



Legislation Text

File #: ID 17-0771, **Version:** 1

Resolution Authorizing Multi-Family Energy Efficiency Loan in the Amount of \$473,900 to Carolina Community Investments, Inc. for Improvements at 2209 Apache Street, 307 Avalon Road, and 405 S. English Street, Known as Avalon Trace

Department: Neighborhood Development
Council District: 1

Public Hearing:
Advertising Date/By:

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Contact 2 and Phone: Cynthia Blue, 336-433-7376

PURPOSE:

City Council is requested to approve a construction loan in an amount not to exceed \$473,900 from Multi-Family Energy Efficiency Program funds to Carolina Community Investments, Inc. for the purposes of energy and water efficiency improvements as part of the planned acquisition and renovations at Avalon Trace apartments, located at parcel addresses 2209 Apache Street, 307 Avalon Road, and 405 S. English Street. The City loan leverages additional financing from Reinvestment Fund, a national social impact investor, Greensboro Housing Coalition, and Community Foundation of Greater Greensboro. The City loan funds would be repaid at the close of permanent financing.

BACKGROUND:

The Avalon Trace apartment complex has been identified by the Collaborative Cottage Grove [CCG] community partners as a key priority for improving the neighborhood housing conditions. The 176 unit property is deteriorating and has multiple units with outstanding code violations and Orders to Repair. Pediatric asthma emergency room admissions data shows a concentration of cases coming from the property. The current owners have listed the property for sale and a purchase offer has been accepted from Carolina Community Investments, Inc.

The Reinvestment Fund is a national mission driven Community Development Financial Institution providing lending capital as a catalyst for community change. The Reinvestment Fund has partnered with the Robert Wood Johnson Foundation to provide the financing capital for projects identified by the cities participating in the InvestHealth grant program, which targets upstream measures to improve community health. The Greensboro InvestHealth team members have identified the Cottage Grove community, and particularly the Avalon Trace property, as a hot spot for children's asthma admissions to the Cone Health Emergency Room. Carolina Community Investments is working with the InvestHealth and CCG community partners, the City, Community Foundation of Greater Greensboro, Cone Health, Greensboro Housing Coalition, and Reinvestment Fund to achieve a social impact outcome through the acquisition and repair of the units.

The Reinvestment Fund, the City, the Community Foundation of Greater Greensboro and the Greensboro Housing Coalition will invest low interest construction financing allowing a higher level of energy and water

efficiency, health and other related improvements to be made. The construction lenders would be re-paid at the close of permanent financing, currently estimated at a 1.5 year period.

Funds are available from the 2009 Housing Bond Multi-family Energy Efficiency Revolving Loan funds and prior loan repayments. The City loan terms to Carolina Community Investments include an amount up to \$473,900, at 1% interest, for a term up to 2 years, or close of permanent financing, whichever comes first, with a balloon at the end of the term. The City lien would be in second position behind the Reinvestment Fund. Repayment from the Multi-Family Energy Efficiency housing bond funds comes back to the revolving loan account to be made available for future projects. The City loan is contingent upon the Reinvestment Fund loan.

Project sources:

Reinvestment Fund (acquisition and repairs)	\$4,000,000
City (energy and water improvements)	\$ 473,900
Community Foundation of Greater Greensboro Landlord Tenant Partnership Fund (health related improvements)	\$ 125,000
Greensboro Housing Coalition (escrow deposit loan)	\$ 25,000
Owner Equity	\$ 501,563
Total	\$5,125,463

BUDGET IMPACT:

Funds are available in the following accounts:

\$111,245.00	473-2204-01.5282 Loans for Energy Efficiency
\$362,655.00	211-2101-12.5282 Appropriated from Energy Efficiency Revolving Loan to Nussbaum Affordable Housing

RECOMMENDATION / ACTION REQUESTED:

City Council is requested to approve a construction loan in an amount not to exceed \$473,900 from Multi-Family Energy Efficiency Program funds to Carolina Community Investments, Inc. for the purposes of energy and water efficiency improvements as part of the planned acquisition and renovations at Avalon Trace apartments, located at parcel addresses 2209 Apache Street, 307 Avalon Road, and 405 S. English Street. Authorization is also requested for the City Manager to execute all related loan documents.