

Legislation Text

File #: 15-19385, Version: 1

Affordable Housing Development Support

Action:

- A. Approve an additional \$800,000 HOME Investment Partnership Program allocation to Urban Trends Real Estate, Inc. for Lakewood Apartments,**
- B. Approve an \$894,000 Community Development Block Grant allocation to Habitat for Humanity of the Charlotte Region for East Lane Townhomes, and**
- C. Authorize the City Manager to execute, amend, and renew contracts and other required documents to complete the transactions approved by these actions.**

Staff Resource(s):

Shawn Heath, Housing and Neighborhood Services
Warren Wooten, Housing and Neighborhood Services

Explanation

Action A - Lakewood Apartments

- On November 22, 2021, City Council authorized the use of \$2,250,000 of HOME Investment Partnership Program (HOME) funds for the development of Lakewood Apartments, a 36-unit new construction affordable housing development to be developed, owned and operated by Urban Trends Real Estate (Developer).
- The development is located on approximately 1.7 acres located at 104 Lakewood Avenue (parcel identification numbers: 065-12-819, 065-128-09, 065-128-11) in Council District 2 and will serve households earning 60 percent and below the area median income (AMI).
- The development has experienced a new financing gap as a result of unprecedented changes in market conditions, including construction material pricing and interest rates.
- In response to the September 19, 2022 Notice of Funding Availability for Gap Financing for Previously Supported Affordable Housing Developments, the Developer has requested, and staff supports, \$800,000 in additional assistance through the HOME program to help fill the resulting gap.
- The funding gap was communicated to City Council at the October 24, 2022 Business Meeting, as part of the discussion regarding housing projects facing cost pressures. Additionally, at the November 24, 2022 Business Meeting, City Council was informed that the funding gap for Lakewood Apartments would be addressed through available federal funds rather than the Housing Trust Fund or stimulus funds (ARPA).

Action B - East Lane Townhomes

- At the April 4, 2022 City Council Strategy Session, Council received an overview of the proposed East Lane Townhomes development including \$230,000 Housing Trust Fund (HTF) support in conjunction with approximately \$894,000 Community Development Block Grant (CDBG) support for the development of 17 for-sale townhome units to be developed by Habitat for Humanity.
- The development proposal was received in response to a January 25, 2022 Request for Proposals for Affordable Housing Development, and is located on approximately 2.47 acres on East Lane Drive (parcel identification numbers: 165-121-23, 165-121-19) in Council District 5 and will provide homeownership opportunities for households earning 80 percent and below the AMI.

- On April 11, 2022, City Council approved the \$230,000 HTF support, with the CDBG request planned for a later date. Action B affirms the CDBG funding allocation.

Background

- On August 27, 2018, City Council adopted the Housing Charlotte Framework (Framework), which recommends expanding the supply of high-quality housing and increasing family self-sufficiency by building new affordable for-rent and for-sale housing.
- On June 13, 2022, City Council adopted the U.S. Department of Housing and Urban Development's (HUD) Annual Action Plan, which identifies the need for affordable, safe, and decent housing for low-and-moderate income families and reaffirms the goals of the Framework.
- Each year, the City of Charlotte receives program grants from HUD, including:
 - The HOME Investments Partnership Program which is designed to increase affordable housing opportunities for low and very low-income residents, and
 - The Community Development Block Grant program which provides broad support for low and moderate-income neighborhoods including housing development.

Charlotte Business INclusion

This contract is federally funded and is exempt (Part A: Appendix 1.27 of the Charlotte Business INclusion policy).

Fiscal Note

Funding: HOME Investment Partnership Program, Community Development Block Grant

Attachment(s)

Map - Lakewood Apartments

Map - East Lane Townhomes