

## Legislation Details (With Text)

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<b>On agenda:</b>	6/12/2023	<b>Final action:</b>		6/12/2023	
<b>Title:</b>	Lease of City-Owned Property for Affordable Housing				
<b>Attachments:</b>	1. Map - Lease of City-Owned Property for Affordable Housing.pdf, 2. Resolution - Lease of City-Owned Property for Affordable Housing				
Date	Ver.	Action By	Action		Result
6/12/2023	1	City Council Business Meeting	Approve		Pass

## Lease of City-Owned Property for Affordable Housing

### Action:

- A. Adopt a resolution approving an option agreement and ground lease of city-owned property located on Providence Road West and Ballancroft Parkway (parcel identification numbers 223-132-40 and 223-132-39) with Crosland Southeast Communities, LLC, with a 60-year term for affordable housing, and**
- B. Authorize the City Manager to negotiate and execute all documents necessary to complete the option and ground lease of the property.**

### Staff Resource(s):

Shawn Heath, Housing and Neighborhood Services  
Phil Reiger, General Services  
Gregory Crawford, General Services

### Explanation

- On February 14, 2022, City Council authorized the City Manager and staff to work with Crosland Southeast (CSE Communities, LLC) 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.
- The development will consist of 60-units and will be located on approximately 3.37 acres of city-owned property at Providence Road West and Ballancroft Parkway (parcel identification numbers 223-132-40 and 223-132-39) zoned R-22MF (multi-family) and NS (Neighborhood Service District) in Council District 7.
- On January 19, 2023, the city entered into a one-year option to ground lease (Option) with CSE Communities, LLC specifically subject to Council approval and which may only be extended upon written agreement. During this period CSE Communities, LLC will perform due diligence and secure financial commitments before exercising the Option.
- The terms of the ground lease are as follows:
  - Premise: Approximately 3.37 acres of city-owned land at 11217 Providence Road West and a portion of 15024 Ballancroft Parkway
  - Lease Term: 60 years
  - Rent: \$1.00/year
  - Housing Units: CSE Communities, LLC will be responsible for the development and operation of affordable housing consisting of approximately 60 rental housing units all of which shall adhere to Low Income Housing Tax Credit and Housing Trust Fund

requirements, and include the following unit mix:

- 12 units ≤30% AMI
- 32 units 31%-50% AMI
- 16 units 61%-80% AMI
- The appraised value of the property as of April 6, 2023, is \$2,350,000.
- This action further supports City Council's April 24, 2023, \$3,100,000 Housing Trust Fund allocation for the development.

### **Background**

- On August 27, 2018, City Council adopted the Housing Charlotte Framework (Framework), which recommends expanding the supply of high-quality rental housing by using publicly owned land for housing development.
- On November 9, 2021, the city issued a Request for Proposals (RFP) seeking developers to construct affordable housing on city-owned property, including the Providence Road West/Ballancroft Parkway parcels. Council received a briefing of the recommended proposals on February 7, 2022, including Crosland Southeast's development proposal.
- This action is consistent with the Framework and Council-adopted City-Owned Real Estate and Facilities Policy and Guidelines for Evaluation and Disposition of City-Owned Land for Affordable Housing.

### **Fiscal Note**

Funding: Proceeds from the lease will be deposited in the General Capital Investment Plan

### **Attachment(s)**

Map

Resolution