

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

REQUEST FOR SITE CONTROL

Council Meeting Presentation
January 12, 2022



Agenda

1. Project History and Context

2. Summary of Option Agreements

4. Questions & Discussion

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



Summer/Fall 2021

Community Engagement, Draft and Submit Concept Plan

Spring 2020

Council directed staff to plan for comprehensive redevelopment

Fall 2020-Spring 2021

ID Development Partner, Sign MOU with CHP

Fall 2021

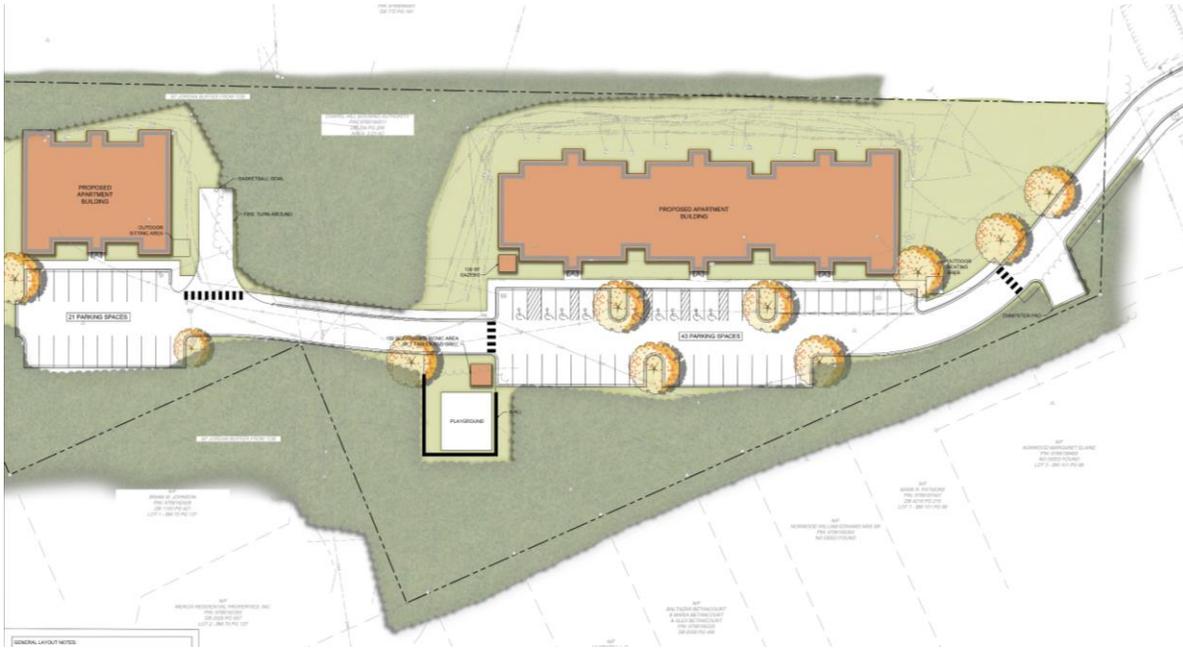
Advisory Board, Council, Community feedback, Refine Concept, Submit CZ Application



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

2018



2022

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



Jay Street Proposed Site Plan



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

Project Financing

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

4% LIHTC (+) **Bank Financing + Tax Exempt Bonds** (+) **Gap Financing** (=) **100% Funded**
(~25-30% subsidy) (~\$2-\$3.5M)

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 April/May '22*

Option to Lease Agreement

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

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

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

SUMMER '23

- Closing/ Execute ground leases
- Start construction

Council Consideration

- Consider approving Resolution R-5 authorizing the Town Manager to execute an option to ground lease agreement with Community Housing Partners to redevelop Trinity Court
- Consider approving Resolution R-6 authorizing the Town Manager to execute an option to ground lease agreement with the Taft-Mills Group to develop affordable housing at Jay Street

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

REQUEST FOR SITE CONTROL

Council Meeting Presentation
January 12, 2022

