

Legislation Text

File #: 15-18243, Version: 1

Amended Bond Issuance Approval for Sugar Creek Apartments

Action:

Adopt an amended resolution granting INLIVIAN's request to issue multi-family housing revenue bonds in an amount not to exceed \$28,000,000, to finance the development of an affordable housing development known as Sugar Creek Apartments

Staff Resource(s):

Shawn Heath, Housing and Neighborhood Services
Rebecca Hefner, Housing and Neighborhood Services

Explanation

- This action will not further obligate the City financially or impact the Capital Investment Plan and is requested to satisfy Section 147(f) of the Internal Revenue Code of 1986, which requires the issuance of housing bonds to be approved by the local governmental unit with jurisdiction over the area where the development is located.
- INLIVIAN is requesting that City Council adopt an amended resolution authorizing the issuance of multi-family housing revenue bonds for Sugar Creek Apartments, a 188-unit new construction affordable housing development (Development) to be developed, owned, and operated by Sugar Creek Apartments LLC, a North Carolina limited liability company and an affiliate of NRP Holdings, LLC (Developer), or an affiliated or related entity.
- The Development will be located on approximately 9.9 acres located at 230 West Sugar Creek Road (parcel identification numbers 089-01-302, 089-01-304, 089-01-417, 089-03-554, 089-01-202, and 089-01-201) in Council District 4, and will serve households earning up to 80 percent of the Area Median Income (AMI) with income averaging of 60 percent AMI for the entire development. Of the 188 new units, 39 will serve households that earn 30 percent AMI or less.
- This action further supports City Council's April 26, 2021, approval of a \$3,000,000 Housing Trust Fund allocation for this Development. Additionally, on December 13, 2021, City Council adopted a resolution authorizing INLIVIAN to issue up to \$23,000,000 in multi-family housing revenue bonds for the Development. As a result of increasing construction costs, the Developer has experienced a financing gap and has requested an additional \$5,000,000 bond allocation to fill the gap.
- The increased amount of INLIVIAN bonds, not to exceed \$28,000,000, will be used to finance land acquisition and construction of the development

Background

- The Developer applied for four percent low-income housing tax credits and a housing bond allocation capacity from the North Carolina Housing Finance Agency to finance the land acquisition and construction of the Development.
- The North Carolina Housing Finance Agency approved a four percent tax credit, an original \$23,000,000 bond allocation capacity, and a subsequent \$5,000,000 increased bond allocation capacity (total bond allocation capacity of \$28,000,000) for the Development. Tax credit and bond allocations are subject to federal income limits and set-aside rules and include deed restrictions.
- INLIVIAN, as a public housing authority, is duly authorized to issue housing bonds to finance developments that serve persons of low and moderate income, including developments in which it does not have a direct interest.

Attachment(s)

Map

City of Charlotte Resolution

INLIVIAN Resolution