



Legislation Text

File #: [23-0247], Version: 1

Consider Authorizing the Town Manager to Execute a Development Contract with Community Housing Partners (CHP) for the Redevelopment of Trinity Court.

Staff:

Faith Brodie, Director

Emily Holt, Affordable Housing Development Officer

Department:

Public Housing

Affordable Housing and Community Connections

Overview: This agreement authorizes the Town Manager to execute a development contract with CHP for redevelopment of the Trinity Court public housing community.

The Town and its outside legal counsel at Ellinger & Carr, PLLC have worked with CHP to draft a development contract that establishes the major terms and conditions between CHP and the Town in carrying out the redevelopment of the Trinity Court public housing community.

Between 2018 and 2022, the Town Council has consistently reviewed and authorized the steps leading to consideration of this agreement including applying for RAD assistance, selecting a developer, negotiating terms and conditions with the developer to redevelop the site, approving the rezoning application, authorizing an option agreement, and allocating \$1,175,691 in affordable housing funds.

☆ **Recommendation(s):**

That the Council authorize the Town Manager to execute a development contract with Community Housing Partners to establish the major terms and conditions for carrying out the redevelopment of the Trinity Court public housing community.

Key components of the agreement:

- *Confirmation of general terms and conditions:* reconfirms the project schedule and names the selected members of the development team.
- *Developer responsibilities:* the developer will be responsible for the site planning, deconstruction, redevelopment, and lease-up of Trinity Court in accordance with the Town-approved plans and affordability restrictions imposed by the Town. Developer will also be responsible for securing all financing and ensuring adherence to state, federal and local funding requirements, and Town-issued permits.
- *Confirmation of Ground Lease:* confirms that the Town and the developer will enter into a ground lease before construction pursuant to the executed option agreement, with a term of 99 years and an annual rent of \$1.00. A form of ground lease is attached to the Development Contract as an exhibit and provides a right of termination of the lease by the Town upon default by the tenant.
- *The Town's funding commitment:* provides for Town funding in the amount of \$1,175,691 from the Town's affordable housing funding sources and \$1,500,000 in public housing funds, subject to

approval by Town Council.

- *Protection for the Town:* gives the Town the ability to terminate the contract in the event the developer commits fraud, leases the project at excessive rent levels, declares bankruptcy, fails to construct the project as agreed to by the Town, or otherwise fails to fulfill its responsibilities under the contract.

Fiscal Impact/Resources: The Town Council approved \$1,175,691 from the Town's affordable housing funding sources in November 2022, including \$474,796 from the affordable housing bond, \$500,000 in American Rescue Plan Act (ARPA) funding, and \$200,895 from the Affordable Housing Development Reserve. The Council will also consider approving \$1,500,000 in public housing funds for the project at the March 22, 20223 Council agenda. This Development contract does not allocate any additional Town funds toward the project.



Attachments:

- Resolution
- Draft Staff Presentation
- Trinity Court Project Milestones
- Draft Trinity Court Development Contract
- Draft Form of Ground Lease

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE A DEVELOPMENT CONTRACT FOR THE REDEVELOPMENT OF THE TRINITY COURT PUBLIC HOUSING COMMUNITY (2022-03-22/R-9)

WHEREAS, on [September 5, 2018 <https://chapelhill.legistar.com/View.ashx?M=F&ID=6577880&GUID=3A39DFF9-A149-483D-82A7-627D3D5D4B3B>](https://chapelhill.legistar.com/View.ashx?M=F&ID=6577880&GUID=3A39DFF9-A149-483D-82A7-627D3D5D4B3B), the Council authorized the Town to submit an application to the U.S. Department of Housing and Urban Development for the Rental Assistance Demonstration (RAD) for the Trinity Court public housing neighborhood; and

WHEREAS, on [April 24, 2019 <https://chapelhill.legistar.com/View.ashx?M=F&ID=7185720&GUID=F5388887-50AE-4819-A073-4A33780AB438>](https://chapelhill.legistar.com/View.ashx?M=F&ID=7185720&GUID=F5388887-50AE-4819-A073-4A33780AB438), the Council authorized the Manager to execute documents to enter into an Exclusive Negotiating Agreement with a selected developer to explore options to stipulate responsibilities of the Town and the Developer concerning development of the site; and

WHEREAS, on May 20, 2020, the Town expressed support for the comprehensive redevelopment of Trinity Court; and

WHEREAS, on June 4, 2021, the Town executed a Memorandum of Understanding with Community Housing Partners to establish the terms and conditions for negotiating an agreement to redevelop Trinity Court; and

WHEREAS, on [December 1, 2021 <https://chapelhill.legistar.com/View.ashx?M=F&ID=10317310&GUID=F08EE091-6003-4A6A-BC94-347FC499538C>](https://chapelhill.legistar.com/View.ashx?M=F&ID=10317310&GUID=F08EE091-6003-4A6A-BC94-347FC499538C), the Council provided feedback on the concept plan for Trinity Court; and

WHEREAS, on [January 12, 2022 <https://chapelhill.legistar.com/View.ashx?M=F&ID=10400944&GUID=1038D317-840F-4B64-9C54-32F75887F7F6>](https://chapelhill.legistar.com/View.ashx?M=F&ID=10400944&GUID=1038D317-840F-4B64-9C54-32F75887F7F6), the Council authorized the Town Manager to execute an Option to Ground Lease Agreement with Community Housing Partners for the Trinity Court Public Housing Redevelopment Project; and

WHEREAS, on [April 27 <https://chapelhill.legistar.com/View.ashx?M=F&ID=10853945&GUID=7595B0B5-F20B-45E4-BB96-75037E71E928>](https://chapelhill.legistar.com/View.ashx?M=F&ID=10853945&GUID=7595B0B5-F20B-45E4-BB96-75037E71E928), 2022, the Council approved a conditional zoning application for the 751 Trinity Court parcel, thereby approving the development of 54 affordable housing units on the site; and

WHEREAS, on [November 16, 2022 <https://chapelhill.legistar.com/View.ashx?M=F&ID=11464749&GUID=FE3F7401-18E1-45AB-8291-3FC898ED0FB7>](https://chapelhill.legistar.com/View.ashx?M=F&ID=11464749&GUID=FE3F7401-18E1-45AB-8291-3FC898ED0FB7), Council approved \$1,175,691 in affordable housing funding to support the redevelopment of the Trinity Court public housing community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to execute a development contract with Community Housing Partners for the redevelopment of the Trinity Court public housing community, as described in the March 8, 2023 meeting materials.

This the 22nd day of March, 2023.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Faith Brodie, Public Housing Director
Susan Ellinger, Ellinger & Carr, PLLC

RECOMMENDATION: That the Council authorize the Town Manager to execute a development contract with Community Housing Partners for the redevelopment of the Trinity Court public housing community.