

Date: November 13, 2023

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

From: Patrice Toney, Assistant City Manager
Tanya Skillman, Housing Development Manager

Subject: Information Regarding Affordable Housing Items: Glabex Consortium, LLC for Development of four lots for Affordable Housing; Glabex Consortium, LLC for the Development of Three three-bedroom/two-bath Single Family Houses; Liberty East Redevelopment Inc. for Development of Five Lots for Affordable Homeownership

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Promoting the Development of Affordable Housing

Strategic Plan Action Item: Yes

Key Work Item: Yes



Listed below is a summary of the proposed scattered site development in the Northeast Ward.

Glabex Consortium, LLC for Development of four lots for Affordable Housing

1. On October 16, 2023, City Council approved the sale of four (4) lots (see Exhibit A) to Glabex Consortium, LLC for \$4.00 conditioned on the development of single-family homes available for affordable homeownership.
2. To achieve greater affordability Glabex Consortium, LLC requests an allocation of State ARPA funds to the project in the amount of \$120,000 (\$30,000 per unit).

Glabex Consortium, LLC for the Development of Three three-bedroom/two-bath Single Family Houses

1. Glabex Consortium, LLC has offered to purchase an additional \$3 city owned lots in the Northeast Ward (see Exhibit B) for the development of single-family homes available for affordable homeownership. The developer also requests an allocation of \$90,000 from State ARPA to offer greater affordability.
2. The projected sales price for each home is \$235,000. The subsidized sales price for the homes is estimated to be \$205,000 each.

Liberty East Redevelopment Inc. for Development of Five Lots for Affordable Homeownership

1. On October 16,2023 City Council approved the sale of four (4) lots to LER for \$4 conditioned on the development of five (5) single-family homes (one of the lots will be subdivided into two) available for affordable homeownership. See Exhibit C

2. To achieve greater affordability LER, request an allocation of State ARPA funds to the project in the amount of \$150,000 (\$30,000 per unit).
3. Listed below is a schedule of the estimated sales price and subsidized sales price for the design plans.

	Unit A-77400	Unit B -29281	Unit C-060009
Estimated Sales Price	238,000	242,000	262,000
Less City Loan/Subsidy	\$ 30,000	\$ 30,000	\$ 30,000
Estimated Subsidized Sales Price	\$ 208,000	\$ 212,000	\$ 232,000

Proposed Allocation Plan for Affordable Housing Items.

The funds allocated for the projects will be loaned to the developers as a forgivable loan.

Homebuyers will sign a secured 15-year loan equal to the appraised value less the sales price with the City at Closing. A portion of the loans will be forgiven annually over the 15-year term. The balance of the loan must be repaid if the owners decide to sell before the term of the loan ends.

In the alternative, if the appraised value of the home is equal to the subsidized sales price, then the full value of the loan will be forgiven for the homebuyer (and the corresponding percentage of the loan to the developer) at Closing

The houses will be subject to a 15-year affordability period and restrictions pursuant to the Housing Justice Act and Affordable Housing Ordinance