

Legislation Text

File #: 15-9095, Version: 1

Sale of City-owned Property on Parkwood Avenue

Action:

Adopt a resolution approving the private sale of two parcels on Parkwood Avenue (parcel identification numbers 083-137-12 and -13), consisting of 0.259 acres of vacant land for \$140,000 to Vista Homes II, LLC for the development of up to five townhome units which will include an affordable housing unit.

Staff Resource(s):

Mike Davis, Engineering and Property Management
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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 Parkwood 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 two City-owned properties are vacant and total 0.259 acres, and are currently zoned B-1 (neighborhood business) permitting residential uses in Council District 1.
- An appraisal of the property on April 9, 2018, established a fair market value of \$209,300.
- Vista Homes II, LLC desires to purchase the City-owned parcels for the development of a diverse price point housing community with an affordable, HouseCharlotte qualified unit.
- The offer from Vista Homes II, LLC includes the following terms:
 - Purchase price of \$140,000,
 - Earnest money deposit of \$7,000 within five days of City Council's approval to accept the offer,
 - Due diligence period of 60 days,
 - Closing to occur within 120 days from the end of the due diligence period, and
 - The City will retain a 15-foot easement that will serve as a pedestrian and bike connector to enhance the future Parkwood Avenue and The Plaza improvement project.
- The purchase price is \$69,300 lower than the appraised value for the following reasons:
 - No other offers have been received on the property within the past two years,
 - This transaction will make it possible for a HouseCharlotte approved purchaser to obtain homeownership in an area of high opportunity for no more than \$224,000, which is

\$103,000 less than the for sale market rate housing units in this development, and

- The City will retain an easement needed to complete the Parkwood Avenue and The Plaza road diet.
- The HouseCharlotte program provides deferred, forgivable down payment assistance loans to qualified applicants to purchase homes within Charlotte City limits.
- The proposed housing unit will be available to households earning 80 percent or below of the area median income with a 15-year affordability deed restriction placed on the affordable unit.

Fiscal Note

Funding: Proceeds from the sale will be deposited into the General Community Investment Plan

Attachment(s)

Map
Resolution