

Legislation Text

File #: 15-19299, Version: 1

Extension to Option for a Ground Lease for Affordable Housing

Action:

- A. Adopt a resolution approving an extension to the option for a ground lease of city-owned property located on DeWitt Lane and South Boulevard (parcel identification numbers 149-012-47 and 149-012-51) with DreamKey Partners, Inc. (formerly Charlotte-Mecklenburg Housing Partnership, Inc.) through March 31, 2023, and**
- B. Authorize the City Manager to negotiate and execute all documents necessary to complete the extension to the option for a ground lease of the property.**

Staff Resource(s):

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

Explanation

- On July 22, 2019 City Council approved an option for a ground lease in conjunction with Housing Trust Fund support in the amount of \$3,000,000 for South Village Apartments multi-family affordable housing development to be developed, owned and operated by DreamKey Partners, Inc. (DreamKey). The development proposes a long-term ground lease of city-owned land located in Council District 3 on DeWitt Lane and South Boulevard (parcel identification numbers 149-012-47 and 149-012-51) near the LYNX Blue Line Scaleybark station.
- On November 28, 2022, City Council approved additional gap financing support for the development in the amount of \$4,705,245.
- The current ground lease option between the city and DreamKey expires on December 31, 2022.
- DreamKey has requested and staff recommends extending the ground lease option to March 31, 2023.

Background

- On August 27, 2018, City Council adopted the Housing Charlotte Framework, which recommends leveraging city-owned land to expand the supply of high-quality affordable housing.
- On August 2, 2019, DreamKey and the city entered into an option to ground lease agreement pursuant to the July 22, 2019 Council action. On February 28, 2022, City Council approved an extension to the ground lease option to December 31, 2022.
- In order for developers to secure financing, the developer must demonstrate some sort of site control. The city enters into an Option to Lease to provide developers time to secure needed financing and conduct all due diligence. Each Option has an expiration date.
- Until such time as the developer determines that it can proceed with the planned development, the city will not enter into a formal Ground Lease.

Attachment(s)

Resolution
Map