

Legislation Text

File #: 15-21498, Version: 1

Extension of Option to Ground Lease for Affordable Housing

Action:

- A. Adopt a resolution approving an extension to the option for a ground lease of city-owned property located on Providence Road West and Ballancroft Parkway (parcel identification number 223-132-40 and a portion of 223-132-39) with CSE Communities, LCC through June 30, 2024, with an option to further extend up to six additional months as needed, and**
- B. Authorize the City Manager, or his designee, to negotiate and execute all documents necessary to complete the extension to the option for a ground lease of the property.**

Staff Resource(s):

Rebecca Hefner, Housing & Neighborhood Services
Phil Reiger, General Services
Greg Crawford, General Services

Explanation

- On June 12, 2023, City Council approved a long-term ground lease transaction and granted CSE Communities, LLC (Crosland) an option to ground lease (Option) approximately 3.37 acres of city-owned property at Providence Road West and Ballancroft Parkway (parcel identification number 223-132-40 and a portion of 223-132-39) (Property) in Council District 7 upon certain terms and conditions, including affordability restrictions. This Option is set to expire January 18, 2024.
- The ground lease will support the Evoke Living at Ballantyne multifamily affordable housing development.
- Crosland has requested, and staff recommends extending the Option through June 30, 2024, to allow additional time for Crosland to finalize their overall project financing and obtain final permits.
- Due to continuing uncertainty in commercial financial markets and complexities associated with federal funding requirements, this action provides additional flexibility to further extend the Option for an additional six-months if needed.
- Crosland anticipates finalizing and closing on their financing by June 30, 2024. A further extension would be contingent upon Crosland demonstrating substantial progress in finalizing their financing.

Background

- On February 14, 2022, and in response to a competitive Request for Proposals, City Council authorized the City Manager and staff to work with Crosland to finalize a preliminary affordable housing proposal and negotiate a long-term ground lease for an affordable multi-family rental housing development known as Evoke Living at Ballantyne.
- Due to the unique characteristics of the Property, it took Crosland longer than originally anticipated to finalize the building and site plans. Staff worked with Crosland throughout the design process to arrive at the best building configuration that will deliver the most housing units.
- On April 24, 2023, City Council approved a \$3,100,000 Housing Trust Fund allocation for the Evoke Living at Ballantyne affordable housing development, consisting of 60 for-rent apartment units affordable to households earning 80 percent and below the area median income.
- In conjunction with the Housing Trust Fund allocation, Crosland has applied for four percent low-income housing tax credits and a housing bond allocation capacity from the North Carolina Housing

Finance Agency (NCHFA) to help with construction of the Development. The NCHFA has accepted the Developer's funding request.

Attachment(s)

Map
Resolution