CITY MANAGER'S OFFICE

Manager's Update

raleighnc.gov



Issue 2025-06 February 7, 2025

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Work Session - Tuesday, February 11 - 4:00 P.M.

Reminder that Council will meet next **Tuesday** in a scheduled work session at **4:00 P.M.**The agenda for the work session was posted to the electronic agenda management system.

Public Comment Session - Tuesday, February 11 - 7:00 P.M.

Reminder that Council will meet next Tuesday in a scheduled public comment session at 7:00 P.M.

INFORMATION:

Seasonal Loose Leaf Collection Program 2024-25 Update

Staff Resource: Jason Holmes, Transportation, 996-6446, jason.holmes@raleighnc.gov

Loose leaf collection began on November 12, 2024, commencing with Zone 5 and over the past few months crews have worked diligently to provide this service across the entire city. Collection in Zone 4, the final zone to be serviced during the first pass, is scheduled to begin on Friday, February 7 and it is anticipated to be complete by February 14. Once Zone 4 is completed, leaf crews will move into Zone 5 as they begin the second pass.



Automated Loose Leaf Collection Truck

Weather can have a significant impact on the delivery of this service and fortunately our crews have remained on schedule all season leading up to the end of January. During the week of January 20 our focus shifted from leaf collection to winter weather preparations due to the snowfall event. The response and time needed to switch out equipment for this event caused delays, and we are currently operating approximately 3 days behind the original schedule.

As of February 4, leaf crews have collected 1,846 loads which is approximately 40,612 cubic yards of leaves. The second pass is scheduled to begin in Zone 5 on February 17. For more information about the program including the full second pass schedule please visit: raleighnc.gov/leaf

(No attachment)

East-Cabarrus Properties – Development Request For Proposals Process

Staff Resource: Ken Bowers, Planning and Development, 996-2633, ken.bowers@raleighnc.gov

On May 21, 2024, Council approved a staff recommendation to reposition and reissue the East-Cabarrus Request for Proposals (RFP) to identify a qualified development partner, then work with the identified partner to design and construct a project that is financially feasible and complies with local design requirements. The revised East-Cabarrus RFP (#274-HN-2025-2-CD) was issued October 1, 2024, and the City received seven (7) complete proposals and one incomplete proposal—a significant improvement from the prior two RFP response rates.

After careful review, individual evaluation, interviews, and group-wide consideration, staff recommends the Local Post team as the development partner. Without Council objection to this update, staff will begin a collaborative process to finalize the program and design and negotiate a contract (inclusive of a long-term ground lease) that will be brought to Council for approval at a later date. More details on the proposals received and the evaluation process can be found in the memorandum included with the *Update* materials.

(Attachment)

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Weekly Digest of Special Events

Staff Resource: Sarah Heinsohn, Office of Special Events, 996-2200, 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 January 21 City Council Meeting

City-Owned Land for Affordable Housing (Mayor Cowell)

Staff Contact: Jess Brandes, Housing & Neighborhoods, 996-4278, jess.brandes@raleighnc.gov

During the meeting, Council requested information on City-owned land that could be used for affordable housing.

Planned Affordable Housing Sites

The listing below includes larger City-owned sites (over 1 acre) that were acquired through the City's land acquisition strategy for affordable housing near Transit. Housing & Neighborhoods staff are currently planning to redevelop these sites, with affordable housing as a primary focus.

To ensure community needs are met, Housing & Neighborhoods is working with Community Engagement to understand what residents want beyond housing. This feedback will guide the creation of Requests for Proposals (RFPs) to find development partners.

Historically, these properties have been sold outright (fee simple dispositions), but the City is now shifting strategy towards long-term land leases to maintain permanent affordability. Additionally, gap financing from the 2020 Housing Bond is expected to be available for each project.

(Note: The Tarboro Road DMV site is not included here, as it was recently addressed by Community Engagement.)

Duplex Village

- 1932 & 1936 New Bern Ave, 1925 Hawkins Street, 118 & 122 Russ Street
 - o Size: 3.55 acres
 - o Est. 2025: Community engagement, bid preparation, developer selection
 - o Est. 2025-2026: Site design & permitting
 - o Est. 2026-2028: Construction

Zack's Grocery Mart

- 1609, 1611, 1617, 1619 New Bern Ave
 - Size: 2.41 acres (Additional site assemblage efforts in progress to increase development potential)

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 Est. 2025-2026: Community engagement, bid preparation, developer selection, site design & permitting

o Est. 2026-2029: Construction

5508/0 Western Blvd & 5507/5511 Hillsborough St

Recently acquired property

• Size: 3.57 acres

Est. 2025: Demolition

• Future plans: Early-stage project planning in progress

South Wilmington Street Properties

2916, 3000, 3020, 3040, 3100 S Wilmington Street

Size: 11.08 acres

- These properties are expected to be part of the Southern Bus Rapid Transit (BRT) corridor.
 However, development is on hold until the final BRT alignment is confirmed.
- o Jointly managed by Housing & Neighborhoods and Transportation.

Additional Scattered-Site Infill Lots

Beyond the larger sites, Housing & Neighborhoods also manages approximately 10 acres of smaller lots (each 1 acre or less). Staff are currently assessing these properties to determine their best use, which may include:

- Affordable housing development (if suitable and feasible)
- Transfer to another City department (e.g., Stormwater or Parks)
- Disposition or sale

(No attachment)

Downtown Dog Parks (Public Comment Follow-up)

Staff Resource: Stephen Bentley, Parks, 996-4784, stephen.bentley@raleighnc.gov

At the meeting, Council inquired about the temporary fencing at the City's downtown dog parks and requested a more permanent investment. The two downtown dog parks are located in the south-end of the Moore Square and the western-end of the Raleigh Municipal Building (RMB), on Dawson Street.

The temporary dog park has been well received by the public and soon rebuilt with sturdier fencing. That fencing has now reached the end of its useful life and is slotted for replacement. The estimated costs for renovating the RMB dog park includes \$7,000 for the fence and materials. The project is being designed inhouse and construction will span only a few days, minimizing the downtime of the dog park. Construction is planned for early Spring 2025.

At Moore Square, Raleigh Parks is actively planning the design and development of a permanent dog park to meet the growing needs of urban dog owners in the downtown area. This new amenity is proposed to be located in the eastern section of Moore Square, closer to the Hargett and Person intersection. This area offers a larger, more functional space compared to the existing temporary dog park in the southern area.

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The eastern space will provide enough room for separate runs for small and large dogs, ensuring safety and comfort for park patrons and their canine friends. This design not only enhances the park's overall appeal but also addresses the demand for more dog-friendly amenities within the city's urban core.

The project is being designed in-house with an anticipated completion timeline of early 2026. Construction costs are estimated between \$75,000 and \$90,000. During the transition period, the current temporary dog park will remain open, minimizing disruption to our many patrons. Once completed, the new dog park will offer opportunities for enhanced programming, such as dog training workshops, community meetups, and other pet-centric events. These activities will foster a sense of community among downtown residents and visitors, promote healthy lifestyles for dogs and their owners, and align with the broader vision of Moore Square as a vibrant community hub.

(No attachment)

Raleigh Convention Center Utilization Data (Council Member Branch)

Contact: Kerry Painter, Convention & Performing Arts Complex, 996-8503, kerry.painter@raleighnc.gov

During the meeting, Council requested information on the utilization rate at the Raleigh Convention Center (RCC) In 2024, the Raleigh Convention Center had a utilization rate of more than 90%. Taking into account holidays and other days that are unavailable due to facility maintenance or other factors, the Center has approximately 335 sellable days in a year. In 2024, the Center hosted 163 events which accounted for 332 event days.

(No attachment)

Follow up from the February 4 City Council Meeting

Planning Commission Membership (Council Member Jones)

Staff Resource: Bynum Walter, Planning & Development, 919-996-2178, bynum.walter@raleighnc.gov

During the meeting, Council requested information about membership needs of the Planning Commission due to imminent vacancies. Included with the *Update* materials is a staff memorandum which provides additional information: skills of the outgoing members; Planning Commission Rules of Procedure; and the typical time commitment for members.

(Attachment)

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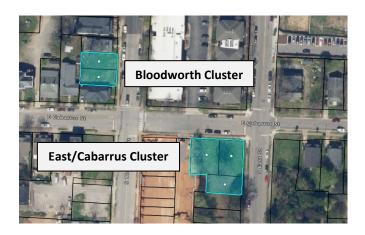
memo

То	Marchell Adams-David, City Manager				
From	Ken Bowers, Deputy Director, Planning & Development Department				
Thru	Patrick Young Director, Planning & Development Department Emila Sutton Director, Housing & Neighborhoods Department				
Date	February 7, 2025				
Subject	Manager's Update – February 7, 2025 East-Cabarrus Affordable Housing – Development Partner Recommendation				

Background:

On May 21, 2024, City Council approved staff's recommendation to reposition and reissue the East-Cabarrus RFP after two prior attempts that resulted in no complete proposal submissions (the first on September 26, 2022 and second on May 22, 2023).

East/Cabarrus Cluster:		Bloodworth Cluster:		
Total Acreage: 0.24		Total Acreage: 0.12		
	 414 E. Cabarrus Street 	 424 S. Bloodworth Street 		
	 416 E. Cabarrus Street 	 428 S. Bloodworth Street 		
	• 504 S. East Street			



Seeing the need to change approach, staff from the Urban Projects Group (UPG) in Planning and Development and the Housing and Neighborhoods Department (H&N) undertook a due diligence analysis to determine why the development community did not respond to the prior RFPs. Staff then presented to City Council three key recommendations from the analysis:

- Remove the Bloodworth Cluster, which had more development constraints;
- Simplify the overall proposal expectations, increasing flexibility and removing costly design requirements for elevations and site plans, thereby reducing barriers to entry for smaller developers; and
- Increase clarity around the City's capacity for gap financing, so that applicants could factor that into their financial analysis.

Staff redesigned the RFP document to be more user-friendly and implemented all three recommendations above. All proposals still required a minimum of 20% affordable units reserved for households earning up to 60% AMI, but could include a total City subsidy request up to a maximum of \$1,000,000. Once selected, the developer team would work collaboratively with the City to finalize a project program and design that is financially feasible and that complies with local regulatory requirements.

Summary of Proposals:

With these improvements made, the revised East-Cabarrus RFP (#274-HN-2025-2-CD) was issued on October 1, 2024 and closed on November 1, 2024. During this window, a total of seven complete proposals were received, making this a highly competitive evaluation process. Moreover, each proposal submitted had unique strengths, and each developer team showed dedication to building a high-quality and inclusive product.

	Local Post	Weikan	CASA	DHIC	Steel Projects	F7 Dev	Halcon
Building Type	3 two-unit TH w/ 3 ADUs	3-story TH w/ first fl ADU	3-story apartment	3-story apartment	5-story apartment	5-story MX; podium park	3-story apt; 13 parking spaces
Total Units	26 suites (across 12 total dwelling units)	18 units	24 units	24 units	40 units	40 units	10 units
Afforda ble Units	21 at 80% AMI 5 at 60% AMI	18 at 60% AMI	12 at 80% AMI 4 at 60% AMI 8 at 30% AMI	18 at 80% AMI 6 at 60% AMI	12 at 80% AMI 14 at 70% AMI 10 at 60% AMI 4 at 50% AMI	15 at 60% AMI	2 at 60% AMI
Project Cost	\$ 3,180,000 (\$ 122,200/suite)	\$ 3,000,000 (\$ 166,700/unit)	\$ 5,900,000 (\$ 245,700/unit)	\$ 5,400,000 (\$ 224,400/unit)	Not listed	\$ 8,100,000 (\$ 203,100/unit)	\$ 2,614,000 (\$ 261,400/unit)
City Subsidy Request	\$ 1,008,000 (\$ 38,500/ suite)	\$ 1,500,000 (\$ 83,300/unit)	\$ 1,000,000 (\$ 41,700/unit)	\$ 1,008,000 (\$42,000/ unit)	\$ 2,000,000 (\$50,000/unit)	\$ 1,000,000 (\$66,700/ unit)	\$ 2,594,000 (\$ 259,400/unit)

There was one additional proposal received that was determined to be incomplete and was therefore excluded from the full evaluation process (from Ralph Urban Development).

Evaluation Process:

The evaluation process was facilitated by a group of staff from both Planning and Development and Housing and Neighborhoods. Each staff member carefully reviewed each proposal and evaluated it in regard to several key priorities, including team experience, project viability/financial feasibility, number of total units and affordable units, depth of affordability, and other factors like replicability. The Evaluation Team then selected four proposer teams to interview, which were Local Post, Weikan Holdings, CASA, and DHIC.

Staff Recommendation:

After careful review, individual evaluation, interviews, and group-wide consideration, the Evaluation Team recommended the Local Post team to the Planning and Development and Housing Department leadership. The project leverages an innovative co-living-style micro-suite model¹ to house a high number of individuals for a low cost, while investing in high-quality design features and complying with all relevant building and safety codes and the UDO. The team demonstrated the following standout qualities:

Team Experience

- Creative design approach with design fully integrated into the project team from the start, which improves cost-accuracy, flexibility, and quality of product
- Track record of successfully delivered precedent projects in Raleigh at a similar scale (see <u>example of micro-suite</u> on Edenton St)
- Initiative taken to reach out to the North Carolina Housing Finance Agency (NCHFA) to evaluate the potential for additional financing tools

Project Viability / Financial Feasibility

- Modest total development cost, which reduces project risk and required fundraising of capital (lowest total cost per unit project)
- Lowest City subsidy cost per-unit/suite requested
- Use of residential code reduces project costs, risks, and timeline

¹ The City considers suites equivalent to units for the purposes of calculating per-unit funding amounts.

Maximization and Depth of Affordability

- Highest total unit/suite and total affordable unit/suite count of interviewed candidates
- Proposed use of NCHFA Supportive Housing Development Program funding to increase depth of affordable units proposed to 40% AMI

Project Replicability

- Missing middle project that relies on residential code to create a dense program, while remaining flexible to make program adjustments
- Scalable model that could be implemented across the City, creating potential for impact beyond this site

A final follow-up interview with Local Post was conducted by the leadership team, after which Local Post was confirmed as staff's recommendation to City Council.

Next Steps:

Barring any Council objections following this update, staff will begin a collaborative process with Local Post to finalize the program and design and to negotiate a long-term ground lease and development contract that will be brought to Council for approval at a later date.

Weekly Events Digest

Friday, February 7 – Thursday, February 13

City of Raleigh Office of Special Events specialevents@raleighnc.gov | 919-996-2200 | raleighnc.gov/special-events-office

Permitted Special Events

No permitted special events are scheduled during this time.

Other Upcoming Events

First Friday Raleigh

Friday, February 7 Downtown Raleigh

My Best Gal/Guy & Me Red Carpet Dance

Friday, February 7 Laurel Hills Community Center

<u>Greatest Love Songs: The Music of Motown – NC Symphony</u>

Friday, February 7 & Saturday, February 8 Meymandi Concert Hall

Akeelah and the Bee

Friday, February 7 – Sunday, February 23 Raleigh Little Theatre

Family Fun Day

Saturday, February 8 City of Raleigh Museum

Black History Trolley Tour

Saturday, February 8 Mordecai Historic Park

Arts on the Hill Workshop: Creative Writing

Saturday, February 8
The Chapel at Dix Park

Utah Hockey Club vs. Carolina Hurricanes

Saturday, February 8 Lenovo Center

Dream Theater: 40th Anniversary Tour

Saturday, February 8 Memorial Auditorium

Triangle Youth Philharmonic & Jazz Ensemble Winter Concert

Sunday, February 9 Meymandi Concert Hall

A City in Motion: Traffic and Transportation Solutions

Wednesday, February 12 Raleigh Union Station

Louisville vs. NC State

Wednesday, February 12 Lenovo Center

Boléro – Carolina Ballet

Through Sunday, February 23 Fletcher Opera Theater

Public Resources

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

<u>Road Closure and Road Race Map</u>: 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.

Council Member Follow Up



memo

То	Marchell Adams-David, City Manager			
Thru	Patrick O. Young, AICP, Director			
From	Bynum Walter, AICP, Assistant Director			
Department	Planning and Development			
Date	February 7, 2025			
Subject	Planning Commission membership			

Background

During the February 4 City Council meeting, Council Member Jones requested information about the Planning Commission's membership needs due to imminent vacancies. Planning Commission Chair Blannie Miller provided comments during the meeting. She noted that the Planning Commission benefits from membership comprising a diverse cohort of different backgrounds. She noted that professional expertise in housing and development across all income levels and housing types brings value. She went on to say that individuals who understand housing affordability and attainability enhance Planning Commission's consideration of sufficient market supply of housing variety across income levels. Professionals with experience with projects large or small have worked well in the past, as have realtors and real estate finance experts. Common among these professions is their ability to effectively communicate about complex development issues with the public at-large. Architectural expertise is also beneficial, especially in evaluating the merits of text changes to the Unified Development Ordinance. Finally, she observed that the Commission has benefited in the past from members with land use law and other legal expertise. Planning staff support Chair Miller's representations, based on our collective experience working with Planning Commissioners over the years.

This memo provides additional information regarding: the typical time commitment for members, Planning Commission Rules of Procedure, and outgoing members' experience.

Typical Time Commitment for Members

The Planning Commission holds two regular meetings each month on second and fourth Tuesdays of each month in-person in the City Council Chamber. Meetings begin at 9:00 a.m. and usually last for the scheduled three hours. The Commission's Committee of the Whole comprises all members of the Planning Commission and meets on the third Thursday of each month as needed. Meetings begin at 4:00 p.m. and usually last about two of the scheduled three hours. Each Commissioner also serves on one or two sub-committees (Text Change, Strategic Planning, Infrastructure and Mobility). These committees meet monthly for about an hour as needed. In-person meeting time is at least six hours each month and can range up to 11 hours. Commissioners also need to allow time to prepare for each meeting by reviewing agenda materials in advance.

Planning Commission Rules of Procedure

The Planning Commission's Rules of Procedure say the following about the composition of the body:

"The Planning Commission shall be comprised of ten members. Nine members shall reside within Manager's Update the City of Raleigh corporate limits and shall be appointed by the City Council. One member shall

reside within Raleigh's Extra Territorial Jurisdiction and shall be appointed by Wake County."

The Rules of Procedure are silent regarding specific qualifications or skills necessary to serve on the Commission. Robert Fox is currently holds the ETJ appointment. In addition to the ETJ appointment, the Commission currently has representation from Council Districts A, C, D, and E.

Just as Chair Miller noted in her remarks to City Council, the Planning Commission is most effective when membership comprises commissioners with diverse professional experience. Individuals with professional expertise in real estate sales, development and/or finance; affordable housing; architecture; engineering; and land use law all have knowledge and skills of particular value to the work of the Planning Commission.

Outgoing Members' Experience

Three members are rotating off the Planning Commission:

Jennifer Lampman

Ms. Lampman was nominated by Council Member Stephenson and appointed to the Planning Commission in September 2021. She holds an MBA in Investment Management. During her tenure on the Planning Commission she served first as Vice President of Development for Wallick Communities and more recently as Director of Acquisitions for CAHEC. Her knowledge as an affordable housing practitioner, particularly finance has been valuable to the Planning Commission. After completing most of three terms, she is only 4 months short of six years of service and is resigning due to a move out of state and will not be available to participate after February 2025.

CJ Mann

Mr. Mann was nominated by Council Members Cox, Crowder, and Mendell and appointed to the Planning Commission in March 2019. He is a licensed general contractor. He is cofounder and Chief Business Development Officer for Raleigh Raised Development, a real estate development company led by a team of four natives of Southeast Raleigh. Mr. Mann's construction knowledge and sensitivity to community concerns have been valuable to the Planning Commission. After completing three terms for a total of six years of service, he is not eligible for reappointment.

Dean Rains, AIA, LEED BD+C

Mr. Rains was nominated by Mayor Baldwin and appointed to the Planning Commission in March 2023. He is Associate Principal and Project Manager with LS3P. Based in the southeastern United States, LS3P offers architecture, interiors, and planning services nationwide. Mr. Rains practical design and construction knowledge have been valuable to the Planning Commission, including his contribution to the Commission's Text Change Committee as both chairman and member and the Commission's Committee of the Whole as both chairman and member. After completing two terms for a total of four years of service, he does not wish to be reappointed.