

City Council – Action Request Form

Date: August 15, 2023

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

From: Angela I. Carmon, City Attorney
Ben Rowe, Assistant City Manager
Ken Millett, Economic Development Director

Council Action Requested:
Modification to Approval of Financial Assistance for Multi-family Housing Development at Whitaker Park.

Strategic Focus Area: Livable Neighborhoods
Strategic Objective: Expand Housing Assistance Programs
Strategic Plan Action Item: No
Key Work Item: Yes



Summary of Information:

In 2020 City Council approved \$1 million of City funds to assist Cavalier Winston Development with the construction of Whitaker Park Lofts, a 160-unit multi-family housing project in the historic former R.J. Reynolds Tobacco Co. buildings at the Whitaker Park complex. The development will consist of 82 one-bedroom units, 60 two-bedroom units, and 21 three-bedroom units. In keeping with the Mayor and Council’s emphasis to expand workforce housing, sixteen units (10% of total units) were designated for workforce housing.

The City’s financial assistance was approved based on North Carolina General Statute 160D-1311 which authorizes cities to make appropriations for community development purposes. City assistance was split between a \$500,000 grant provided at the start of the project, and a \$500,000 loan that would be disbursed as partial construction milestones were reached. Terms of the loan agreement required the certificates of occupancy for all units to be issued no later than May of 2023.

Construction was delayed due to COVID-19 but has since fully resumed. Based on details from the developer and a site visit by City staff, the project is approximately 60% complete. The first

Committee Action:

Committee	FC 8/15/2023	Action	Approval
For	Unanimous	Against	

Remarks:

building is scheduled for completion by the end of 2023, and the second should be completed by June 30, 2024.

The developer has requested an extension of the deadline for certificates of occupancy until June 30, 2024. If approved by City Council, the attached resolution authorizes staff to take the necessary steps to execute an amendment to the documents with Cavalier Winston Development for the \$500,000 loan and the \$500,000 grant. The completion deadlines would be extended to June 30, 2024, and construction would be monitored by City staff with quarterly on-site visits. City loan funds would be disbursed on the following completion schedule:

- 45% (\$225,000) disbursed upon confirmation of 50% completion
- Next 45% (\$225,000) disbursed upon confirmation that final certificates of occupancy for all the units have been obtained
- Final 10% (\$50,000) disbursed upon confirmation that no less than 90% of the units have been leased

City staff will facilitate a tour of the development if City Council Members are interested in a site visit.