

City Council – Action Request Form

Date: November 13, 2023

To: Mayor, Mayor Pro Tempore, and Members of the City Council

Patrice Toney, Assistant City Manager

From: Angela I. Carmon, City Attorney
Tanya Skillman, Housing Development Manager

Council Action Requested:

Adoption of a: (1) Resolution Amending the Construction Loan Program Established In 1997, Establishing Guidelines and Providing Funding for the Program; and (2) Project Budget Ordinance Amendment Allocating \$2 Million in ARPA Replacement Funds For the Construction Loan Program

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Development of Affordable Housing

Strategic Plan Action Item: Yes

Key Work Item: Yes



Summary of Information:

On May 12, 1997, City Council, due to the urgent need to conserve and substantially improve existing housing and facilitate the construction of new affordable housing, adopted a resolution establishing a construction loan program with an emphasis on single-family new construction, rehabilitation, purchase-rehabilitation and small scale multifamily developments of fifty (50) units or less. The 1997 resolution and the summary that accompanied said resolution are attached.

Over the years, the construction loan program has been utilized to provide funding for the construction of single-family homes for several different projects, including, but not limited to Ridgewood Place, initially, and Hardesty Lane. As it has been documented, the urgent need to provide affordable housing for low to moderate income persons remains. The construction loan program could benefit from some enhancements and an infusion of funds to increase the utilization of said program to help ameliorate the affordable housing crisis.

Committee Action:

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| Committee | <u>CD/H/GG (11/13/23); FC (11/14/23)</u> | Action | <u>Approval</u> |
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| For | <u>CD/H/GG – Unanimous; FC – 3 Aye</u> | Against | <u></u> |
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Remarks:

FC – MPT Adams absent

The purpose of the current resolution is to: (1) amend and enhance the existing construction loan program by replacing the 1997 plan summary from the prior resolution with the attached 2023 construction loan program guidelines which contain significant portions of the aforementioned plan summary, thereby, obviating the need to retain both for the administration of the said program, and (2) authorize the dedication of \$2 million in ARPA Revenue Replacement Funds for said program. A chart summarizing the recommended changes to the 1997 construction loan program is attached to this council action request form.

The City, acting as a housing authority pursuant to G.S, 157-3(12) and additional community development related statutes, has the authority to continue the CLP and make grants and provide low interest loans for housing initiatives that provide or increase the supply of affordable housing. The resolution authorizing the changes to the construction loan program and establishing the accompanying guidelines is accompanied by the appropriate project budget ordinance allocating/appropriating \$2 million for the construction loan program, all of which are recommended for your approval.