

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Ordinance 2024-272

**Introducer/Sponsor(s):** Council President at the request of the Mayor

**Date of Introduction:** March 26, 2024

**Committee(s) of Reference:** NCSPHS, F

**Date of Analysis:** March 28, 2024

**Type of Action:** Authorization to execute development agreement; authorization of City loan; designation of oversight agency; request for one-cycle emergency passage

**Bill Summary:** The bill authorizes execution of a development agreement between the City and Lofts at Southbank, Ltd. for development of a mixed-use project at the southwest corner of Prudential Drive and Hendricks Avenue. It authorizes a development loan of \$6 million from the City to the developer. The Housing and Community Development Division is designated as the contract monitor and oversight agency for the project.

**Background Information:** Lofts at Southbank, Ltd. is a Vestcor-affiliated company. The company proposes to construct a mixed-use building on the 0.88-acre site on the Southbank consisting of ground level retail space, first and second floor parking, personal property self-storage units on levels 3 to 6, and 4 floors of apartments on levels 7 to 10. The 100 apartments would include 75 units reserved for households making at or below 60% of the area median income (AMI), 5 units reserved for households making at or below 120% of AMI, and 20 unrestricted income units. The building would include private fitness and club rooms for residents on the seventh floor. The City is proposing to offer a \$6 million interest-only loan at 1% for 18 years, at which time a lump-sum balloon repayment would be due. The City would hold a second mortgage position on the estimated \$38.8 million project.

A somewhat similar mixed-use project (without a housing component) was previously proposed by another developer for this location. The vote to rezone the property for that project failed to be approved on a 9-9 vote by City Council.

**Policy Impact Area:** Southbank area redevelopment; affordable housing

**Fiscal Impact:** The bill authorizes a \$6 million interest-only loan with a balloon payment after 18 years

**Analyst:** Clements