



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2022-1135

Agenda Item# I. 7.

Agenda Date: 11/15/2022. **Department:** Housing and Neighborhood Development
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2022 - 1135 Resolution to Approve Up to A \$5 Million Investment in The Greensboro Preservation Loan Fund

Council Priority: Place an 'x' in the box.

- ☐ Create an Environment to Promote Economic Development Opportunities and Job Creation
- ☒ Maintain Infrastructure and Provide Sustainable Growth Opportunities
- ☐ Promote Public Safety & Reduce Crime
- ☐ Exceptional Customer Service and a Diverse City Government Workforce
- ☐ Ensure Fiscal Stewardship, Transparency, & Accountability

Council District: All

Public Hearing: No

Advertising Date/By: NA

Contact 1 and Phone: Walker Sanders, Community Foundation of Greater Greensboro

Contact 2 and Phone: Michelle Kennedy, Ext 2509

PURPOSE:

City Council is requested by the Community Foundation of Greater Greensboro to consider investing up to five million dollars in 2022 Housing Bond funds into the Greensboro Housing Fund for the production and preservation of affordable housing through a public-private lending partnership.

BACKGROUND:

In October 2020, City Council adopted the [Housing GSO ten year plan for affordable housing](#). A key component of the plan's Affordable Rental Housing strategy is the creation of a public-private loan fund focused on the production and preservation of affordable housing.

The Community Foundation of Greater Greensboro [CFGG] has worked with lending institutions, foundations and investors to raise over \$20 million in private capital towards the planned \$32.5 million Greensboro Housing Fund.

CFGG has partnered with Self Help Ventures Fund and the National Institute of Minority Economic Development to administer the two components of the fund. The Self Help portion will focus on more experienced developers who are in need of partial bridge or mezzanine financing, while the Institute will focus on smaller, minority developers who may need a more complete financing package allowing for higher loan to equity ratios. The fund administrators will underwrite and manage the loans to developers. Loan terms are anticipated to be 10 to 15 years. The City's funds and other grant sources are considered part of the top loss financing and as such are at higher risk in case of loan default. This flexible capital provides additional security to other bank lenders allowing them to lower their interest rates which contributes to the long term affordability of the housing projects.

The combined efforts are expected to yield over 900 improved or new affordable units over the term of the loan fund.

The City's Housing & Neighborhood Development is in support of this request as it is in conformance with the strategies and goals outlined in Housing GSO.

The City's Finance Department has confirmed that up to \$5 million dollars in 2022 Housing Bond funds will be available for this activity.

BUDGET IMPACT:

\$5,000,000 in available 2022 Housing Bond funds

ACCOUNT NUMBER:

496-2101-01

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council approve the investment of up to five million dollars in 2022 Housing Bond funds into the Greensboro Housing Fund for the production and preservation of affordable housing and to authorize the City Manager to sign commitment and investment documents.