

Legislation Text

File #: 15-21808, Version: 2

Tyvola Crossing Apartments Phase I Loan Extension

Action:

- A. Approve an extension of the city’s affordable housing loan to DreamKey Partners, Inc. for Tyvola Crossing Apartments Phase I, and**
- B. Authorize the City Manager to negotiate, execute, amend, and renew any documents necessary to complete the transaction.**

Staff Resource(s):

Rebecca Hefner, Housing & Neighborhood Services
Warren Wooten, Housing & Neighborhood Services

Explanation

- On September 24, 2003, City Council approved an interest-only affordable housing loan in the amount of \$800,000 (Loan) to Charlotte-Mecklenburg Housing Partnership, Inc., now known as DreamKey Partners, Inc. (DKP), for the development of Tyvola Crossing Apartments Phase I.
- The Loan is scheduled to mature in 2024, and DKP has requested that the city extend the terms of the Loan for an additional 20 years.
- The new Loan terms will extend existing affordability requirements and the maturity date of the loan through September 2044, and add source of income protections.
- Tyvola Crossing Apartments Phase I was completed in 2005 and is an 80-unit multi-family affordable housing community located at 4425 West Tyvola Road (parcel identification number 145-221-12) (Property) in Council District 3. The original Loan included the following terms and conditions:
 - Loan amount/source: \$800,000 / Community Development Block Grant funds
 - Interest rate: One percent billed annually
 - Area Median Income (AMI): Households earning 50 percent and below the AMI
 - Affordability Period: 30 years
 - Loan Term: 20 years
 - Loan maturity date: September 30, 2024
 - Collateral: The Loan is secured by a lien on the Property
- If City Council approves this action, the Loan maturity date and affordability requirements will be extended for 20-years and 10-years respectively, through September 2044.

Background

- In August 2018, City Council adopted the Housing Charlotte Framework which recommends creating and preserving the supply of affordable housing.
- City Council annually adopts the U.S. Department of Housing and Urban Development’s Annual Action Plan which sets forth the city’s use of federal funds for affordable housing including Community Development Block Grant funds. The Annual Action Plan identifies the ongoing need for affordable, safe and decent housing for low-income families and reaffirms the goals of the Housing Charlotte Framework. The most recent Annual Action Plan was adopted by City Council on May 8, 2023.
- Preserving the affordability of Tyvola Crossing Apartments Phase I is consistent with the strategies outlined in both the Housing Charlotte Framework and the city’s Annual Action Plans.

Attachment(s)

Map