

## Legislation Text

File #: 15-20596, Version: 1

### Brookhill Village Naturally Occurring Affordable Housing Preservation Support Request

**Action:**

- A. Approve the use of \$3,500,000 from the Coronavirus State and Local Fiscal Recovery Fund for the preservation of Brookhill Village Apartments multi-family affordable housing development, and**
- B. Authorize the City Manager to execute, amend, and renew any documents necessary to complete the transaction.**

**Staff Resource(s):**

Shawn Heath, Housing & Neighborhood Services

**Explanation**

- Brookhill Village, originally developed in 1950 and located at 2506 South Tryon Street in Council District 3, consists of approximately 35 acres under an original 99-year ground lease. The ground lease expires in 2049.
- Most on-site buildings have been demolished, with 100 naturally occurring affordable housing units (Affordable Units) remaining on approximately nine acres.
- Brookhill Investments, LLC, a subsidiary of Griffin Brothers Acquisitions, LLC (Developer) acquired the ground lease in 2022, subject to an early termination option expiring on July 31, 2023.
- The Developer is requesting city support in the amount of \$3,500,000 to fund 1) the allocable share of the ground lease acquisition cost associated with the Affordable Units, and 2) renovation costs for the Affordable Units.
- The proposed interior and exterior renovations will include:
  - New heating and cooling units
  - Roof repairs or replacement
  - Floor refinishing or replacement
  - Storm doors and windows
  - New kitchen appliances and bathroom fixtures
  - Interior and/or exterior painting where needed
  - Other repairs as needed (e.g., insulation improvements)
- The city's \$3,500,000 investment supporting the 100 Affordable Units shall include affordability requirements for the duration of the ground lease through 2049.
  - 78 of the Affordable Units are currently occupied (legacy households), primarily by families at 30 percent of the Area Median Income (AMI) or below. Rents shall be preserved at affordable levels for all legacy households, so long as they remain in the Brookhill Village Affordable Units, through the end of the ground lease in 2049.
  - 22 of the Affordable Units are unoccupied and will be devoted to The Harvest Center's transitional housing program through the end of the ground lease in 2049. The Harvest Center, a local non-profit organization focused on individuals and families experiencing non-chronic, situational homelessness, will establish and administer an on-site transitional housing program for low-income individuals and families experiencing homelessness.
  - Over time, as the 78 legacy households voluntarily exit the Brookhill Village Affordable

Units, half of the vacated units will be devoted to The Harvest Center's transitional housing program, and the other half will be maintained as affordable rental units accessible to households with income in the 30 percent to 80 percent AMI range.

- All of the 100 Affordable Units shall remain affordable to households earning less than 80 percent of the AMI for the duration of the ground lease.
- The Harvest Center will fund the construction of an administrative office and community resource center on the Brookhill Village property, and wrap-around services provided by The Harvest Center will be available to all Brookhill Village residents (including legacy households).

### **Background**

- In August 2018, Council adopted the Housing Charlotte Framework which recommends preserving naturally occurring affordable housing (NOAH) properties.
- In March 2019, Council adopted Guidelines for Preserving Naturally Occurring Affordable Housing (guidelines). The goals of the guidelines include:
  - Limiting displacement of current residents by preserving existing affordability;
  - Preserving quality affordable and workforce housing by increasing the number of available restricted units and the physical structure of the units;
  - Providing low-interest loans so that high-performing for-profit and non-profit owner operators can purchase and/or upfit NOAH properties and preserve them as affordable;
  - Allowing existing owners to participate in return for deed restrictions/affordability requirements and demonstrated management and maintenance history; and
  - Aligning guidelines with other city policies.
- On March 11, 2021, in response to the COVID-19 public health emergency, President Biden signed the American Rescue Plan Act of 2021 (ARPA), which included the Coronavirus State and Local Fiscal Recovery Fund. Charlotte was one of almost 1,000 cities across the nation that received these funds.
- On June 12, 2023, Council received a presentation on the Brookhill Village NOAH preservation and rental subsidy support request.
- On July 6, 2023, the Mecklenburg County Board of County Commissioners is expected to vote on a request of \$3,500,000 of county funding in support of the preservation of the Brookhill Village Apartments.

### **Charlotte Business INclusion**

This is a federally funded contract and is exempt (Part A: Appendix 1.27 of the Charlotte Business INclusion policy).

### **Fiscal Note**

Funding: American Rescue Plan Act (ARPA) Funds

### **Attachment(s)**

Map