



City of Greensboro

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

Agenda Report

File Number: 2023-397

Agenda Item# F.1.

Agenda Date: 5/23/2023. **Department:** Housing and Neighborhood Development
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2023 – 397 Resolution Authorizing Commitment to Step Up on Second, Inc., for Permanent Supportive Housing Project Located at 2701 N O’Henry Blvd

Council Priority: Place an ‘x’ in the box.

- | | |
|---|--|
| <input type="checkbox"/> Safest City | <input type="checkbox"/> Most Skilled Workforce |
| <input type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input checked="" type="checkbox"/> Abundance of Attainable Housing | <input type="checkbox"/> Other/Admin <u>Briefly Explain 3 word maximum</u> |

Council District: 2

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Michelle Kennedy, Ext 2509

Contact 2 and Phone: Cynthia Blue, Ext 7376

PURPOSE:

City Council consideration is requested for authorization to enter into an agreement with Step Up on Second, Inc., for their acquisition of property located at 2701 N. O’Henry Blvd, forgiveness terms for existing City lien based on operation as permanent supportive housing for low income persons, and a three-year commitment for services funding for an anticipated 57 units of permanent supportive housing.

BACKGROUND:

The City has engaged with Step Up on Second, Inc., a California-based non-profit and nationally recognized leader of the development and operation of permanent supportive housing projects across the nation, including several in development in North Carolina. They utilize a “Housing First” approach to target the highest acuity individual homeless population and a model that utilizes hotel/motel conversions for efficiency, speed of project development, and cost of operations. Step Up has a confirmed purchase agreement with Partnership Homes, Inc., for the former Regency Inn site at 2701 N O’Henry Blvd. Development of this property will allow for expedited permanent supportive housing mobilization making it an effective use of funds with an immediate community impact rather than constructing a new facility.

Vision Statement: “A Community with Endless Economic Opportunities and Exceptional Quality of Life.”

Step Up and its development partners bring private equity to the development of the property. Step Up has committed to developing a total of at least 150 units of permanent supportive housing within Greensboro within three years with no further City contributions to acquisition or development beyond the step down forgiveness of the existing City lien. Step Up and the City have the intent and hope to continue the provision of housing and services beyond the 20 year period of the loan.

The City has been requested to provide the funds for case management services at \$500 per client per month. The Greensboro Housing Authority has been requested to consider committing vouchers to support the rents for an anticipated initial 57 studio units. Guilford County has been requested to consider providing matching funds for case management on a Guilford County \$1 to City \$2 match on a per client basis.

BUDGET IMPACT:

Twenty year step down forgiveness of existing City loan totaling \$3,030,700

Three year services commitment totaling up to \$1,026,000 (City funds commitment may be reduced by potential Guilford County commitment)

ACCOUNT NUMBER:

\$1,026,000 213-90-9098206.5413 HOME-ARP Supportive Services

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council authorize the acquisition of 2701 N O’Henry Blvd by Step Up on Second, Inc., forgiveness of the existing City lien in accordance with the terms outlined in the resolution, and a three year commitment of funds for case management totaling up to \$1,026,000, and authorize the City Manager to execute documents and contracts related to these actions.