



Legislation Text

File #: ID 20-0356, **Version:** 1

Resolution Authorizing a Commitment of \$1,036,681 to Partnership Homes, Inc. for the Partnership Place Apartments Supportive Housing Development Project

Council Priority: Maintain Infrastructure and provide Sustainable Growth Opportunities; Promote Public Safety and Reduce Crime

Department: Neighborhood Development
Council District: 1

Public Hearing: No
Advertising Date/By: N/A

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PURPOSE:

City Council is requested to approve a revised City loan commitment of \$1,036,681 in 2016 Housing Bonds and Community Development Block Grant funds to Partnership Homes, Inc., and conversion of an existing City loan with current approximate total \$513,423 to deferred forgivable status, for the acquisition and rehabilitation of 31 units located at 603 West Terrell Street for use as supportive housing for families, with a preference for formerly homeless families and those affected by COVID-19.

BACKGROUND:

In October 2017, Council approved a loan to Partnership Homes, Inc., for the acquisition and rehabilitation of 37 units at 603 West Terrell Street for affordable supportive family housing. Subsequent to that approval, but before loan closings, there was a fire with 6 units destroyed, water damage and asbestos contamination at the site.

Partnership Homes, Inc., has worked with the North Carolina Housing Finance Agency [NCHFA] to secure a \$600,000 Supportive Housing Development Program rehabilitation loan and the Federal Home Loan Bank of Atlanta to secure a \$500,000 rehabilitation grant. NCHFA will also allow Partnership Homes to assume the balance of an existing \$401,942 NCHFA loan to the current owner, Kingsgate Housing LLC. Rents are \$560 per month for 2 bedroom townhouse style units. The Sandhills Center will provide referrals, case management and rental support under their Transitions to Community Living Initiative for six units. Greensboro Urban Ministry will also provide referrals, case management and support for residents.

The City of Greensboro would provide \$1,036,681 in 2016 Housing Bonds and Community Development Block Grant funds as a 20 year deferred loan at 0% interest. Partnership Homes, Inc., would assume and convert an existing City loan from 1998 to the current owner, Kingsgate Housing LLC, approximate total of \$513,423, into a deferred, forgivable 0% interest loan to be forgiven over a 10 year period. Kingsgate Housing LLC will sign a modification to the restrictive covenants terminating the expired HOME program restrictions.

The loan is contingent on final financing commitment from NCHFA and other financing sources and availability of City funds.

The loans would be in the following lien priority: Construction financing and subsequent \$600,000 NCHFA permanent loan in first position, new \$1,036,681 City loan in second position, \$401,942 NCHFA existing loan in third position, and the approximate \$513,423 deferred, forgivable City loan in fourth position.

The City's M/WBE Goal Setting Committee has established MWBE goals for the project at 17.6% MBE and 16.3% WBE.

BUDGET IMPACT:

Funds are available in the following accounts

\$ 532,423	483-2201-07	2016 Housing Bonds - Supportive Housing
\$ 49,596	212-2213-40	CDBG Rehabilitation
\$ 258,712	212-2115-40	CDBG Rehabilitation
\$ 140,000	212-2118-40	CDBG Rehabilitation
<u>\$ 55,950</u>	212-2119-40	CDBG Rehabilitation
\$1,036,681		

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council authorize a financing commitment of \$1,036,681 for Partnership Homes, Inc. for the Partnership Place Apartments project with assumption and conversion of the existing approximately \$513,423 City loan to current owner Kingsgate Housing LLC as second and fourth position City liens respectively, subject to final financing commitment from NCHFA and meeting all financing conditions, and authorize the City Manager to execute loan closing documents for this multi-family supportive housing development project.