



Legislation Text

File #: [21-0771], Version: 2

Authorize the Town Manager to Execute a Site Development Agreement with Self-Help Ventures Fund for the 2200 Homestead Road Mixed-Income Affordable Housing Development.

Staff:

Sarah Osmer Viñas, Interim Director
Nate Broman-Fulks, Affordable Housing Manager
Emily Holt, Affordable Housing Development Officer

Department:

Housing and Community

Overview: This agreement authorizes the Town to temporarily convey land to Self-Help Ventures Fund while they perform and manage site development. The agreement describes the roles and responsibilities of Self-Help and the Town during site development.

☆ **Recommendation(s):**

That the Council authorize the Town Manager to execute a site development agreement with Self-Help Ventures Fund to prepare the land and infrastructure for the development of mixed income affordable housing at 2200 Homestead Road.

Background: The Town and its outside legal counsel at Sanford Holshouser Law Group have worked with Self-Help Ventures Fund to draft a site development agreement that confirms the roles and responsibilities of Self-Help and the Town in carrying out the site development scope for the 2200 Homestead Road project. This agreement is for the land and infrastructure preparation. Separate agreements with the housing developers - CASA, Community Home Trust, and Habitat for Humanity of Orange County - to develop the housing portions of the project will come to Council for approval in the winter/spring 2022.

The Town Council consistently reviewed and authorized the steps leading to consideration of this agreement.

- In [September 2017 <http://chapelhill.granicus.com/MinutesViewer.php?view_id=21&clip_id=3233&doc_id=2307f58a-9404-11e7-8661-00505691bffa>](http://chapelhill.granicus.com/MinutesViewer.php?view_id=21&clip_id=3233&doc_id=2307f58a-9404-11e7-8661-00505691bffa), the Town Council designated a 14-acre parcel of Town-owned land at 2200 Homestead Road for mixed-income affordable housing and authorized the Town Manager to continue to pursue development on this site and to engage potential partners.
- In [June 2018 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3531765&GUID=2AAB0753-D883-4117-BBFE- >](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3531765&GUID=2AAB0753-D883-4117-BBFE-) the Town Council reviewed a concept plan for the development of 2200 Homestead Road.
- In [November 2018 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3760315&GUID=212CC318-56AD-416C-A079- >](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3760315&GUID=212CC318-56AD-416C-A079-) the Town Council authorized the Town Manager to issue a Request for Qualifications to identify potential development partners and to begin negotiations with potential developers.
- In February 2020, the Town executed a Memorandum of Understanding with Self-Help Ventures Fund laying out the terms of negotiation for the drafting of a development agreement.
- In [June 2020 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4563690&GUID=ADE08ABC-2155-4427-A7A8- >](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4563690&GUID=ADE08ABC-2155-4427-A7A8-)

- , Council approved \$3.3M in Affordable Housing Bond funds to pay for site construction costs.
- In [November 2020 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4682752&GUID=67E829EC-E6E4-4117-849B-09126332CFA0>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4682752&GUID=67E829EC-E6E4-4117-849B-09126332CFA0), Council approved \$173,395 in Affordable Housing Development Reserve funding for predevelopment and site construction costs.
- On [May 19, 2021 <https://chapelhill.legistar.com/LegislationDetail.aspx?GUID=3FF66E07-2362-4A7A-A8E7-F0E3EC81F28B&ID=4955855&Options=&Search=>](https://chapelhill.legistar.com/LegislationDetail.aspx?GUID=3FF66E07-2362-4A7A-A8E7-F0E3EC81F28B&ID=4955855&Options=&Search=>), Council approved a conditional zoning application for the parcel, thereby approving the development of 117 mixed-income affordable housing units on the site.

Key components of the agreement:

- *The temporary conveyance of the 2200 Homestead Road parcel to Self-Help:* Once site development is complete, Self-Help will reconvey the land back to the Town and the Town will draft separate land conveyance and development agreements with each of the three housing developers. If the agreements between the Town and housing developers are approved by Council and executed prior to completion of site development, Self-Help could instead convey the land directly to the partner(s) in a separate land conveyance agreement.
- *The responsibilities of Self-Help in conducting site development for the project:* This includes management of the site development budget and oversight of the site development contract with the general contractor.
- *The Town's funding commitment:* The agreement references the related funding agreement between Self-Help and the Town outlining the requirements for accessing the Town approved funding for the project.
- *Coordination between the Town and Self-Help to draft development agreements with the housing developers (CASA, Community Home Trust, and Habitat for Humanity Orange County):* These agreements will provide, a project financing plan, and the land use restrictions and covenants required to provide a 99-year affordability period, among other things. Each vertical development agreement will be reviewed by Council prior to execution.

Fiscal Impact/Resources: The Town Council approved a \$3.3 million funding award from the Town's Affordable Housing Bond in June 2020. The Council also approved \$173,395 in Affordable Housing Development Reserve funding in November 2020 to fund predevelopment activities and site development costs for the project. This Site Development Agreement does not allocate any additional Town funds toward the project.



Attachments:

- Resolution
- Draft Staff Presentation
- 2200 Homestead Project Milestones
- 2200 Homestead Road Site Development Agreement

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE A SITE DEVELOPMENT AGREEMENT FOR THE 2200 HOMESTEAD ROAD MIXED INCOME AFFORDABLE HOUSING DEVELOPMENT (2021-10-13/R-18)

WHEREAS, on September 6, 2017, the Council designated 2200 Homestead Road as a mixed-income affordable housing site and authorized the Town Manager to continue to pursue development of mixed-income affordable housing on this site and to engage potential partners in the discussions; and

WHEREAS, on June 20, 2018 the Council gave feedback on a Concept Plan for the development of 2200 Homestead Road where the exploration of development partners was identified as a key next step; and

WHEREAS, on November 28, 2018 the Council authorized the Town Manager to issue a Request for Qualifications to identify potential development partners for 2200 Homestead and to begin negotiations with potential developers; and

WHEREAS, on February 27, 2019 the Town executed a Memorandum of Understanding with Self-Help Ventures Fund to establish the terms and conditions for negotiating an agreement for 2200 Homestead Road site development; and

WHEREAS, on June 17, 2020 the Council approved \$3.3M in Affordable Housing Bond funding for the 2200 Homestead Road project; and

WHEREAS, on November 4, 2020 the Council approved \$173,395 in Affordable Housing Development Reserve funding for the 2200 Homestead Road project; and

WHEREAS, the Council approved the Conditional Zoning of the 2200 Homestead Rd project on May 19, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to execute a site development agreement with Self-Help Ventures Fund for the 2200 Homestead Rd site, as described in the October 13, 2021 meeting materials.

This the 13th day of October, 2021.

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

PRESENTER: Nate Broman-Fulks, Affordable Housing Manager
Emily Holt, Affordable Housing Development Officer

RECOMMENDATION: That the Council authorize the Town Manager to execute a site development agreement with Self-Help Ventures Fund to prepare the land and infrastructure for the development of mixed income affordable housing at 2200 Homestead Road.