

Legislation Details (With Text)

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File created:	7/24/2018	In control:		City Council Business Meeting	
On agenda:	8/27/2018	Final action:		8/27/2018	
Title:	Sale of City-owned Property on Spencer Street				
Attachments:	1. Location Map - Sale of City Property - Spencer Street, 2. Spencer Street Resolution DRAFT 5.14.pdf				

Date	Ver.	Action By	Action	Result
8/27/2018	1	City Council Business Meeting	Pulled by Staff	

Sale of City-owned Property on Spencer Street

Action:

Adopt a resolution approving the private sale of a parcel on Spencer Street (parcel identification number 091-091-04) consisting of 1.37 acres of vacant land to Shea Real Estate Investments, LLC, a wholly owned subsidiary of Shea Homes which will include affordable units.

Staff Resource(s):

Mike Davis, Engineering and Property Management
Tony Korolos, Engineering and Property Management
Pamela Wideman, Housing and Neighborhood Services

Explanation

- One of City Council's priorities is to build and preserve vibrant and diverse neighborhoods by expanding the supply of affordable housing through new construction and preservation of the existing housing stock.
- The sale of City property on Spencer Street for use as affordable housing furthers this goal by creating an affordable homeownership opportunity.
- The use of publicly owned land to achieve affordable homeownership for households earning 80 percent and below of the area median income is consistent with both the Housing Charlotte Framework and national best practices.
- This transaction is also consistent with the Council-adopted City-Owned Real Estate and Facilities Policy.
- The City-owned property is a vacant, 1.37-acre parcel currently zoned R-5 (single family) in Council District 1.
- An appraisal of the property on April 9, 2018, established a fair market value of \$50,000.
- Shea Homes desires to purchase the City-owned, landlocked parcel coupled with adjacent parcels for the development of a diverse price point housing community.
- The offer from Shea Homes includes the following terms:
 - Purchase price of \$50,000,
 - Earnest money deposit of \$2,500 within 10 days of City Council's approval to accept the offer,
 - Due diligence period of 240 days, and
 - Closing to occur within 240 days from the end of the due diligence period.
- Additionally, the land will enable a HouseCharlotte approved purchaser to obtain a homeownership opportunity in an area of high opportunity.

- The HouseCharlotte program provides deferred, forgivable down payment assistance loans to qualified applicants to purchase homes within the Charlotte city limits.
- The proposed housing unit will be available to households earning 80 percent or below of the area median income with a 10-year affordability deed restriction placed on the affordable unit.
- The maximum purchase price for the new construction unit is \$224,000, which is approximately \$125,000 less than the other market rate units in the same development.

Fiscal Note

Funding: Proceeds from the sale will be deposited into the City's General Fund.

Attachment(s)

Map

Resolution