

# AFFORDABLE HOUSING DEVELOPMENT ON TOWN-OWNED LAND: TRINITY CT AND JAY ST

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## REQUEST FOR SITE CONTROL

Council Meeting Presentation  
January 12, 2022



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# Agenda

1. Project History and Context

2. Summary of Option Agreements

4. Questions & Discussion

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## Council Consideration #1

- Consider authorizing the Town Manager to execute an option to ground lease agreement with Community Housing Partners to redevelop the Trinity Court public housing community.



## Council Consideration #2

- Consider authorizing the Town Manager to execute an option to ground lease agreement with the Taft-Mills Group to develop affordable housing at Jay Street.



# Trinity Court Project Background

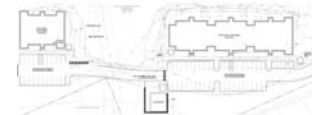


**2017-2018**

Trinity vacated

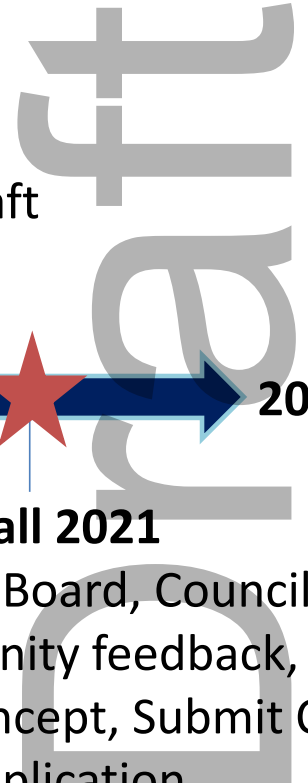
**Spring 2020**

Council directed staff to plan for comprehensive redevelopment



**Summer/Fall 2021**

Community Engagement, Draft and Submit Concept Plan



**Sept 2018**

Council authorized RAD Application, Begin Planning for Redevelopment



**Fall 2020-Spring 2021**

ID Development Partner, Sign MOU with CHP



**Fall 2021**

Advisory Board, Council, Community feedback, Refine Concept, Submit CZ Application



2017

2022

# Trinity Court Proposed Site Plan



- 54 affordable apartments: one-for-one replacement of existing 40 units + addition of 14 1BR units
- 3-4 story buildings
- Amenities include: community room, outside covered gathering space, playground, electric car charging, and walking path to Tanyard Branch Trail
- Efforts to increase site visibility, accessibility and connectivity

# Jay Street - Background



**June 2018**

Council Prioritized Land for Affordable Housing Dvpt



**Winter/Spring 2021**

ID Development Partner, Submit Concept Plan



**Winter 2021/2022**

Submit CZ Application

**Fall 2019**

Council Update on Feasibility Analysis, Council Authorizes Staff to ID Developer



**Spring/Summer/Fall 2021**

Advisory Board, Council and Community Feedback, Refine Site Plans



2018

2022

draft

# Jay Street Proposed Site Plan



- 48 affordable apartments in 2, 3-story buildings
- 50% of site preserved
- Community building w/ management offices, multi-purpose room, fitness center, computer lab
- Connection to Tanyard Branch
- Placement of buildings, parking intended to minimize footprint and maximize tree cover



# Project Financing

**9% LIHTC** (~70% subsidy) + **Bank Financing** + **Gap Financing** (~\$0) = **100% Funded**

**4% LIHTC** (~25-30% subsidy) + **Bank Financing + Tax Exempt Bonds** + **Gap Financing** (~\$2-\$3M) = **100% Funded**

Potential Sources: Town AH \$, ARPA, County, Federal, FHLB, among others

## LIHTC – What is needed from the Town?

- Round 1 Application Deadline: January 21, 2022
  - **Must demonstrate site control, as evidenced by option, contract, or deed**
- Round 2 Application Deadline: May 13, 2022
  - Required zoning in place
    - *Anticipate Council vote in April '22*
  - Binding letter of commitment for Town funding, if needed
    - *Anticipate Council vote in May '22*

# Option to Lease Agreement

- 1) Grants sole and exclusive right to developer during option period
- 3) Restricts use of site to plans proposed in conditional zoning application
- 2) Ground lease will ensure **permanent affordability (99 years)**
- 3) Execution of ground lease contingent on:
  - Obtaining project approvals
  - Securing project funds

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## Why submit a tax credit application now?

- Project competitiveness can change year to year
- Delays introduce uncertainties, which can increase project costs
  - Interest rates
  - Tax credit equity pricing
  - Construction pricing
- Projects not competing, better to submit both
- The need for affordable housing is immediate!

Drift

# Key Project Milestones

## JANUARY '22

- ★ Council authorizes option agreement
- Preliminary tax credit app due

## SPRING '22

- ★ Public Hearing
- ★ Council vote on CZ applications
- ★ Council vote on AH bond allocation
- Final tax credit app due

## SUMMER – FALL '22

- Tax credit awards announced, finalize financing plans
- Secure all required permits

## SPRING-SUMMER '23

- Closing/ Execute ground leases
- Start construction

## Council Consideration

- Consider approving Resolution R-## authorizing the Town Manager to execute an option to ground lease agreement with Community Housing Partners to redevelop Trinity Court
- Consider approving Resolution R-## authorizing the Town Manager to execute an option to ground lease agreement with the Taft-Mills Group to develop affordable housing at Jay Street

**TRINITY COURT AND JAY STREET  
AFFORDABLE HOUSING DEVELOPMENT**

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**OPTION TO GROUND LEASE AGREEMENTS**

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