



The Bungalows Property to be Listed for Sale

Since breaking ground in 1999 and cutting the ribbon in 2000, Mosaic and DHC have been committed, along with our partners in the community, to maintaining and keeping The Bungalows an affordable and comfortable place for residents to be proud to call home.

Recently, and despite considerable efforts by Mosaic and DHC to avoid it, the owner with the majority interest in the property (neither Mosaic nor DHC) has insisted on listing the property for sale. As required under the terms of the partnership, Mosaic and DHC have engaged the services of a real estate firm to facilitate the sale.

Because we value transparency and know you may have immediate questions, you'll find responses to several key questions below.

As additional information becomes available, we will share it with our residents first, and others as appropriate.

1. **Why is The Bungalows going up for sale?** *When the Davidson Limited Partnership was formed to develop The Bungalows, it was always the expectation that the limited partner (the owner with majority interest) would exit the partnership allowing Davidson Housing Coalition to ultimately assume full ownership and control. Recently, and despite considerable efforts by Mosaic and DHC to negotiate a buyout, the limited partner made it clear that the only path toward this goal would be to list The Bungalows for sale. As required under the terms of the partnership, Mosaic and DHC have engaged the services of a real estate firm to facilitate the sale.*
2. **Will residents be forced to move?** *The terms of current leases are still in effect. Residents will not be required to move because of this property listing.*
3. **Will a sale of The Bungalows affect rents?** *The terms of current leases – including rent amounts – are still in effect. Rents will not be affected by the listing of the property. With respect to a sale, please keep in mind:*
 - a. *Any prospective buyer will have to follow the existing Land Use Restriction Agreement (LURA), as written for The Bungalows, which indicates that eviction safeguards (there must be good cause for eviction) and the affordability factor (rent limits) shall remain in place for three years beyond the extended use period of 2030.*
 - b. *Guidelines established by the North Carolina Housing Finance Agency (NCHFA) limit the rent for Bungalows residents to no more than 50% of Area Median Income (AMI). Throughout the history*

of The Bungalows, we have kept rents below this limit. While we cannot speak to how a future owner may handle rent, any increases in rent would be subject to the NCHFA limit of 50% AMI.

- 4. When will the property go up for sale?** *When the majority partner approves the listing agreement which we expect will be sometime this Fall.*
- 5. How soon is it likely to be sold?** *We are still at the beginning stages of this process and the market is difficult to predict. We've been told that, once listed, we can expect closing within three to six months.*
- 6. Will there be a "For Sale" sign on the property?** *No, there will not be a "For Sale" sign.*
- 7. How will you share news and information related to the sale?** *We will first communicate with residents of The Bungalows, then provide updates here on DHC's website as details become available.*