



Legislation Text

File #: 18-0786 CRA, Version: 1

TO: CRA Board of Commissioners
FROM: Kim N. Phan, Legal Advisor
THROUGH: Renée A. Jadusingh, Executive Director
DATE: April 27, 2021

PURCHASE AND SALE AGREEMENT - PULTE HOME COMPANY, LLC - CRA owned properties in the SW Neighborhood (Carver Square)

Recommended Action:

Approve the Purchase and Sale Agreement with Pulte Home Company, LLC for development and disposition of CRA owned properties in the SW Neighborhood for Workforce Housing (Carver Square).

Background:

At the January 26, 2021 CRA Board Meeting, the Board selected Pulte Home Company, LLC (Pulte) as the successful proposer for the Request for Proposal (RFP) CRA NO. 2020-01 for Development and Disposition of CRA Owned Properties in the SW Neighborhood for Workforce Housing (Carver Square) and directed Staff to enter into contract negotiations with Pulte.

Since the Board Meeting, CRA Staff and Counsel have been in negotiations with Pulte and the terms from the Draft Purchase and Sale Agreement include:

Project Description: Construction of twenty (20) workforce housing single family residences. The sale price and floorplans are as follows:

2020	WFH1 Low Income (51% - 0% AMI)	WFH2 Moderate Income (80% - 100% AMI)	WFH 3 Moderate Income (100% - 120% AMI)	WFH4 Middle Income (120% - 140% AMI)
Sales Price	\$166,110	\$213,570	\$261,030	\$308,490
Floorplan	Single-Family/ 1-Story/ Browning	Single-Family/ 1-Story/ Chapman	Single Family/ 2-Story/Hamden	Single Family/ 2-Story/ Thompson
A/C Square Footage	1,447	1,662	1,822	2,386
Number of Units	5	5	6	4

Timeline:

Carver Square-Project Schedule

Milestone	Date	Notes
Effective Date	4/27/2021	Assumes PSA is signed by the mayor at the 4/27 CRA meeting
Inspection Period (IP) Ends	6/11/2021	45 Day Inspection Period per PSA.
Closing	7/12/2021	Assumes Pulte is issued 20 building permits within 31 days of the end of IP. Actual closing date may vary, depending on fulfillment of conditions precedent to close. All dates below shall be adjusted based on when the Closing occurs.
Commencement of Residential Units 1-5	8/11/2021	30 Days after Closing per PSA.
Commencement of Residential Units 6-10	9/25/2021	75 Days after Closing per PSA.
Commencement of Residential Units 11-15	11/9/2021	120 Days after Closing per PSA.
Commencement of Residential Units 16-20	12/24/2021	165 Days after Closing per PSA.
Completion Date for all 20 Residential Units	1/18/2023	Outside date to receive CO's on all 20 units- 555 days after Closing, subject to any Unavoidable Delay. Assumes a Closing of 7/12/2021. Actual closing date may vary, depending on fulfillment of conditions precedent to close. Completion Date shall be adjusted based on when the Closing occurs.

Notes:

1. Actual closing date may vary, depending on fulfillment of conditions precedent to close.
2. Once closing occurs, this schedule shall be updated to reflect new dates.

Key Points:

Purchase Price (§2)	\$200,000
Workforce Housing (§1.10)	20 single family residences
Earnest Money (§1.6)	\$20,000
Local Hiring (§16)	Pulte is required to hire local subcontractor(s) to perform labor that equates to a minimum of 15% of the total construction cost for the Project which is estimated to be \$4,748,138.
Reversion (§5.3)	The property including improvements erected shall, at the CRA's election, revert to the CRA, if Pulte: 1) fails to commence construction on any or more of the units as required by the construction schedule under §5.1(b); 2) Pulte commences construction but (i) fails to diligently proceed with construction activities within previous 90 days and/or (ii) fails to complete construction and obtain certificate of occupancy within 555 calendar days after Closing. *Timing may be subject to Unavailable Delays
Performance Bond (§5.2)	A performance bond will be issued for each home and shall serve to guarantee completion of construction of the Project for homes where Pulte commences construction.

At this time, the Purchase and Sale Agreement is before the CRA Board for approval and for the CRA Chair to sign all documents for said purpose in substantially the attached form.

Attachments: Exhibit A - Model Information and Renderings; Exhibit B - Purchase and Sale Agreement

CRA Attorney Review:

The CRA Attorney has reviewed the Purchase and Sale Agreement as to form and determined it to be acceptable.

Funding Source/Financial Impact:

N/A