Central Park Villas Affordable Housing Partnership

City Council Regular Meeting
November 24, 2025

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Central Park Villas

- JBS Developers submitted a preliminary 4% Low Income Housing Tax Credit application to the North Carolina Housing Finance Agency (NCHFA) and is seeking a contingent loan commitment letter from the City in the amount of $2,883,811
- The development will be affordable to households earning below 80% of Area Median Income and contain 84 units
- The City’s loan is contingent upon:
  - the allocation of funding from the NCHFA,
  - approved environmental reviews, and
  - Council’s acceptance of an Option to Purchase Agreement for a portion of the City’s Cat Site 1
- If the contingencies are met, the City will draft and execute the loan documents to secure our investment

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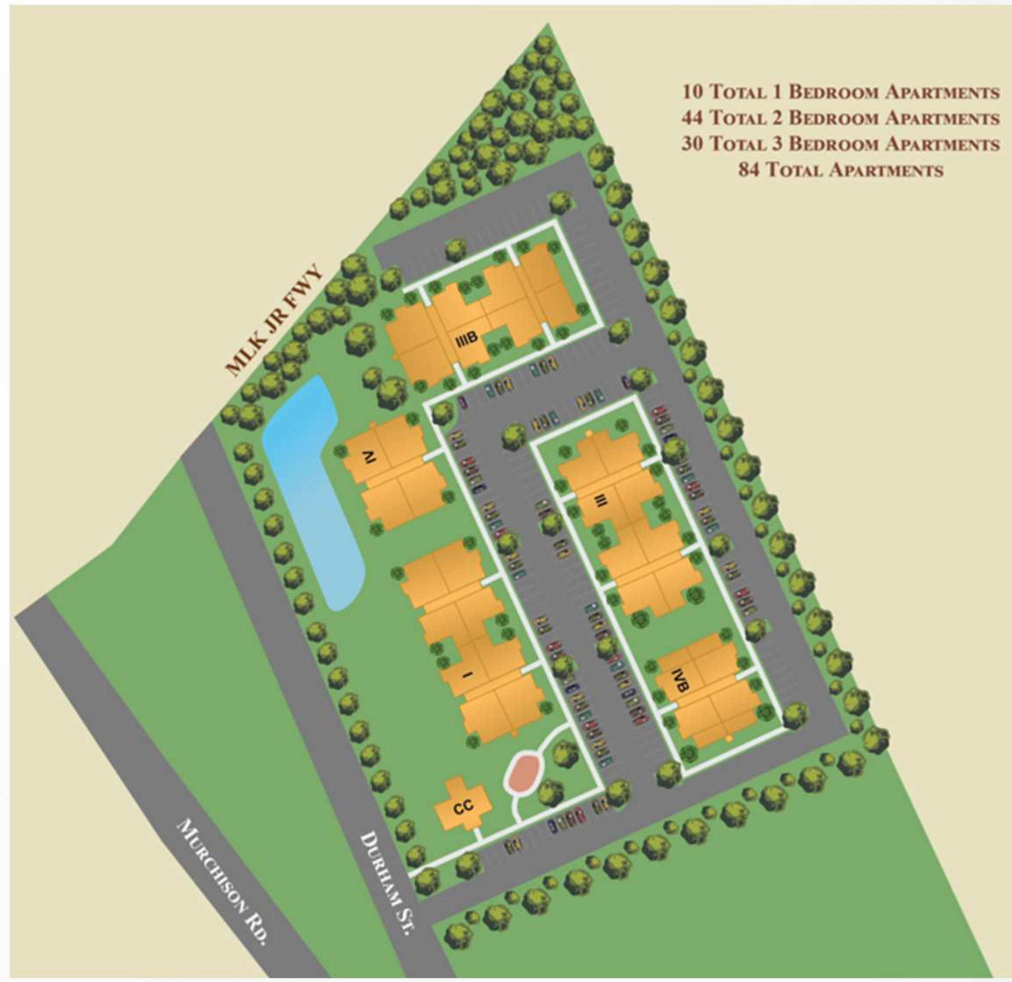


Central Park Villas

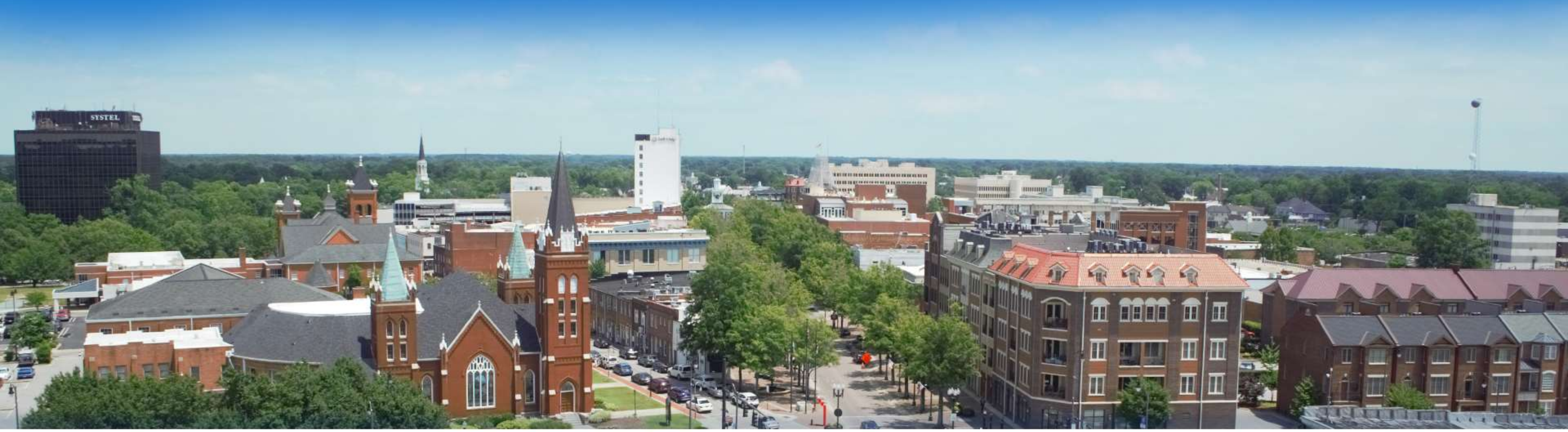
Developer Request

- Total development cost is estimated at $22.8M
- Requesting a loan of $1,000,000 at 1% interest with a term of 40 Years, interest only from the Home Investment Partnership Funds (HOME)
- Requesting a loan of $1,883,811 at 2% interest with a term of 40 Years, interest only from the Housing Opportunity General Obligation Bond
- Loan payments would be made from residual earnings per NCHFA Rules
- Staff's review of financials indicates the development will not support additional debt
- JBS Developers and the Fayetteville Metropolitan Housing Authority have submitted an Option to Purchase Agreement to the City for the proposed site.

Staff Recommendation

- Staff recommends that Council move to authorize a contingent loan commitment letter and subsequent loan documents in the amount of $2,883,811 from HOME and Housing Opportunity General Obligation Bond Funds to Central Park Villas.

- The contingent commitment letter will be used to draft the legal documents to secure the City’s investment. These documents will be executed at loan closing where the City will be represented by Banks Law Firm as outside legal counsel.



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