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### City Offices Closed in Observance of the Christmas Holiday

City administrative offices will be **closed** on **Friday, December 23** as well as **Monday and Tuesday, December 26-27**, in observance of **Christmas**.

## INFORMATION:

### Affordable Housing Studies

*Staff Resource: Pat Young, Planning and Development, 996-2704, [patrick.young@raleighnc.gov](mailto:patrick.young@raleighnc.gov)  
Ken Bowers, Planning and Development, 996-2633, [kenneth.bowers@raleighnc.gov](mailto:kenneth.bowers@raleighnc.gov)*

During the December 6 City Council meeting, the City Council discussed an opportunity for an Advisory Services panel from the Urban Land Institute or an alternative partner to advise the City on strategies for increasing the affordability of both subsidized and un-subsidized housing. Given that discussion; other inquiries about past and current work on affordable housing; and the potential discussion about affordable housing at the upcoming City Council retreat, staff has attempted to summarize housing studies commissioned by the City and various regional partners.

Included with the *Update* materials is a staff memorandum which provides a brief synopsis for work done over the past decade. A Special Item will be included on the January 3 City Council agenda to discuss potential next steps.

*(Attachment)*

### **Homelessness Prevention and Diversion Pilot Program**

*Staff Resource: B. Lamont Taylor, Housing & Neighborhoods, 996-4330, [lamont.taylor@raleighnc.gov](mailto:lamont.taylor@raleighnc.gov)*

Housing & Neighborhoods staff has prepared a draft Request for Proposals (RFP) to launch a pilot diversion project to successfully prevent, divert, and rapidly exit individuals/households from the homeless response system. The draft RFP seeks a non-profit provider to administer the program. Services associated with the RFP will be funded via the recent funding appropriated by Council to assist those experiencing homelessness.

Diversion is an intensive service intervention. Through an interactive problem-solving conversation with the client, the intervention seeks to:

- understand what caused the housing crisis
- explore what immediate solutions to the crisis may be possible
- help the client pursue a solution(s)

The goal of diversion is to immediately get the client into a safe housing alternative, which may be either short-term or long-term in duration. Some of these options may include:

- a negotiated return to previous housing
- short-term, non-shelter accommodations (hotels)
- apartments or homes (including shared housing)
- returns to family

Diversion has also been identified as a top priority by the Wake County Continuum of Care (CoC) as it can help prevent additional people from entering the homeless response system. The City's goal for the pilot is encourage the establishment of an effective diversion strategy that can:

- end someone's experience of homelessness as quickly as possible while empowering them to regain control over their situation
- limit the trauma of homelessness on the individual or family and keep limited shelter beds available for those most in need
- build a network of well-trained diversion experts who are supported by system-level infrastructure that includes management, training, and access to funds
- offer interventions that take no more than fourteen days and allow clients to stay in shelter or in other housing during the intervention period
- incorporate creative problem-solving and conflict resolution to empower clients to find an immediate alternative to shelter and return to more stable housing
- engage each client in a strengths-based conversation that helps them identify immediate alternate housing arrangements and, if necessary, connections with services and financial assistance
- complement other homeless intervention strategies and not act as a barrier to shelter

The pilot program will be targeted to individuals or families who are at-risk of becoming homeless, who meet the U.S. Department of Housing and Urban Development (HUD) or McKinney-Vento definition of

homeless, or who have a household income of 60% or below of the Area Median Income (AMI), as defined by HUD.

Services provided may include:

- short-term financial assistance (paid to third parties on behalf of the client) including rental assistance (hotels)\*, utilities, relocation (moving costs), and transportation costs (bus tickets, train tickets) not to exceed \$2,500 per household
- problem-solving case management services including mediation, referrals to legal assistance, family reunification, and limited financial assistance to prevent individuals and families from losing their housing and becoming homeless
- crisis housing search

\* The maximum amount of rental assistance will be calculated at the amount the client is paying for rent above 30% of household income, not to exceed a period of three months.

It is the City's intent that the selected organization will:

- provide real-time assistance, including the ability to respond on the same day to community partners/stakeholders
- provide case management services
- access funds needed to assist individuals/households the same day
- respond to urgent/emergent client needs
- offer accessible services with flexible office locations and hours
- form relationships with shelters to help divert and rapidly exit individuals
- liaise with other service providers and community partners as a pathway to increase diversion referrals and problem-solving conversations
- provide transportation to clients as needed
- report information on clients served into the Homeless Information Management System (HMIS) to capture data on clients and prevent duplication of benefits

Staff anticipates the release of the RFP in early January with a quick turn-around to select a local non-profit organization with the capacity to quickly scale up to launch the proposed work.

*(No attachment)*

### [Weekly Digest of Special Events](#)

Staff Resource: Sarah Heinsohn, Office of Special Events, 996-2200, [sarah.heinsohn@raleighnc.gov](mailto:sarah.heinsohn@raleighnc.gov)

Included with the *Update* materials is the special events digest for the upcoming week.

*(Attachment)*

## Council Member Follow Up Items

### Follow Up from the December 6 City Council Meeting

#### Neighborhood Impacts - Sale of East Street Properties (Council Member Jones)

Staff Resource: Larry Jarvis, Housing & Neighborhoods, 996-4330, [larry.jarvis@raleighnc.gov](mailto:larry.jarvis@raleighnc.gov)

Following the December 6 City Council meeting, staff was requested to offer insights into the potential impact of 508, 510 and 514 East Street being developed as higher end housing might have on nearby property values. As Council will recall from the meeting agenda, Hoss Holdings has submitted a bid of \$175,000 each for these lots, and an upset bid process is currently being conducted. It should be noted that 414 and 416 E. Cabarrus and 504 East Streets are included in a current Request for Proposals (RFP) process for long term lease and the development of a three-story rental development consisting of studio apartments or efficiencies where at least 20% of the units are affordable for an extended period of time. No other subsidy is contemplated to be offered by the RFP.



### Vacant Property Disposition Update

## Cabarrus & East Street Cluster

- 414 & 416 E Cabarrus St
- 504, 508, 510 & 514 S East St
- Total Acreage: 0.48
- Rezoned to RX with Urban Limited (-UL) frontage
- 508, 510 & 514 have topographical challenges that make development difficult and expensive



It should also be noted that the privately-owned properties along Bloodworth Street to the west were recently rezoned and the future development is that location and that proposed by Hoss would likely serve the same market segment. It is unlikely that the development of the three lots being sold by the City would have much of an impact on the value of properties in adjoining blocks.

Proceeds from the sale of the three City-owned lots will be used to provide gap financing in Low Income Housing Tax Credit developments. Gap financing is also funded by the property tax increment for housing approved by City Council in 2016; in areas of transit investment; and via proceeds from the 2020 Affordable Housing Bond. It is estimated that the current offer for the three (3) parcels would provide gap financing for approximately 12 to 16 affordable rental units in other locations.

*(No attachment)*

**White Flag Shelter Information (Council Member Harrison)**

*Staff Resource: B. Lamont Taylor, Housing & Neighborhoods, 996-4330, [lamont.taylor@raleighnc.gov](mailto:lamont.taylor@raleighnc.gov)*

During the meeting Council requested an update on white flag efforts including the role of the City, opportunities to collaborate with partner agencies, and other issues.

The Wake County Continuum of Care (CoC) declares a white flag on nights when temperatures or windchills reach 35 degrees Fahrenheit or below. A white flag is also declared during winter storms. Prior to the COVID-19 pandemic, shelters would expand capacity during white flag events to house those seeking shelter. Safety protocols established to reduce the spread of COVID-19 have served to reduce shelter capacity during white flag events, and additional emergency shelter space is needed.

Currently, St. John's Metropolitan Community Church is managing white flag operations for the CoC. St. John's also managed white flag operations last year. The City is providing \$150,000 in funding to the church for the purposes of operational expenses over the course of the winter months.

Unlike last year, a single site has not been identified for white flag shelter locations. This year the Salvation Army is providing shelter for families while St. John's is managing three separate sites for singles:

- Pullen Memorial Baptist Church (capacity: 50 males)
- Unitarian Universalist of Raleigh (capacity: 50 males)
- Open Table UMC (capacity: 50 females)

The recent addition of the third site (Open Table UMC) has helped with capacity. A potential long-term solution would be the creation of a day shelter that could be used on white flag nights. Wake County recently released a *Request for Proposals* (RFP) to secure a consulting firm to analyze all existing unsheltered or homeless service facilities in Wake County. It is anticipated this RFP process will include identifying gaps and solutions to reduce unsheltered homelessness and is expected to begin in Spring 2023 and conclude in Fall 2023. City staff continues to collaborate with County staff on these efforts.

*(No attachment)*

To	Tansy Hayward, Deputy City Manager
Thru	Pat Young, Director, Planning and Development
From	Ken Bowers, Planning and Development
Date	December 21, 2022
Subject	Housing Studies Commissioned by the City and Regional Partners

At the December 6 City Council meeting, the City Council discussed an opportunity for an Advisory Services panel from the Urban Land Institute or an alternative partner to advise the City on strategies for increasing the affordability of both subsidized and un-subsidized housing. Given that discussion; other inquiries about past and current work on affordable housing; and the potential discussion about affordable housing at the upcoming City Council retreat.

Staff has attempted to summarize housing studies commissioned by the City and various regional partners. This memo provides a brief synopsis for work done over the past decade. A special item will be included on the January 3<sup>rd</sup> City Council agenda to discuss potential next steps.

## **CITY OF RALEIGH STUDIES**

### **ULI Triangle Technical Assistance Panel on Inclusionary Zoning (2012)**

<https://www.townofchapelhill.org/home/showpublisheddocument/19264/63548537191280000>

Late in the drafting process of the UDO, the City contracted with ULI Triangle to convene a panel to advise on the potential to add bonus-based inclusionary housing provisions to the UDO. The panel concluded that it was not possible to underwrite the subsidy needed for affordable housing through bonuses alone—additional sources of subsidy would be needed. The panel focused on the potential for TIF financing to be part of the capital stack for inclusionary projects.

Recommendations for including affordable housing in RFPs for City land, and direct acquisition of affordable housing sites in TOD locations, have been implemented by the City. Synthetic TIF financing has yet to be used for affordable housing in Raleigh and presents several complications making other tools preferred.

### **Affordable Housing Improvement Plan (2015)**

<https://cityofraleigh0drupal.blob.core.usgovcloudapi.net/drupal-prod/COR19/AffordableHousingImprovementPlan.pdf>

This 2015 document has formed the core of the City's affordable housing strategy since its adoption in 2015. Seven options for increasing housing production and preservation were presented, and all were acted upon, including a dedicated general fund allocation to create a sustainable fund to supporting greater deployment of the 4% LIHTC program in the City, among other activities. Affordable production increased dramatically as a result.

## Equitable Transit-Oriented Development Guidebook (2019)

<https://cityofraleigh0drupal.blob.core.usgovcloudapi.net/drupal-prod/COR22/EDATGuidebook.pdf>

This report was the primary output of the Equitable Development Around Transit (EDAT) project, which was a system-wide look at how to guide development around the City's future transit areas to both support transit and make the new services accessible to all. The report is comprehensive, covering topics beyond housing, but has a significant focus on new tools to support affordability along future BRT lines and the frequent transit network. The major housing-related recommendations have largely been implemented—two new/revised zoning districts for TOD areas that include affordable housing height bonuses; removal of parking requirements; and creation of funding for site acquisition, among others.

## REGIONAL STUDIES

### Wake County Affordable Housing Plan (2017)

<https://s3.us-west-1.amazonaws.com/wakegov.com-if-us-west-1/s3fs-public/documents/2020-10/Wake%20County%20Affordable%20Housing%20Plan%20Full%20Document.pdf>

In 2016, Wake County hired HR&A Advisors to develop a countywide, 20-year affordable housing strategy. As stated in the report: "The goal of the process was to identify strategies to preserve and produce affordable housing and address the growing housing crisis in Wake County, as well as engage local municipalities grappling with the same issues on a smaller scale." The report focused on County actions including building increased capacity in County government but contained two land use recommendations encompassing Wake's municipalities: establish affordable housing incentive zoning overlays and provide more opportunities for accessory dwelling units. Raleigh has implemented both recommendations in the new TOD and TOD-R overlay district and by permitting ADUs on residential lots citywide through a 2020 text change.

### Triangle J Council of Governments Publications (various)

<https://www.tjcog.org/resources>

TJ COG has published five housing-focused white papers and information resources:

- ***Close to Home: Affordable Housing Analysis of Triangle Passenger Rail Corridor (2021).*** A comprehensive inventory of both Legally Binding Affordability Restricted (LBAR) and naturally occurring affordable housing (NOAH) along the proposed Greater Triangle Commuter Rail corridor. The report identifies 28,000 such units across both categories. The report also recommends metrics for tracking efforts to preserve and produce affordable housing in station areas.
- ***Utilizing 4% Tax Credits (2017 estimated).*** Info sheet for municipalities interested in making use of the under-subscribed 4% LIHTC program managed by the North Carolina Housing Finance Agency. Raleigh is cited as a successful example in the Triangle.
- ***Affordable Rental Housing Report & Strategy Toolbox (2017).*** Prepared specifically for the municipalities of Goldston, Pittsboro, Siler City and the Chatham County, this report provides a compendium of affordable rental housing tools and recommendations targeted towards these local governments.
- ***Supporting Affordable Homeownership in the Triangle (2018 estimated).*** This 59-page report is a comprehensive survey of every tool, existing or prospective, to support affordable homeownership opportunities.

- **Local Regulation of Short-Term Rentals (2018).** This report summarizes the short-term rental regulations of Asheville, Blowing Rock, Brevard, Cornelius, Raleigh, and Wilmington (Raleigh’s regulations were not adopted at the time, and were later scrapped in favor of a less restrictive ordinance). The report also contains an analysis of the policy justification and legality of such regulations.

## **UPCOMING STUDIES**

### **Wake County Unsheltered Homeless Facility Study**

Wake County has issued an RFP for consulting services for an unsheltered homeless facility. Proposals were due on December 13 and work is expected to commence in March of 2023. The study includes an analysis of existing and future conditions; a facility study and proposal of strategies; and identification of desired outcomes.

### **Update to Raleigh’s Affordable Housing Improvement Plan**

Raleigh’s 2015 plan led to a dramatic increase in affordable housing production. The City has retained HR&A Advisors to update the plan for the next five years, reflective of the 2020 Affordable Housing Bond. In addition to the plan update, the scope for the project includes extensive community engagement and facilitation, and a comprehensive assessment of existing conditions and practices. Included in this latter task are a review of existing plans and current programs, identification of housing barriers, and the identification and development of new and refined strategies for affordable housing.

### **North Carolina General Assembly (NCGA) – Study of Housing Affordability Options**

There is a bi-partisan working group within the NCGA assessing options for legislative action that addresses housing affordability; this effort is recently underway and is evaluating opportunities in advance of the upcoming (2023) “long session” of the NCGA.

More detail on upcoming studies will be provided as additional information is received by staff.



# Weekly Events Digest

Friday, December 23 – Thursday, December 29

City of Raleigh Office of Emergency Management and Special Events  
[specialevents@raleighnc.gov](mailto:specialevents@raleighnc.gov) | 919-996-2200 | [raleighnc.gov/special-events-office](http://raleighnc.gov/special-events-office)

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## Permitted Special Events

### [WRAL Nights of Lights](#)

Dorothea Dix Park

Friday, December 23 & Saturday, December 24

Event Time: 6:00pm - 10:00pm

Associated Road Closures: During all Nights of Lights events, Dix Park will be closed to the public. To ensure everyone's safety, all park entrances will be closed by 5:00pm and will remain closed through the duration of the event. The Dix Park Dog Park will also be closed during this time. Park visitors, please be mindful to exit the park before this time. As a reminder, the park is open from dawn until dusk daily.

### [Illuminate Art Walk](#)

Locations throughout Downtown

Friday, December 23 through Saturday, January 14

Event Time: 5:00pm - 11:00pm

Associated Road Closures: No roads will be closed for the event. Off-street plazas and sidewalks will be used from 8:00am on 11-26-22 until 4:00pm on 1-15-23. For more details and a full list of participating locations, [view the event website](#).

### [The Rink Featuring the Raleigh Night Market](#)

Lenoir Street & Red Hat Amphitheater

Saturday, December 24 and every Saturday through January 14

Event Time: 2:00pm - 7:00pm

Associated Road Closures: Lenoir Street between S. McDowell Street and S. Dawson Street will be closed from 12:00pm until 8:00pm.

## Other Upcoming Events

### [The Dessertery](#)

Friday, December 23

Kennedy Theater

### [Philadelphia Flyers vs. Carolina Hurricanes](#)

Friday, December 23

PNC Arena

### [The Nutcracker presented by PNC – Carolina Ballet](#)

Friday, December 23 & Saturday, December 24

Memorial Auditorium

### [The Rink presented by UNC Health](#)

Friday, December 23 – Monday, January 16

Red Hat Amphitheater

### [Chicago Blackhawks vs. Carolina Hurricanes](#)

Tuesday, December 27

PNC Arena

## Public Resources

[Pilot Text Alert Program](#): Sometimes spontaneous events happen downtown and in other areas that could affect local businesses. If you'd like to receive notifications when those events happen, including unpermitted ones, sign up for text alerts.

[Event Feedback Form](#): Tell us what you think about Raleigh events! We welcome citizen and participant feedback and encourage you to provide comments or concerns about any events regulated by the Office of Emergency Management and Special Events. We will use this helpful information in future planning.

[Road Closure and Road Race Map](#): A resource providing current information on street closures in Raleigh.

[Online Events Calendar](#): View all currently scheduled events that impact City streets, public plazas, and Dorothea Dix Park.