housing and Neighborhood Services
Rebecca Hefner, Housing and Neighborhood Services

Explanation

- The COVID-19 pandemic has resulted in unprecedented conditions in both the construction and financing markets.
- The Barton development has experienced a financing gap as a result of pandemic-related cost escalation. Additionally, the developer’s option to purchase the property to be developed expired in June, putting the development at risk of not being able to proceed.
- The City and Local Initiatives Support Corporation (LISC) have worked with the developer to identify opportunities to reduce the financing gap, including by restructuring the development proposal as a 140-unit new construction affordable housing development serving families earning 80 percent and less of the area median income (AMI), thereby allowing the project to proceed.
- LISC has affirmed their \$3,000,000 Charlotte Housing Opportunity Investment Fund (CHOIF) support for the restructured development proposal, contingent upon the City’s participation in the amount of \$3,000,000, and approval from the North Carolina Housing Finance Agency (NCHFA) for four percent low-income housing tax credits and housing bond allocation.
- This action revises the original \$2,000,000 allocation from the Housing Trust Fund by adding an additional \$1,000,000 of support for the restructured development. The \$3,000,000 will be used by the developer to acquire the property, allowing the property to be secured for the development of affordable housing while the developer seeks approval from the NCHFA for the restructured proposal.
 - The City will initially hold a first lien position on the property while the developer seeks NCHFA approval.
 - Upon approval from the NCHFA, the City’s \$3,000,000 loan will be refinanced into long-term debt typical of Housing Trust Fund projects.

Background

- On April 26, 2021, City Council approved a \$2,000,000 Housing Trust Fund allocation for the development of The Barton Seniors, a proposed 174-unit new construction affordable housing development serving households earning 80 percent and less of the AMI, to be developed, owned, and operated by Blue Ridge Atlantic Development, LLC.
- The proposed development consists of approximately 4.5 acres located at 6000 Old Pineville Road (parcel identification number 169-091-11) in Council District 3, within a Transit Oriented Development District.

Charlotte Business INclusion

City funded affordable housing projects are subject to MWSBE goals based on the amount of the approved funding allocation.

Fiscal Note

Funding: General Capital Investment Plan

Attachment(s)

Map
Presentation