

Action Request Form

Date: October 10, 2023

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

From: Patrice Toney, Interim City Manager
Shantell McClam, Neighborhood Services Director

Council Action Requested: Ordinance Authorizing a Change in Funding for the Flats at Peters Creek

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Support the Development of Affordable Housing

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

Through resolutions approved on May 16, 2022 and February 20, 2023, the Mayor and City Council authorized a total of \$3,170,000, consisting of \$2,170,000 in State Fiscal Recovery Funds and \$1,000,000 in HOME Investment Partnership (HOME) funds, for a 62-unit family rental development at 600 Peters Creek Parkway, known as The Flats at Peters Creek. This is the site of the former Budget Inn.

The developer has been working to meet the requirements of all funders to close on the financing and start construction, currently scheduled for October 2023. One requirement of the HOME funds is to complete an environmental assessment and obtain an Authorization to Use Grant Funds from the U.S. Department of Housing and Urban Development (HUD). In working on the environmental assessment, Planning and Development Services staff consulted with the HUD Field Office in Greensboro about a former dry cleaners across Academy Street from the site. The developer determined that what HUD was requiring was not possible or feasible. The attached letter from the developer provides more detail. Without a completed environmental assessment and Authorization to Use Grant Funds from HUD, the project is no longer HOME-eligible.

Committee Action:

Committee _____	Action _____
For _____	Against _____

Remarks:

The developer is requesting that the City replace the HOME funds with a local source of funds. The attached project budget ordinance appropriates \$1,000,000 in City affordable housing funds made available through ARPA revenue replacement and rescinds \$1,000,000 in HOME funds. The City's total commitment of \$3,170,000 does not change. In addition, other HOME requirements no longer apply, and the HOME funds remain available for other HOME-eligible projects. The developer must adhere to the City's Housing Justice Act.