

TRINITY COURT DEVELOPMENT CONTRACT

Council Presentation
March 22, 2023



Agenda

1. Project History and Context

2. Development Contract Summary

3. Next Steps and Discussion

Council Consideration

- Authorize the Town Manager to execute a development contract for the redevelopment of the Trinity Court Public Housing community.



Project History



September 2018
RAD Application
Submitted

April 2019
Council authorized
manager to negotiate
with potential
development partners

June 2021
MOU signed
with CHP

August 2021-
Present
Public engagement

January 2022
Option
Agreement
Executed

April 2022
Conditional
Zoning Approved

Fall 2022
LIHTC and
Town Funding
Awarded

Approved Site Plan

- 54 Affordable Apartments
 - 40 2- and 3-BR public housing replacement units
 - 14 new affordable 1-BR units
 - Serving 30-80% AMI (25% at or below 30% AMI)
- Amenities: playground, covered picnic areas, community room, business center
- Access to 3 bus stops via sidewalk
- Connection to Tanyard Branch Greenway



Community Housing Partners

- Has provided housing preservation and development services throughout the Southeast since 1984
- Creates stable communities and access to opportunity through:
 - Sustainable Development & Construction
 - Resident Services
 - Property Management
 - Weatherization and Energy Services
 - Homeownership Facilitation
- Existing portfolio consist of 94 rental communities totaling 5,876 multifamily units



*To create homes and communities
that are healthy, sustainable, and
affordable*

Required Conditions to Enter Into Ground Lease

1. Optionee shall have received an allocation of Low Income Housing Tax Credits from the NCHFA

✓ *Trinity Court awarded 2022 9% LIHTC award in October 2022*

2. All required governmental approvals have been obtained and any requirements for financing shall have been satisfied

□ *Anticipate all permits in hand by summer 2023*

3. Optionee and/or its assignee shall have secured financing

□ *Developer submitting final funding application this spring*

Development Contract Summary

1. Confirmation of general terms and conditions of development

- Project schedule
- Development team members
- Affordability requirements

2. Developer Responsibilities

- Site planning, redevelopment, lease up, and securing all financing and permitting

Development Contract Summary

3. Confirmation of Ground Lease

- 99-year lease
- \$1.00 annual rent
- To be executed prior to construction
- Recapture right by the Town in event of default

4. Town's Anticipated Funding Commitment

- \$1,175,691 from affordable housing funding sources (approved)
- \$1,500,000 from public housing funds (subject to Town Council approval)

Development Contract Summary

5. Protections for the Town

- Town can cancel the contract if developer commits fraud, leases at excessive rent levels, doesn't construct the project as agreed to by the Town, or otherwise fails to fulfill its responsibilities under the contract
- Indemnity by the developer

Next Steps

Spring 2023

- Execute Development Contract
- Secure final permits
- Secure financing, final funding

Summer 2023

- RAD, LIHTC, Town funding closings
- Trinity Court removed from Town portfolio
- Execute ground lease

Groundbreaking!



Fall 2023–Winter 2025

- Construction
- Lease-Up

Ribbon Cutting!



Council Consideration

- Adopts R-9 authorizing the Town Manager to execute a development contract for the redevelopment of the Trinity Court Public Housing community.



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