CITY MANAGER'S OFFICE

Manager's Update

raleighnc.gov



Issue 2025-15 April 11, 2025

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Regular Council Meeting Tuesday, April 15; Lunch Work Session at 11:30 - Lunch Will be Provided

Council will meet in regular work session at **11:30 A.M.** in the **Council Chamber.** Please note the agenda for the lunch work session is included with the regular meeting agenda and may be accessed via the BoardDocs electronic agenda system:

https://go.boarddocs.com/nc/raleigh/Board.nsf/Public

The regular Council meeting begins at 1:00 P.M.

Please note there will be a **Closed Session** immediately following the afternoon session of the Council meeting.

Reminder: If there is an item you would like to pull from the consent agenda for discussion, please e-mail mayorstaff@raleighnc.gov by 10 A.M. the day of the meeting.

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INFORMATION:

Reflecting Raleigh: The Next Comprehensive Plan Monthly Update

Staff Resource: Sarah Shaughnessy, Planning & Development, 996-2234 sarah.shaughnessy@raleighnc.gov

Reflecting Raleigh, the process for developing our Next Comprehensive Plan is underway. Please join us for Rooted and Growing: Neighborhood Change, our next community conversation. The two-part event will take place on April 15 and April 22 and will feature discussions and presentations from visiting experts and city staff on solutions, opportunities, and challenges related to managing Raleigh's growth while honoring the city's roots. Please see the attached memo for more information about the Reflecting Raleigh community conversation series and additional project updates.

(Attachment)

Rating Agencies Assign Highest Marks Ahead of Bond Sale

Staff Resource: Allison Bradsher, Finance, 996-4970, allison.bradsher@raleighnc.gov

The three leading credit rating agencies (Moody's Investors Service, S&P Global and Fitch Ratings) recently released credit reports as a part of the upcoming general obligation economic refunding. The reports reaffirmed the highest AAA/AAA ratings on the City's general government bonds including a stable outlook. Maintaining the highest possible credit rating ensures the City borrows at the lowest interest rates and has access to financial markets during economic downturns.

The credit rating agencies review many factors when assigning a credit score, including the local economy, financial results, future long-term liabilities, and the City's management framework. The reports highlight Raleigh's large and diverse tax base, historically strong operating performance, its well-diversified local economy, financial resilience, strong reserves and fiscal stewardship, and its long-term financial and capital planning practices.

(No Attachment)

15 Summit Avenue - Development Request for Proposals Process

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

On February 20, 2024, Council authorized staff to proceed with the rezoning to the property to remove the -UL frontage. This approved rezoning allowed for a wider range of housing that could be developed on the site. In addition to the original RFP requirements, Staff added a new provision stipulating that a minimum of one (1) unit, and up to 10% of the total units in each project, must be set aside for City-approved referrals, and a new provision stipulating that no more than 30% of the units could be exclusively restricted to individuals with disabilities and those experiencing homelessness. This requirement aligned with the state's Olmstead settlement agreement, which supports integration and housing choice for people with disabilities. The 15 Summit Avenue RFP (#RFP #274-050123SA-R) was reissued on December 16, 2024, and staff received four complete proposals after the submission deadline on February 14, 2025.

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After the review process, including questions and responses from proposers, the evaluation team recommends CASA's proposal. The project uses a cottage court site design to yield a reasonable density, while investing in comfortable compact design features. More details on the proposals received and the evaluation process can be found in the memorandum included with the *Update* materials.

(Attachment)

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 March 4, 2024, Council Meeting

Update on 528 New Bern Ave (Council Member Lambert-Melton)

Staff Resource: Bryce Abernethy, Housing & Neighborhoods, 996-2450, bryce.abernethy@raleighnc.gov

At the September 17, 2024, Council meeting Housing & Neighborhoods Code Enforcement staff requested the adoption of a demolition ordinance for this property. A minimum housing case on the fire damaged dwelling had been issued on October 13, 2023, due to no action being taken to repair or demolish the structure. The property owner attended the public hearing and requested additional time to sell the property. Additional time was granted.

During the meeting, Council requested that staff monitor the location due to neighborhood concerns, and to provide an update to Council. As of March 4, 2025, the property has been sold and on April 8, 2025, the dwelling was demolished.

(No attachment)

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memo

То	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Planning & Development Director
From	Sarah Shaughnessy, AICP, Principal Planner
Department	Planning and Development
Date	April 11, 2025
Subject	Update on Reflecting Raleigh: The Next Comprehensive Plan

Overview

Raleigh's Comprehensive Plan serves as the city's long-term vision for the built environment and is required by state law to enforce zoning and development regulations. Originally adopted in 2009 and updated in 2019, the plan includes policies that guide Raleigh's growth in alignment with adopted Vision Themes, Growth Framework, and tools such as the Future Land Use Map and Urban Form Map.

<u>Reflecting Raleigh</u> is the process of developing the Next Comprehensive Plan, which will include a focus on sustainable and equitable growth, aligning adopted city plans and priorities, and enhanced community engagement. This memo provides an update on the project to date and includes information about upcoming events.

April Project Update

Reflecting Raleigh will unfold over 2.5 years, divided into five phases, with plan review and adoption anticipated by the end of 2027. The current phase, Phase I, focuses on public engagement which will be used to inform plan development in Phase II. Activities completed so far include:

- 7 Community Conversation Events, including the Affordable Housing Summit
- 12 Ask-A-Planner Events
- 16 Community Events
- 30 Small Group presentations, including presentations to Raleigh Boards & Commissions and Citizen Advisory Councils

All Community Conversation events have been recorded and are available on the city's <u>YouTube Chanel</u>. Search for the Reflecting Raleigh playlist. Additionally, staff have published online surveys in to collect input on each of the community conversations so far. Residents may visit



memo

https://engage.raleighnc.gov/compplan to take a survey or view preliminary results. All surveys will be open until June 13, 2025.

Rooted and Growing: Neighborhood Change, our next community conversation, will feature discussions and presentations from visiting experts and city staff on solutions, opportunities, and challenges related to managing Raleigh's growth while honoring the city's roots. The two-part event will take place on April 15 and April 22. For more details and to register, please visit the project's event page.

Both the <u>Reflecting Raleigh engagement strategy</u>, staff's guide for public engagement over the life of the project, and a <u>detailed report</u> of engagement activities through December 2024 are available on the <u>project website</u>. A full report of Phase I engagement activities will be available later this summer.

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memo

То	Marchell Adams-David, City Manager
Thru	Emila Sutton Director, Housing & Neighborhoods Department
Date	April 4, 2025
Subject	Manager's Update – April 11, 2025 15 Summit Ave Affordable Housing – Development Partner Recommendation

Background:

On May 1, 2023, the Housing and Neighborhoods Department issued a Request for Proposals (RFP) for affordable housing development on City-owned land at 15 Summit Ave (+/- .67 acres). Proposals were due on August 11, 2023. A single proposal was received from Next Step Development Corporation (Next Step), a nonprofit organization with the mission to build tiny home communities for individuals experiencing homelessness or housing insecurity. Next Step proposed 11 tiny rental homes on the property. The design would deliver a reasonable yield for a small, constrained property without departing significantly in scale from the small, detached single-family homes in the neighborhood.

The Urban Limited frontage on the property did not allow the Tiny Home, Detached, or Attached building type. Therefore, the proposed tiny home development was not permissible under zoning in place at the time of the submitted proposal.



On February 20, 2024, staff presented City Council several options for the property:

- 1. Initiate a rezoning of the property to remove the -UL frontage. This would permit a tiny home cottage court development or other concepts with detached or attached buildings on the site. Staff recommends reissuing the RFP to see if additional proposals are submitted taking advantage of the more flexible zoning.
- 2. Reissue the RFP with greater clarity as to what is permitted with the goal of receiving conforming proposals (no rezoning).
- 3. Make the property available for upset bid without an affordability goal, with the aim of maximizing the financial return to the City. Sales proceeds could be directed to affordable housing elsewhere.
- 4. Hold the property until goals for the parcel are clarified.

City Council authorized staff to proceed with the rezoning to the property to remove the -UL frontage. Staff initiated a rezoning of the property and rewrote the RFP with greater clarity as to City goals and priorities for the solicitation.

All proposals still required a minimum of 20% affordable units reserved for households earning up to 60% AMI and could also include a City subsidy request up to a maximum of \$1,000,000. In addition to the original RFP requirements, Staff added a new provision stipulating that a minimum of one (1) unit, and up to 10% of the total units in each project, must be set aside for City-approved referrals, and a new provision stipulating that no more than 30% of the units could be exclusively restricted to individuals with disabilities and those experiencing homelessness. This requirement aligned with the state's Olmstead settlement agreement, which supports integration and housing choice for people with disabilities. The RFP was also updated to show the expanded applicable building types to encourage innovation to maximize the site.

Summary of Proposals:

The revised 15 Summit Ave RFP (RFP #274-050123SA-R) was reissued on December 16, 2024, and closed on February 14, 2025. During this window, a total of four (4) complete proposals were received. Each proposal submitted had unique strengths, and each developer team showed dedication to building a high-quality and inclusive product.

	CASA	Evergreen Construction	Next Step Development	Fortress of Solitude
Building Type/Site Design	11 tiny homes in a cottage court site design	3-story apartment building	11 tiny homes in a cottage court site design	5-story modular (container) apartment building
Total Units	11 units	12 units	11 units	48 units
Affordable Units	4 at 60% AMI 4 at 50% AMI 3 at 30% AMI	all at 60% AMI	1 at 60% AMI 2 at 50% AMI 4 at 40% AMI 4 at 30% AMI	all at 50% AMI
Project Cost	\$1,504,186 (\$136,744/unit)	\$2,675,000 (\$222,917/unit)	\$2,484,844 (\$225,895/unit)	\$3,168,420 (\$66,000/unit)
City Subsidy Request	\$368,573 (\$33,506/unit)	\$1,000,000 (\$83,333/unit)	\$672,630 (\$61,148/unit)	\$1,000,000 (\$ 20,833/unit)
Total Team Score	440	398	370	354

Evaluation Process:

The evaluation process was facilitated by staff from Housing and Neighborhoods and Planning and Development. Staff reviewed each proposal and evaluated it in regard to several key priorities (see table below).

15 Summit Ave Evaluation Criteria	Total Points
Alignment with City Goals	
Maximize affordable units	10
Maximize project density	10
Depth of affordability	10
Design creativity	10
Project Viability and Financial Feasibility	30
Compatibility with UDO	10
Project complexity, cost reasonableness and risk management	10
City subsidy request and other funding commitments	10
Development Team Experience	30
Demonstration of development team experience	20
Demonstration of team capacity	10
Maximum Possible Points	100

Staff Recommendation:

After the review process, including questions and responses from proposers, the evaluation team recommends CASA's proposal. The project uses a cottage court site design to yield a reasonable density, while investing in comfortable compact design features. CASA's proposal demonstrated the following standout qualities:

Project Viability / Financial Feasibility

- Low total development cost (includes \$885,613 in commitments of donated labor and materials)
- Lowest City subsidy cost per unit/suite requested
- Lowest overall City subsidy request
- Use of residential code reduces project costs, risks, and timeline

Development Team Experience

- CASA has a 30-year history of developing, owning and managing permanent supportive housing serving residents with disabilities or who are experiencing homelessness.
- CASA has a proven track record of working with the City of Raleigh to develop affordable housing.
- CASA is partnering with Operation Coming Home (OCH), a nonprofit partnership between the Home Builders Association of Raleigh-Wake and the US Veterans Corps.

Next Steps:

If City Council approves the recommendation, staff will negotiate the loan and land disposition agreements to be brought to Council for approval at a later date.

Weekly Events Digest

Friday, April 11 - Thursday, April 17

City of Raleigh Office of Special Events

specialevents@raleighnc.gov | 919-996-2200 | raleighnc.gov/special-events-office

Permitted Special Events

ESL One Raleigh

Raleigh Convention Center & Cabarrus Street

Friday, April 11 – Sunday, April 13

Event Time: 10:00am - 7:30pm on 4-11-25 and 4-12-25; 10:00am - 4:30pm on 4-13-25

Associated Road Closures: W. Cabarrus Street between S. McDowell Street and S. Salisbury Street will be closed from 9:30am until 8:00pm on 4-11-25 and 4-12-25, and from 9:30am until 5:00pm on 4-13-25.

St. Baldrick's Block Party

Glenwood South Saturday, April 12

Event Time: 10:00am - 5:00pm

Associated Road Closures: North Street between Glenwood Avenue and Boylan Avenue will be closed

from 6:00am until 6:00pm.

Other Upcoming Events

Franco Escamilla

Friday, April 11 Memorial Auditorium

SRIS Spring Fling Dance

Friday, April 11 Laurel Hills Community Center

Elgar Enigma Variations – NC Symphony

Friday, April 11 & Saturday, April 12 Meymandi Concert Hall

Mordecai Egg Hunt

Saturday, April 12 Mordecai Historic Park

Family Fun Day - Maps

Saturday, April 12 City of Raleigh Museum

Scythian - Pinecone

Saturday, April 12 Fletcher Opera Theater

New York Rangers vs. Carolina Hurricanes

Saturday, April 12 Lenovo Center

Nikki Glaser: Alive and Unwell Tour

Saturday, April 12 & Sunday, April 13 Memorial Auditorium

Toronto Maple Leafs vs. Carolina Hurricanes

Sunday, April 13 Lenovo Center

An Intimate Evening with Jagged Edge

Sunday, April 13 Meymandi Concert Hall

Disturbed

Monday, April 14 Lenovo Center

Rooted and Growing: Neighborhood Change

Tuesday, April 15 Watts Chapel Missionary Baptist Church

Pullen Park Job Fair

Tuesday, April 15 Pullen Park Amusements

Tyler Childers

Tuesday, April 15 Coastal Credit Union Music Park at Walnut Creek

Lunch Box Lecture with Russ Stephenson

Thursday, April 17 City of Raleigh Museum

Public Resources

<u>Event Feedback Form</u>: 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.

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 Dix Park.