

Legislation Text

File #: 15-8698, Version: 1

Sale of City-Owned Property on Matheson Avenue

Action:

Adopt a resolution approving the private sale of a parcel on Matheson Avenue (parcel identification number 083-156-16) consisting of 0.34 acres of vacant land to Four Oaks Builders, LLC, which will include an affordable housing unit.

Staff Resource(s):

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

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 Matheson Avenue 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, 0.34-acre parcel currently zoned R-5 (single family) in Council District 1.
- An appraisal of the property on February 21, 2018, established a fair market value of \$25,900.
- Four Oaks Builders desires to purchase the City-owned parcel and assemble it with an adjacent parcel for the development of a diverse price point housing community consisting of three, single-family homes, which will include one, For Sale unit under the HouseCharlotte program.
- The offer from Four Oaks Builders includes the following terms:
 - Purchase price of \$25,900,
 - Earnest money deposit of \$1,295 within five days of City Council's approval to accept the offer,
 - Due diligence period of 60 days, and
 - Closing to occur within 30 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 \$275,000 less than the other market rate units in the same development.

Fiscal Note

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

Attachment(s)

Map
Resolution