

Legislation Text

File #: 15-8209, Version: 1

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.
 - In January 2016, City Council established a goal of creating 5,000 affordable units within a five-year period.
 - On October 10, 2016, City Council accelerated the goal of creating 5,000 affordable housing units from five years to three years.
 - The sale of the city property on Spencer Street for use towards affordable housing furthers this goal.
- The use of publicly-owned land is one of the tools proven to assist communities across the country in the creation of affordable housing.
- The city-owned property contains 1.37 acres of vacant land 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 mixed price point housing community which will include a minimum of ten percent HouseCharlotte qualified units.
 - The proposed housing units will target households earning at or below 80 percent of the area median income with a long-term affordability deed restriction placed on the affordable units.
 - The maximum purchase price for a new construction unit is \$224,000.
 - The HouseCharlotte program provides 10-year, deferred, forgivable down payment assistance loans to qualified applicants to purchase homes within Charlotte City limits.
- 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.
- This transaction is consistent with the Council adopted City-Owned Real Estate and Facilities Policy.

Fiscal Note

Funding: Proceeds from the sale will be deposited into the City's General Pay-As-You-Go Capital Fund

Attachment(s)

Map
Resolution