City Council – Action Request Form

Date: September 10, 2018

To: The City Manager

From: Evan Raleigh, Assistant City Manager

Council Action Requested:

Approve Financial Assistance to Peters Creek Community Initiative for the Development of the Peters Creek Apartments (Southwest Ward)

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Improve Character and Condition of Neighborhoods

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The Peters Creek Community Initiative (PCCI) of the Shalom Project is collaborating with the North Carolina Housing Foundation and the National Development Council to redevelop the Budget Inn property located at the southwest corner of Peters Creek Parkway and Academy Street. The PCCI Steering Committee has secured an option to acquire the property and proposes to redevelop the site into a mixed-use project with an expected 60 residential units and approximately 4,000 square feet of community facility space. The first phase of the financing process is to secure from local governments, foundations, and lending institutions the funding necessary to purchase the property and prepare it for new construction. The proposed second phase of the project financing strategy involves seeking an allocation of Low Income Housing Tax Credits (LIHTCs), available through the North Carolina Housing Finance Agency on a competitive basis.

The PCCI Steering Committee has approached the City with a request for funding to assist with the acquisition of the Budget Inn property. The acquisition cost totals \$1.2 million. Staff has identified approximately \$600,000 from a variety of sources that could be dedicated to this project should the Mayor and City Council wish to move forward.

Committee Action:			
Committee	Finance 9/10/18 CDHGG 9/11/18	Action	Approval
For	Unanimous	Against	
Remarks:		•	

The potential sources that could be used for the purposes of property acquisition and the approximate amounts derived from each are listed below:

- 2014 Economic Development GO Bond Funds: \$200,000
- Revitalizing Urban Commercial Areas (RUCA): \$100,000
- Housing Finance Assistance Fund: \$300,000

If the Mayor and City Council supports the use of these funding sources, a provision can be included that requires the Housing Finance Assistance Fund be reimbursed from 2018 housing development general obligation bond funds should they be approved.

The PCCI Steering Committee is also in discussions with the County regarding securing the remaining half of the funds necessary to acquire the property. Any release of City funds would be contingent upon the PCCI Steering Committee securing all of the remaining funds needed to complete acquisition of the property in addition to funding necessary to demolish the existing structures.