

## City Council – Action Request Form

**Date:** April 9, 2024

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

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**From:** Patrice Toney, Assistant City Manager  
 Shantell McClam, Neighborhood Services Director  
 Tanya Skillman, Assistant Housing Development Director

**Council Action Requested:**  
 Resolution Authorizing Permanent Financing for Development of 60 Units of Affordable Rental Housing for Families Known as Sage Pointe Apartments (North Ward)

**Strategic Focus Area:** Livable Neighborhoods  
**Strategic Objective:** No  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

Greenway Residential Development, LLC, whose Managing Member is Bradley Parker and location is 14120 Ballantyne Corporate Place, Charlotte, NC 28277, is applying to the North Carolina Housing Finance Agency (NCHFA) for Low-Income Housing Tax Credits (tax credits) to construct 60 units of rental housing for families at 2065 Bethabara Road to be known as Sage Pointe Apartments. The developer is requesting gap financing from the City to ensure feasibility of the project. The tax credit application deadline is May 10, 2024.

Applicants for tax credits proposing to use government gap financing must include a letter of binding commitment from the local government in their full applications to NCHFA. NCHFA may fund one or two proposals from Forsyth County and may not fund any. NCHFA received eight pre-applications from Forsyth County, and the developer is one of three making a request to the City for funding.

**Committee Action:**

<b>Committee</b>	CD/H/GG – 4/8/24 F – 4/9/24	<b>Action</b>	Approval
<b>For</b>	F-CD/H/GG - Unanimous	<b>Against</b>	
<b>Remarks:</b>			

The proposed development will be two two/three-split story garden style buildings with a community building. It will consist of ten one-bedroom, 30 two-bedroom, and 20 three-bedroom units and serve families with incomes below 60% of area median income.

<b>Unit Count by Area Median Income</b>		
<b>&lt;40%</b>	<b>41-60%</b>	<b>Total Units</b>
15	45	60

The community center will be designed for families and will feature a computer center and 24-hour fitness center via key card access. The site will also have a covered picnic area, playground, and natural areas.

Greenway Residential Development, LLC was formed in 2009 by Bradley Parker, principal of Greenway Development, LLC, and the principals of two other companies that develop and construct affordable single-family, multifamily, and senior housing. Greenway Residential constructs, owns and operates all of its projects and has 28 communities to date in North Carolina and South Carolina. Mr. Parker has over 30 years of experience in residential development and banking.

Proposed financing for the development consists of a conventional bank first mortgage loan, a City funds as a second subordinate mortgage, Workforce Housing Loan Program (WHLP) funds from NCHFA, and funds derived from the tax credits. The preliminary sources are summarized as follows:

\$9,577,658	Federal Tax Credit Equity
3,200,000	First Mortgage Bank Loan
400,000	Requested City Mortgage Loan
223,569	Deferred Developer Fee
<u>1,327,761</u>	Workforce Housing Loan Program
\$14,728,988	TOTAL

As City funds are provided as “gap” financing, the final rate and terms will be backed into upon completion of the financing package, and as determined by the requirements of NCHFA and the first mortgage loan.

A resolution to provide a \$400,000 subordinate mortgage loan for Sage Pointe Apartments is presented for consideration. The proposed fund source is HOME funds. This commitment is contingent upon an award of 2024 Low Income Housing Tax Credits by NCHFA, attainment of all other sources of financing, availability of City funds, and completion of construction in compliance with the provisions of the attached Exhibit A to the Resolution.