

**Wake County Affordable Housing**  
Public Land Disposition Policy Review  
August 2018

# Policy Review Goals

- I. Understand legal authority enabling County to enact a public land disposition policy for affordable housing**
- II. Develop administrative processes for disposition of sites with the highest opportunity for realizing new affordable housing development**
- III. Identify parcels that can physically accommodate affordable housing and align with County priorities and policy goals**

# Public Land Disposition Policy Review

## I. Legal Authority

## II. Affordability Standards & Evaluation Criteria

## III. Parcel Evaluation – Applying the Criteria

# Statutory Authority for Disposition Policy

- North Carolina state law gives counties statutory authority to dispose of real property through **GS 153 A-376(b)** and **GS 153A-378(3)** to support affordable housing programs when there is a demonstrated need.
  - Via a private sale
  - To a public or private entity
  - Must impose affordability requirements:
    - At least 20% of units set aside for low-income residents (60% AMI and below)
    - Set aside units require a minimum 15 year affordability restriction
- Counties are also authorized to lease property for the construction of affordable housing (**GS 153A-176** and **GS 153A-165**).

# Precedent Jurisdictions in North Carolina

## ***Town of Chapel Hill***

- Town Council set aside a site for a proposed mixed-income residential community, and a developer submitted a concept plan application for the site in March 2018

## ***City of Charlotte***

- Staff evaluated City-owned sites most suitable for multifamily development in September 2017
- City released a RFQ to solicit developer interest for new affordable housing projects on nine sites

## ***Mecklenburg County***

- County adopted policy in September 2017 to prioritize affordable housing whenever disposing of County-owned surplus real estate
- Empowers County to lease or sell surplus real estate and impose minimum affordability requirements via an RFQ and RFP process

## ***Durham County***

- County is exploring potential for a public-private partnership to develop a mix of uses on two sites in Downtown Durham, including affordable housing, and using a competitive process to identify partners

## ***City of Raleigh***

- In April 2018, the City issued a RFP for the purchase and development of approximately 5.72 acres on multiple City-owned properties with the priority of maximizing the number of affordable rental units

# Public Land Disposition Policy Review

I. Legal Authority

**II. Affordability Standards & Evaluation Criteria**

III. Parcel Evaluation – Applying the Criteria

# Developing a Public Land Disposition Policy

- Staff convened a Public Land Disposition Working Group, consisting of representatives from four County departments:
  - Human Services
  - Community Services: Planning, Development and Inspections
  - Facilities, Design and Construction
  - Attorney's Office
- The Working Group's primary responsibilities included:
  - Identify criteria to be used for site evaluation; and
  - Develop administrative and implementation processes for disposition
  - Develop affordability and applicability standards;

# Affordability Requirements

- **Level of Affordability:** The public land disposition policy for affordable housing will prioritize the following target levels of affordability based on area median income (AMI):
  1. **Rental units:** 30-40% AMI
  2. **Rental units:** 40-60% AMI
  3. **For-sale units:**  $\leq$  80% AMI
- **Length of Affordability:** At least **30 years** for both rental and for-sale units
  - Exceeds state minimum affordability period of 15 years (GS 157-9.4)



# Applicability

- The Public Land Disposition Policy is intended to **supplement County policies** regarding disposition of property for development of **Multifamily or Single Family Affordable Housing**. All real estate decisions will continue to be presented to the Board of Commissioners.
- Before presenting recommendations on the disposition of County-owned properties, staff will include an **evaluation of the property's potential to support new affordable housing**, based on established physical criteria and market suitability criteria.
- Staff will **maintain an inventory of County-owned sites, provide site assessments, and update evaluation criteria as necessary**.

# Physical Feasibility Criteria

- **Flood Risk:** Is majority of parcel in a floodplain?
- **Topography:** Does site have steep slope that would make development difficult?
- **Utilities:** Does site have existing connections to utilities?
- **Access:** Does site have existing paved road connection?
- **Incompatible Use:** Is site in close proximity to incompatible uses, such as an airport, landfill, or swamp?

*\*To date, only sites suitable for multifamily housing (at least 1 acre in size) have been evaluated using the above physical feasibility criteria.*

# Example of Physically Feasible Site

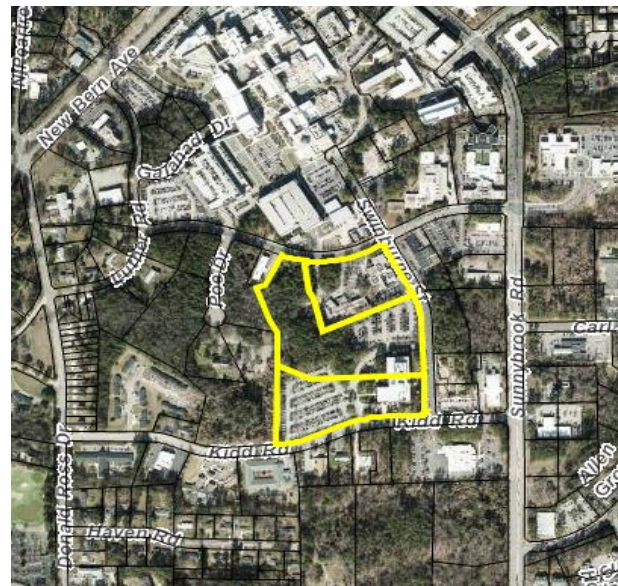
**Site:** Swinburne St. & Falstaff Rd.

**Size:** 19 Acres

**Jurisdiction:** Raleigh

**Zoning:** OX-5

**Site Overview:** Three parcel assemblage proximate to WakeMed. Partially occupied by Human Services buildings.



Checklist for Evaluating Multifamily Site Feasibility	
Criteria	Site Condition
<b>Floodplain</b>	✓ Not in floodplain
<b>Topography</b>	✓ Sloped, slight
<b>Utilities</b>	✓ Existing utility connection
<b>Access</b>	✓ Existing paved road access to parcel
<b>Incompatible Use</b>	✓ No incompatible use within 0.5 mile (e.g. landfill, airport, manufacturing)

# Examples of Physically Infeasible Sites



**Site:** 6512 Old Smithfield Rd.

**Size:** 162 Acres

**Jurisdiction:** Holly Springs

## **Physical Infeasibility:**

Adjacent to South Wake Landfill, portion of parcel within floodplain



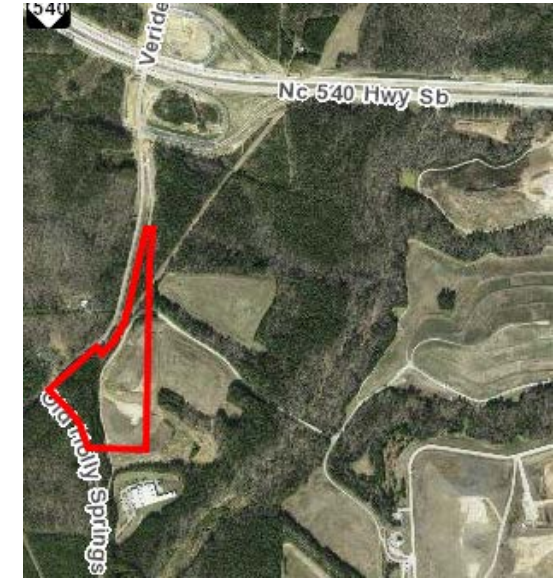
**Site:** 0 Adam Lane

**Size:** 32 Acres

**Jurisdiction:** County

## **Physical Infeasibility:**

Partially in floodplain, no paved road access



**Site:** 3705 Old Holly Springs Apex Rd.

**Size:** 20 Acres

**Jurisdiction:** Holly Springs

## **Physical Infeasibility:**

Adjacent to firearms facility, proximate to South Wake Landfill

# Market Suitability Criteria

- **Encumbrances:** Does the site have existing deed restrictions/encumbrances preventing housing?
- **Proximity to Existing Residential and Commercial:** Is the site located in a residential neighborhood with nearby commercial?
- **Connectivity:** Is the site connected to existing or planned public transit? Is the site proximate to existing sidewalks?
- **Zoning:** Is the site currently zoned to allow multifamily residential?
- **Proximity to Basic Services:** Is this site proximate to basic needs (e.g., grocery stores, pharmacies)?

# Market Suitability Criteria

- **LIHTC Eligibility:** Is the site able to meet criteria for Low-Income Housing Tax Credit development deals? For 9% deals, does the site score high enough? For 4% deals, is the site large enough?
- **Market Strength:** Is the site located in an active market with new development? Is the surrounding market strong enough to support mixed-income housing? Is the site located in a community likely to support affordable housing?

# Example of Market Suitable Site

Site: Swinburne St. & Falstaff Rd.



Checklist for Evaluating Site Suitability	
Criteria	Desired Characteristics
<b>Encumbrances</b>	✓ No known legal title issues
<b>Proximity to Existing Residential and Commercial</b>	✓ Over 400 multifamily units within 0.5 mile radius
<b>Connectivity</b>	<ul style="list-style-type: none"> <li>✓ Within 0.25 mile from planned high-frequency bus line</li> <li>✓ Within 0.25 mile of existing sidewalk</li> </ul>
<b>Zoning</b>	✓ Mixed-Use
<b>Proximity to Basic Services</b>	✓ Within 1 mile of grocery store and pharmacy
<b>LIHTC Eligibility</b>	✓ LIHTC score of 58/60 for eligibility for 9% credits
<b>Market Strength</b>	✓ Pipeline multifamily project in the area

# Disposition Process

- **Competitive RFP process:**
  - **Staff will draft, issue, and manage the RFP process**, with assistance from other County departments as needed
  - Each property will be **analyzed to determine the desired site concept**
  - Developers to submit detailed financial projections
  - County staff will **evaluate:**
    - **Level of discount necessary** to achieve affordability
    - The proposal that **maximizes County priorities**

- **Competitive Offer process:**
  - **Staff will solicit offers through a list-serve** of single family investors, developers, partners and other interested parties
  - Staff, with assistance from other County departments **will review offers, including financial projections and site concepts provided by the applicant**, to evaluate the level of discount to land necessary



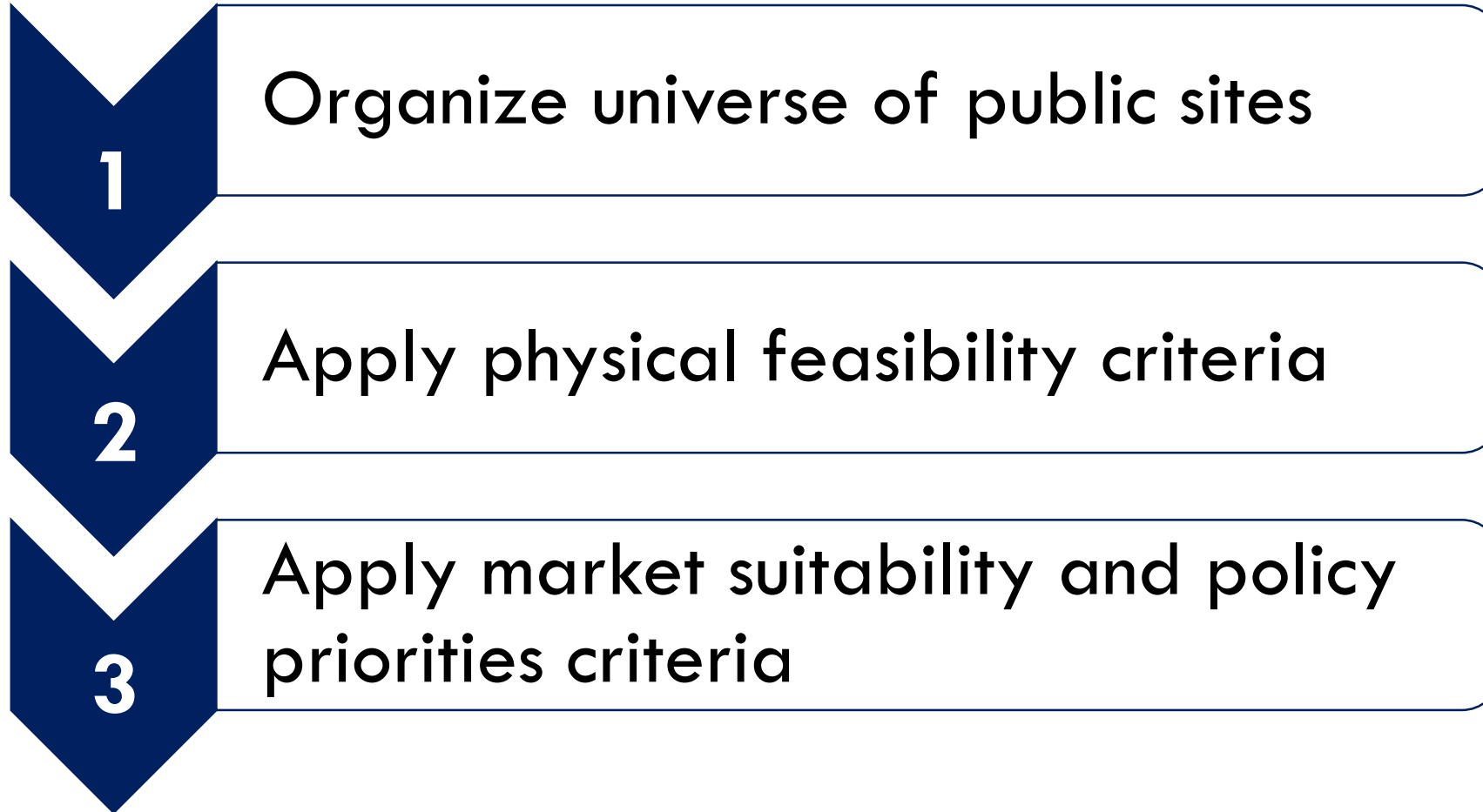
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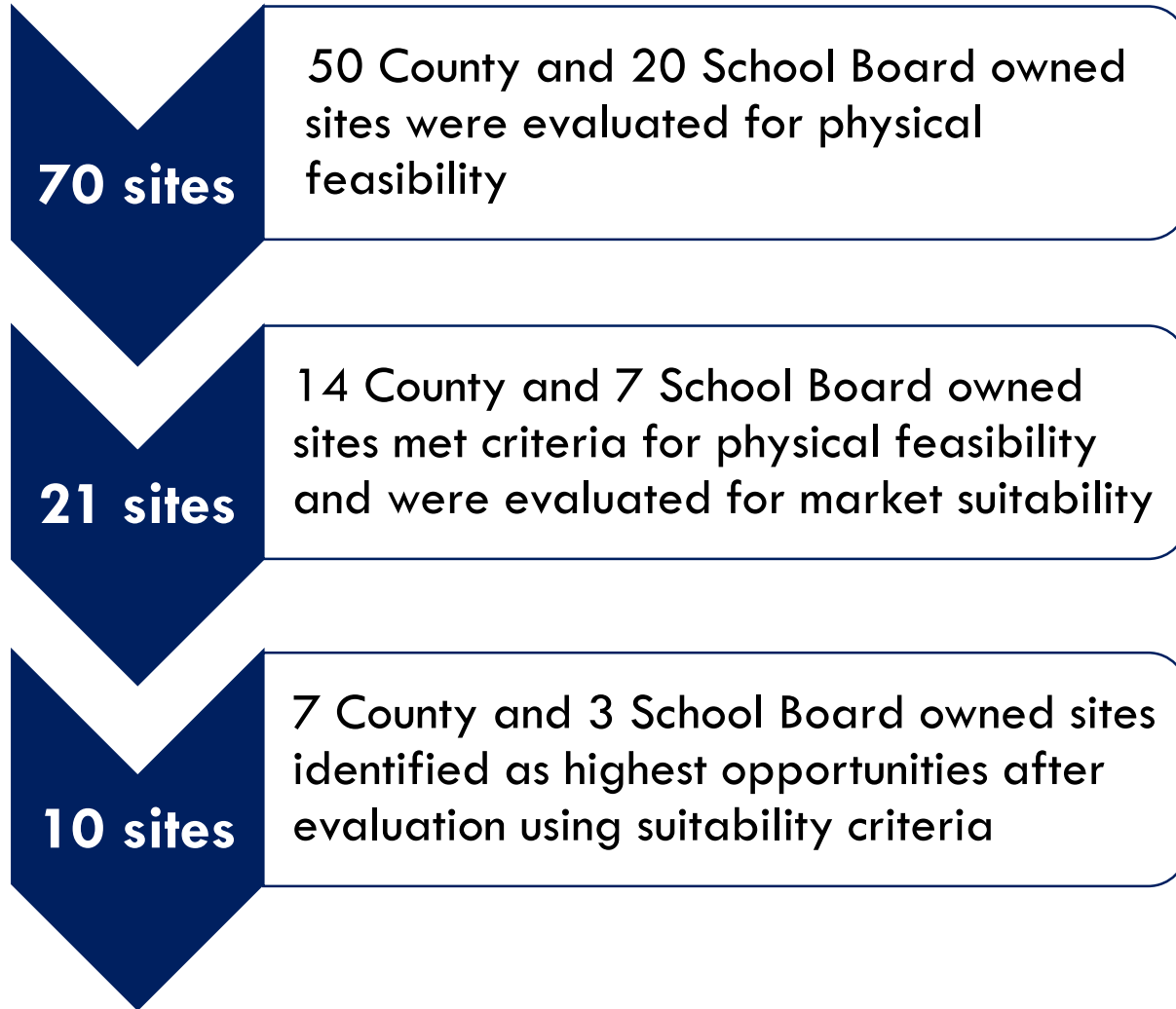
II. Affordability Standards & Evaluation Criteria

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# Process for Identifying Suitable Sites



# Summary of Highest Opportunity Sites for Multifamily



Summary Checklist: Physical Feasibility	
✓ Floodplain	✓ Access
✓ Terrain	✓ Incompatible Use
✓ Utilities	

Summary Checklist: Market Suitability	
✓ Encumbrances	✓ Proximity to Basic Services
✓ Proximity to Existing Residential & Commercial	✓ LIHTC Eligibility
✓ Connectivity	✓ Market Strength
✓ Zoning	



**Highest Opportunity Sites**

# Initial Evaluation Results: County

Site	Ownership	Strengths	Potential Challenges	Strength of Near Term Development Potential
<b>2960 Falstaff Rd.</b> <b>220 Swinburne S.</b> <b>3000 Falstaff Rd.</b> Raleigh, NC	County	<ul style="list-style-type: none"> <li>• Proximate to transit</li> <li>• Adjacent to other County-owned parcels</li> <li>• Three parcel assemblage</li> </ul>	<ul style="list-style-type: none"> <li>• Existing buildings present a challenge</li> <li>• Would necessitate new shared parking solutions</li> </ul>	High
<b>8920 Deponie Dr.</b> Raleigh, NC	County	<ul style="list-style-type: none"> <li>• Close to three schools</li> <li>• Recent development activity</li> <li>• Highest score for 9% LIHTC</li> </ul>	<ul style="list-style-type: none"> <li>• Surrounded by industrial uses</li> <li>• Proximity to landfill</li> <li>• Odd shaped parcel, potential challenges in MF units</li> </ul>	High
<b>1317 N. Main St.</b> Holly Springs, NC	County	<ul style="list-style-type: none"> <li>• Close to a town center and amenities</li> <li>• Large parcel</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal vision</li> <li>• Proximity to landfill</li> <li>• Terrain &amp; slope concerns</li> </ul>	Medium
<b>0 Industrial Dr.</b> Wendell, NC	County	<ul style="list-style-type: none"> <li>• Close to a town center</li> <li>• May be most suitable for development as SF</li> </ul>	<ul style="list-style-type: none"> <li>• No recent development</li> <li>• Low density zoning could make it hard for MF units</li> </ul>	Medium
<b>400 E Holding Ave.</b> Wake Forest, NC	County	<ul style="list-style-type: none"> <li>• Close to town center</li> <li>• Zoned residential mixed-use</li> </ul>	<ul style="list-style-type: none"> <li>• Parcel's vacant area is mainly surface parking</li> </ul>	Medium

# Initial Evaluation Results: Board of Education

Site	Ownership	Strengths	Potential Challenges	Strength of Near Term Development Potential
<b>901 E Young St.</b> Rolesville, NC	School Board	<ul style="list-style-type: none"> <li>• Less than 2 miles to amenities of Rolesville's Main St.</li> <li>• Town support for affordable housing</li> <li>• Planned development in the area</li> <li>• Large parcel</li> </ul>	<ul style="list-style-type: none"> <li>• Terrain &amp; slope need to be investigated further</li> <li>• Would require coordination and willingness to collocate a school and housing</li> </ul>	High
<b>0 Foundation Dr.</b> Wake Forest, NC	School Board	<ul style="list-style-type: none"> <li>• Proximity to existing school</li> <li>• Existing residential and commercial within walking distance</li> </ul>	<ul style="list-style-type: none"> <li>• Irregularly shaped parcel constrained by floodplain</li> <li>• Difficult soil conditions, including rock</li> </ul>	High
<b>332 Parkside Valley</b> Morrisville, NC	School Board	<ul style="list-style-type: none"> <li>• Large parcel surrounded by residential neighborhoods</li> <li>• Active market with new multifamily and retail construction</li> </ul>	<ul style="list-style-type: none"> <li>• New elementary school, need for coordination and willingness to collocate a school and housing</li> </ul>	Medium

# Takeaways

- **State law gives counties authority** to dispose of property for the purpose of affordable housing
- **Wake County and the Board of Education have publicly owned property** that meets physical feasibility and market suitability criteria
- This policy implements one of the Affordable Housing Plan **highest priority tool recommendations**

## Highest-Priority Tools

### LAND USE POLICY

**County & Municipal Land Use Policy, which encompasses:**

*Establishment of Affordable Housing Overlays*

*Expanded Accessory Dwelling Units*

### LEVERAGED PROGRAMS

**Acquisition & Preservation Fund**

Affordable Housing Preservation Warning System & Annual Report

**Enhanced County Rental Production Loan Program**

“Familiar Faces” Supportive Housing Pilot

PSH Provider & Funder Capacity-Building

Affordable Mortgage Program

### ADDITIONAL PUBLIC RESOURCES

**New Local Funding Sources for Affordable Housing**

**Public Land Disposition Requirements**