

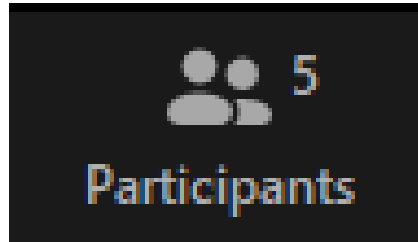


Connecting Communities.
Shaping a Shared Future.

Affordable Housing Summit

Dix Edge Area Study | March 18, 2021

Please Raise Your Hand

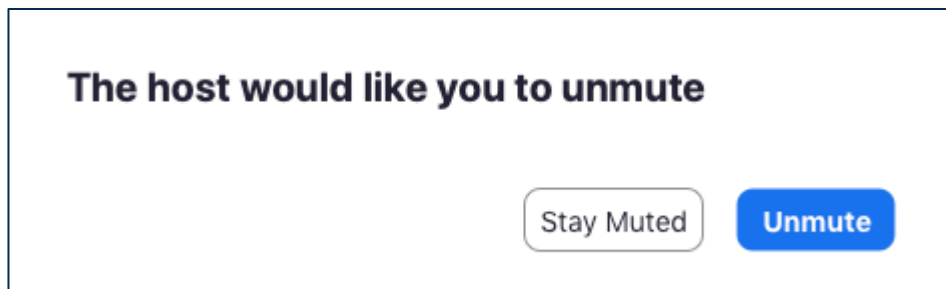


1. Click “Reactions” in the bottom toolbar



Raise Hand

2. Click “Raise Hand” in the participant menu



3. Click “Unmute” when prompted by the host

Affordable Housing Summit

Agenda

- I. Welcoming Remarks
Dieneaker Shaw, Neighborhood Ambassador
- II. Overview of the Dix Edge Study Area
- III. Panel Group Discussion — Affordable Housing
5-minute Brief Break
- IV. Case Study Presentation (Brightwalk/Washington Terrace)
- V. Dix Edge Breakout Discussion/Report Back
- VI. Next Steps and Concluding Remarks

- 18-Month Planning Study taking place July 2020 — January 2022
- Public kickoff took place in October
- Focuses on the following topics:
 - Equity
 - Displacement
 - Housing Affordability
 - Land Use
 - Development Form
 - Transportation
 - Economic Development





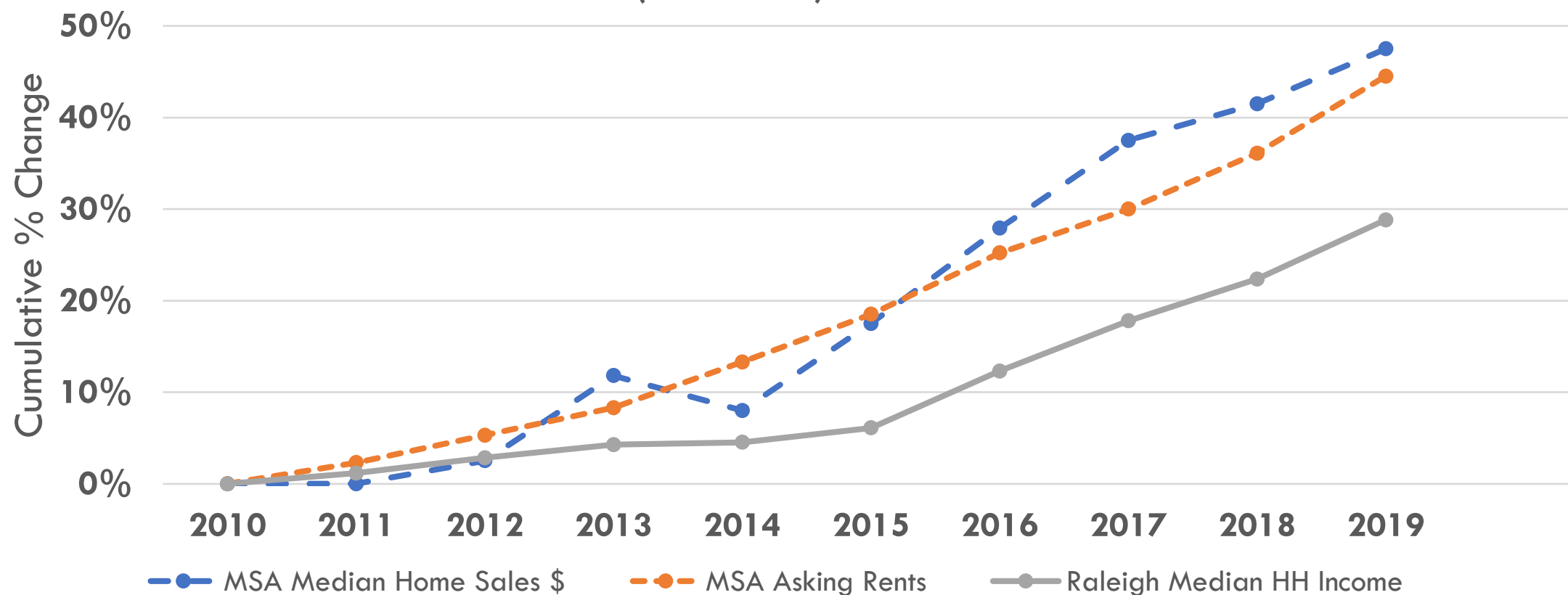
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Affordable Housing Summit

- *Dix Edge Overview* -

The Growing Affordability Gap

Expanding Housing Price/Household Income Gap
Raleigh, NC
(2010-2019)



What is the City's Affordable Housing Target?

The City of Raleigh set a target of 570 new affordable units per year over 10 years for a total of 5,700 units by 2026



2020 Affordable Housing Bond Fund

(3,261 new units by 2026)

Bond Elements	Percent Allocation	Amount
Transit-Oriented Site Acquisition	20%	\$16,000,000
Public-Private Partnerships	35%	\$28,000,000
LIHTC Gap Financing	30%	\$24,000,000
Owner-Occupied Home Rehabilitation	7.5%	\$6,000,000
Down Payment Assistance	7.5%	\$6,000,000

\$80 Million Over 5 Years

City of Raleigh Affordable Housing Tools

- Voluntary inclusionary affordable housing
- Affordable housing density bonuses
- Modify development code to allow triplex, quadraplex structures
- Accessory dwelling units (ADU)
- Dedication of publicly-owned land
- Section 8 vouchers
- Land trust
- Land acquisition
- Owner-occupant housing rehabilitation
- Public/Private Development Partnerships
- GAP project financing (LIHTC)
- Infrastructure funding
- Down-payment assistance
- Homebuyer education programs

Dix Edge Housing

- Nearly 55% of Dix Edge housing is characterized as single-family
- 61% of all housing units are renter-occupied
- 27% of all housing units are owner-occupied
- Study area housing has been transitioning from owner to renter housing



Village Green Apartments



Duplex Rental



Single Family Ownership

What is Considered “Affordable”?

DEFINITION

Housing is affordable when mortgage payments and rent levels do not exceed 30% of a household's gross monthly income

Dix Edge Median Household Income
\$39,863

\$996 per month is 30% of
the AMI for Dix Edge

City of Raleigh Gross Rent
\$1,121

Source: ACS 2014-2019

Rent Prices

1. Fuller Heights Homes

3-Bedroom \$750

*2 Month deposit required

2. Caraleigh Homes

3-Bedroom \$650/Per Room

3-Bedroom \$3,200

3. Village Green Apartments*

2-Bedroom \$749

3-Bedroom \$659

4-Bedroom \$629

*Roommate included

4. Gateway Park (Income Restricted)

2-Bedroom \$1,173

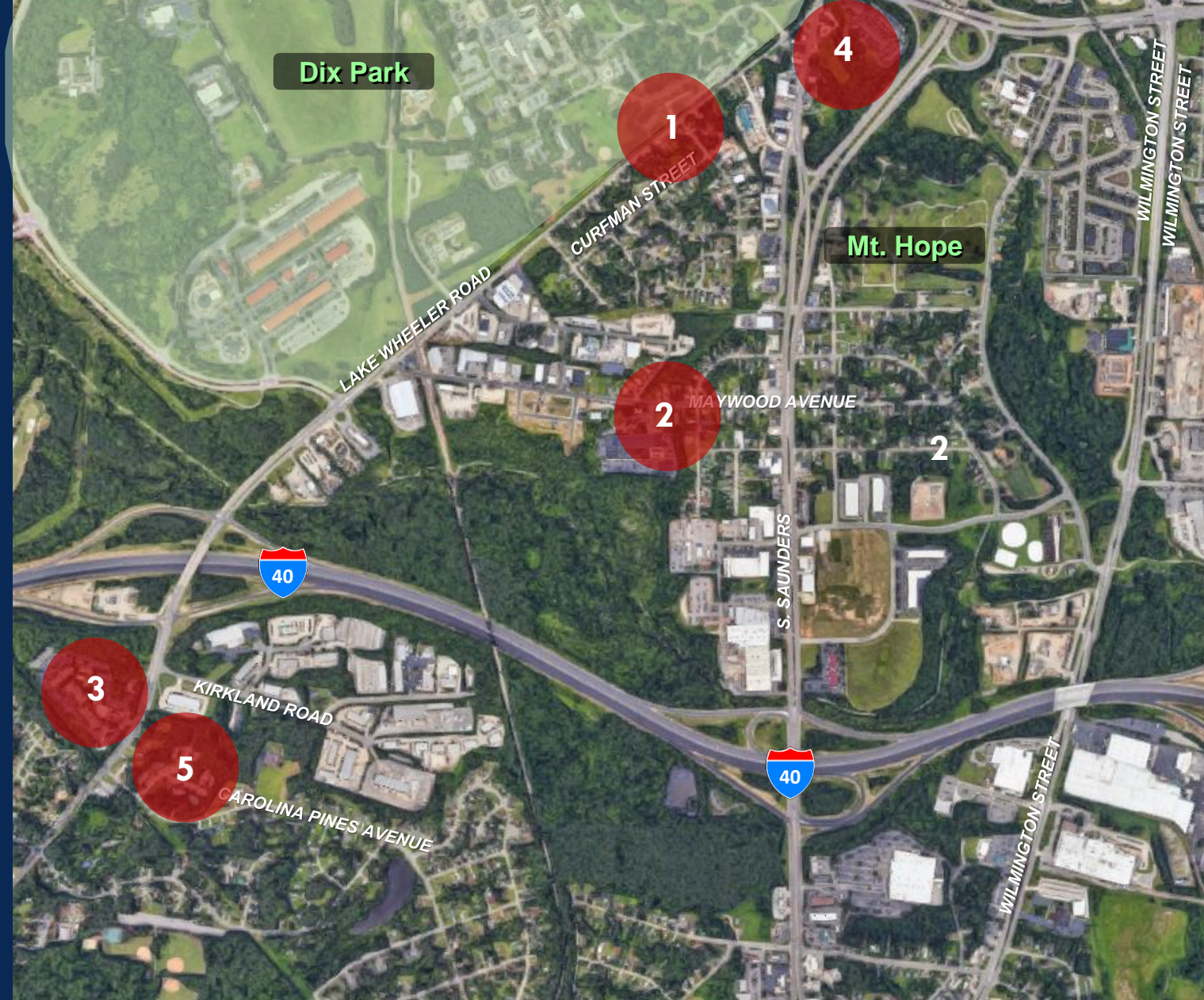
3-Bedroom \$1,173

5. Carolina Pines

2-Bedroom \$1,149

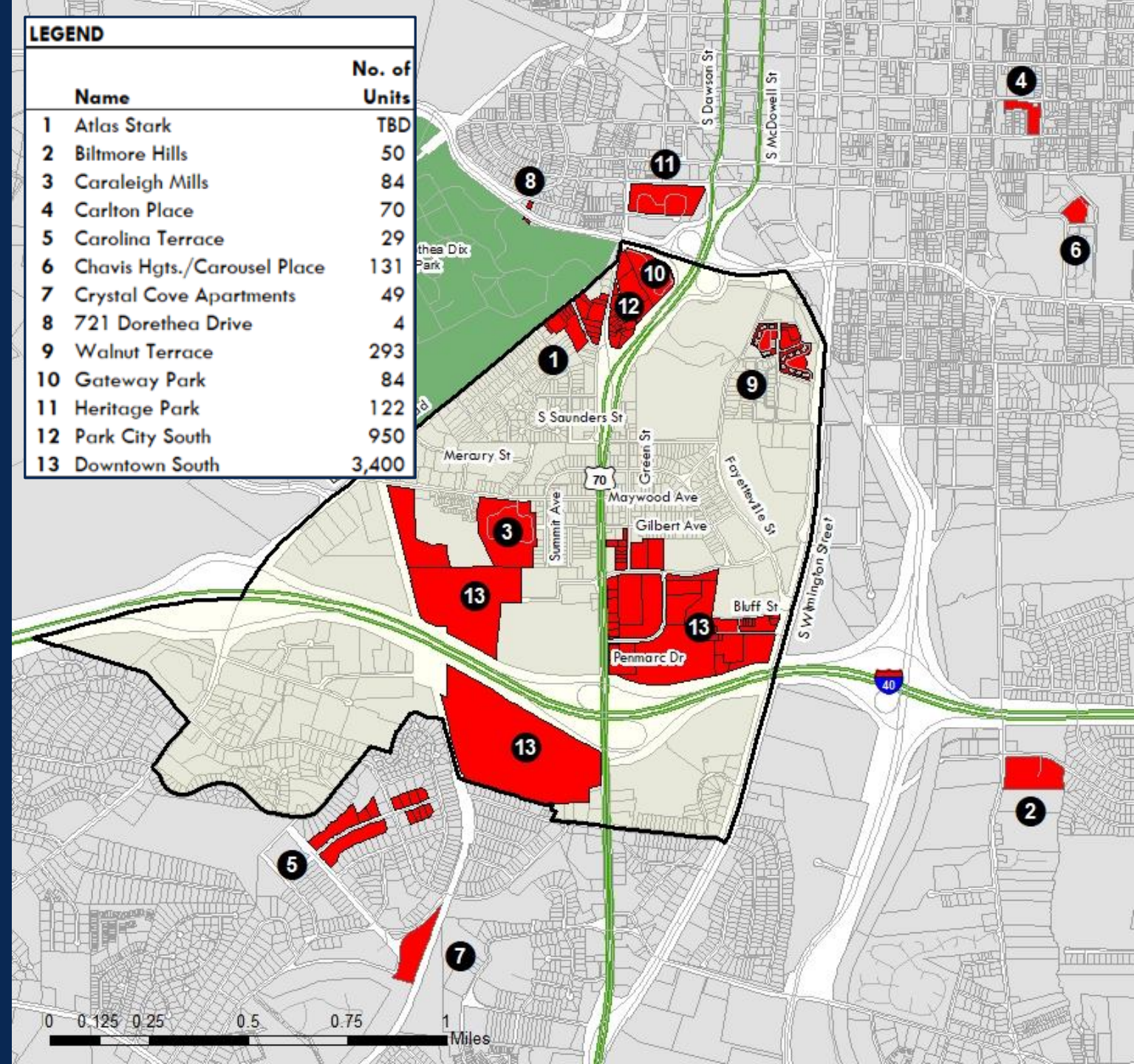
Source: Craigslist/Zillow/Apartments.com

Dix Edge March 2020 Rental Units



New Residential is Coming — but will it be Affordable?

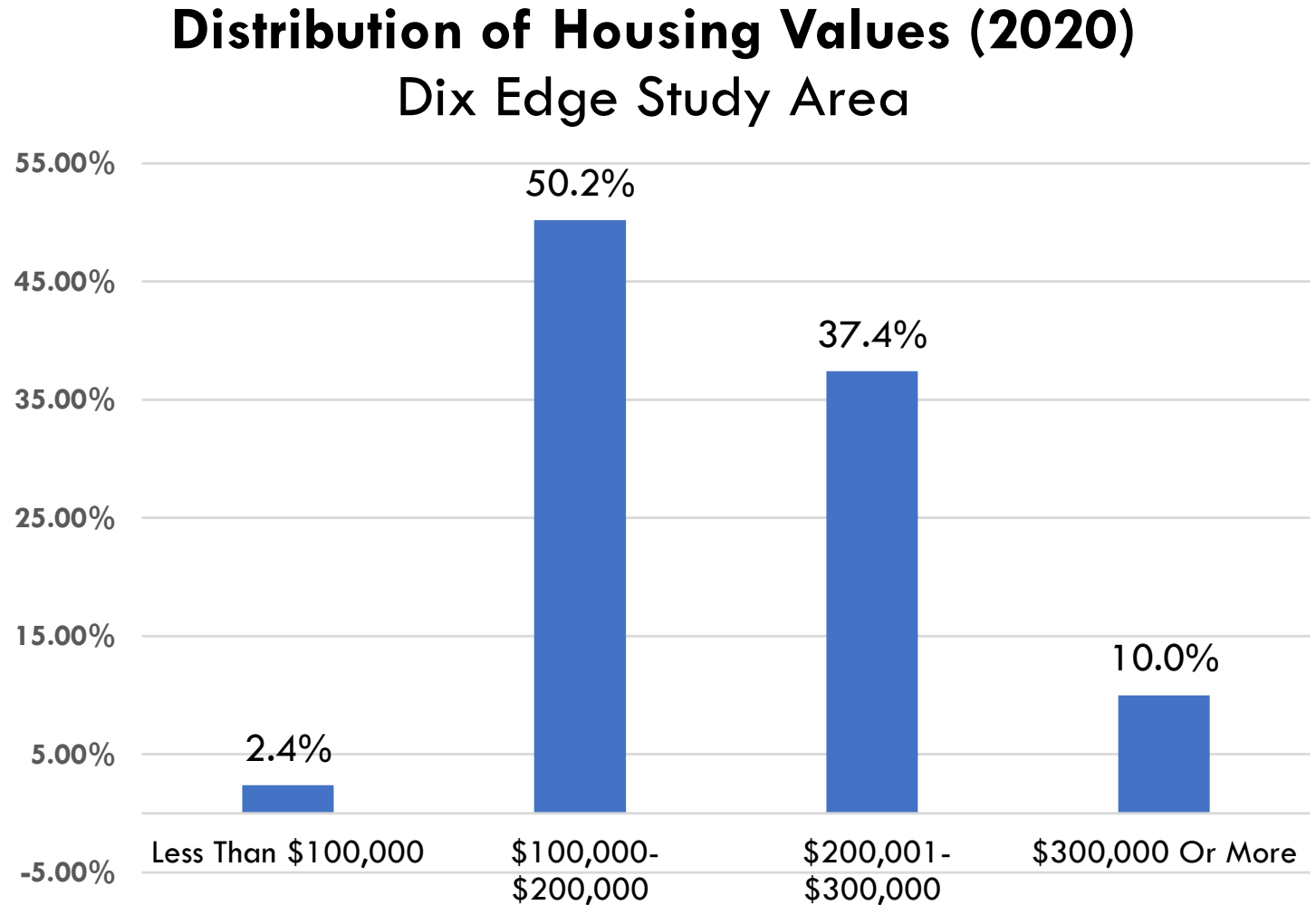
New residential development at Park City South and Downtown South will add 4,350 new units to the Dix Edge Study Area. These two projects, and others, will reset the rental housing market in Dix Edge at a much higher level — well beyond the incomes of study area residents



Distribution of Dix Edge Home Values (2021)

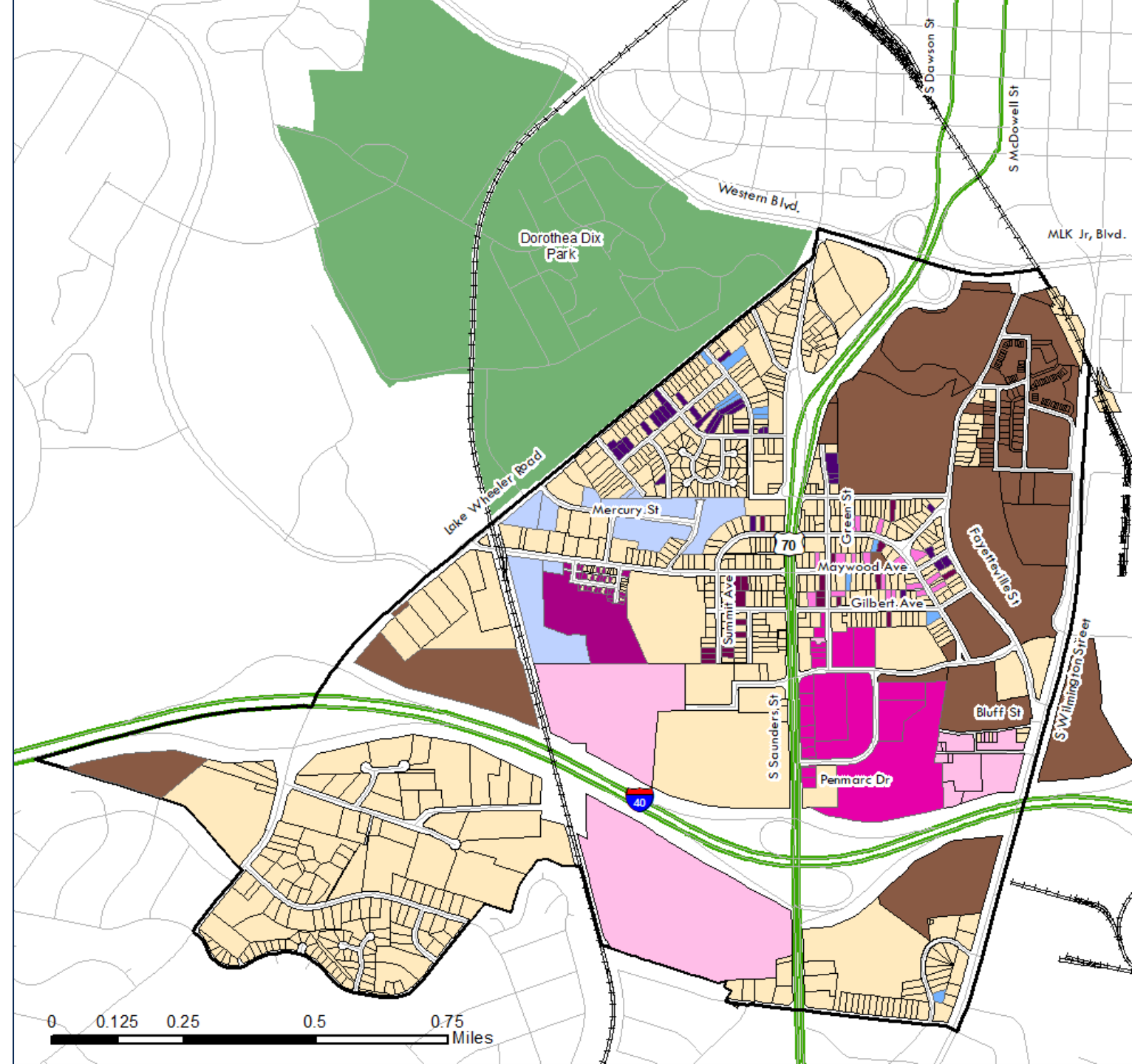
(Includes ownership and rented homes)

Nearly 53% of all homes in the Dix Edge Study Area are valued at less than \$200,000 making them accessible to moderate income households



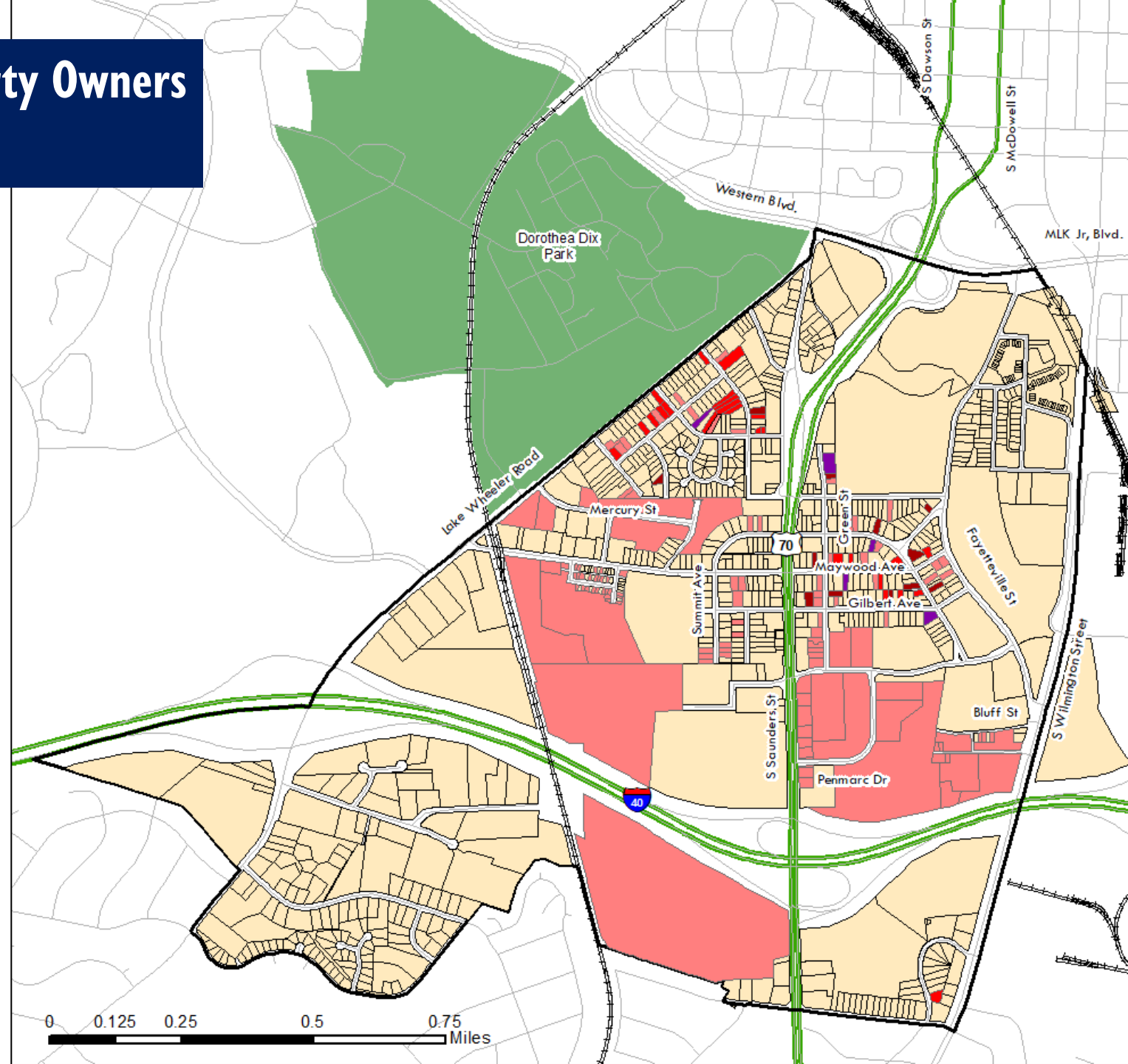
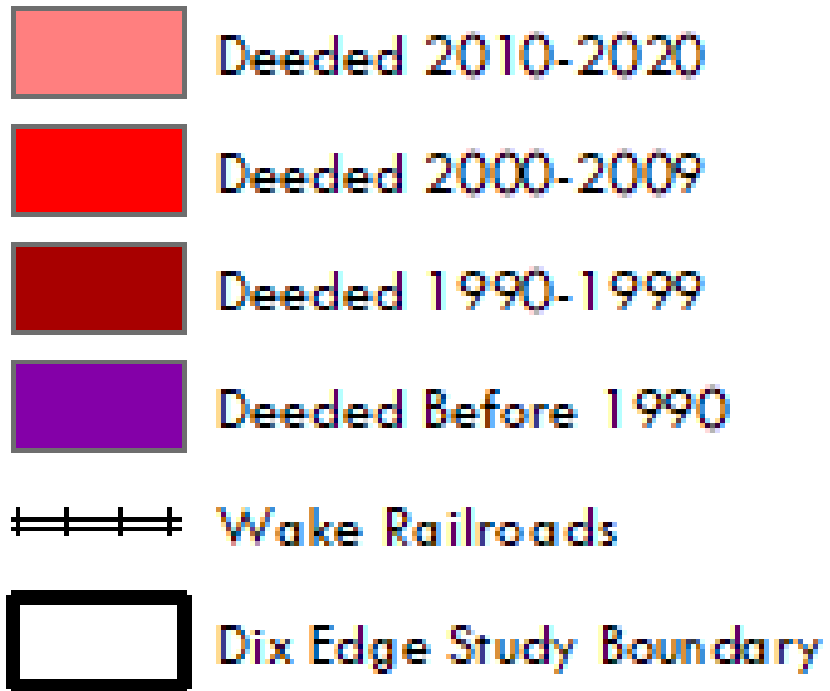
Dix Edge Major Property Owners

Legend



Property Acquisitions by Major Property Owners (1980-2020)

Legend





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Affordable Housing Summit - *Panel Discussion* -

Dix Edge Area Study | March 18, 2021

Affordable Housing Topics

- TOPIC 1: Setting Priorities for Affordable Housing for Dix Edge and Beyond — Balancing Priorities and Engaging with the Community
Speaker: Nathan Spencer, WakeUP Wake County
- TOPIC 2: Voluntary Inclusionary Affordable Housing and the Opportunities and Challenges Facing the Market Rate Development Community
Speaker: Mark Shelburne, Novogradac & Company LLP
- TOPIC 3: The Need for Expanded Development Partnerships and Housing Options to Bring Greater Housing Affordability to the Dix Edge Community
Speaker: Gregg Warren, former past president DHIC and affordable housing consultant

Dix Edge Affordable Housing Summit

5-Minute Break



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Affordable Housing Case Studies

Dix Edge Area Study | March 18, 2021

Case Study Overview

- Both examples are 1950's communities that have deep African American roots
- Larger Multi-phase Redevelopment Projects
- Potential Displacement Concerns
- Mixed-income Housing Goals
- Use of Various Financing Tools and Partnerships





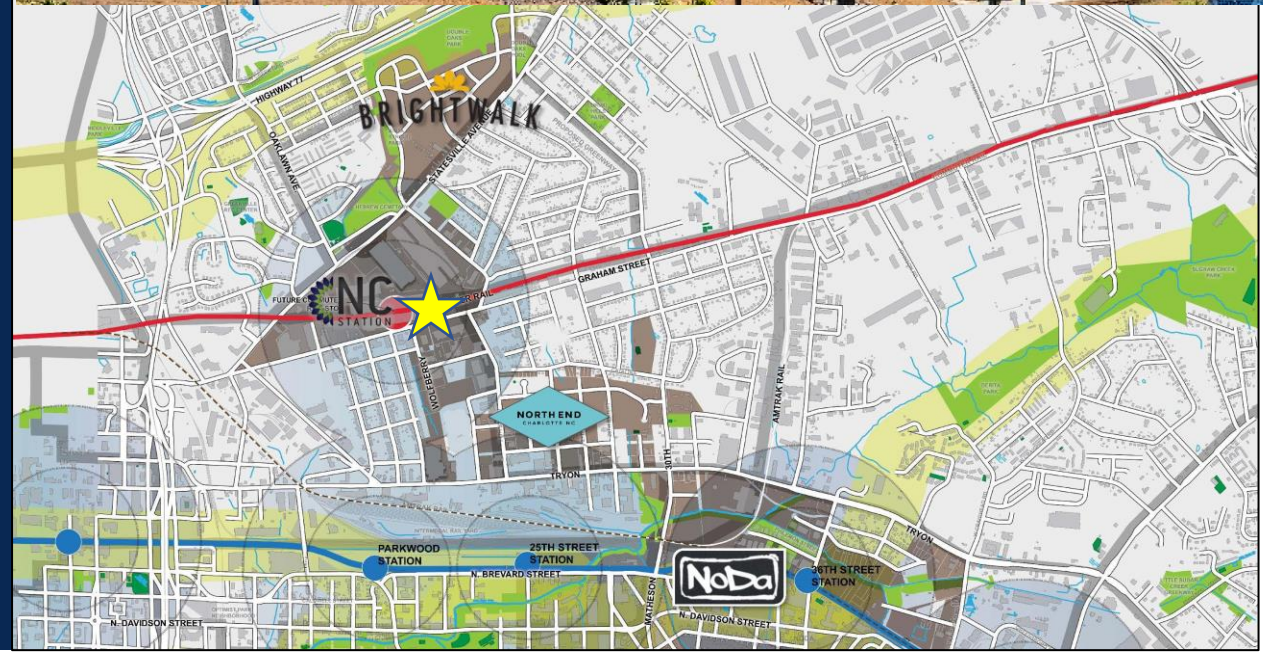
DREAMKEY
PARTNERS

- Dream Key Partners (DKP) was Established in Late 1980s in Response to the loss of the Greenville Neighborhood to Interstate 77 Construction
- DKP Focused on Neighborhoods Impacted by Urban Renewal, Crime & Disinvestment
- DKP was Hired by the Housing Authority as Master Developer of the Park at Oaklawn in Early 2000s
- Initiated the Brightwalk Redevelopment in 2007 as the Horizontal Developer



Brightwalk Neighborhood

Charlotte, NC





Brightwalk Neighborhood Redevelopment — Charlotte, NC



Historic Double Oaks Apartments (1950s Barrack-style Housing)

Brightwalk Redevelopment Overview

- **Project Planning Began in 1999**
- **Acquired 80-acre foreclosed property in 2007 with Brightwalk loan from Wachovia Bank.**
- **Relocation Benefits Provided to 350 residents**
- **Demolished 573 units at Historic Double Oaks Apartments**
- **One 4-acre Property Generated 600 Police Calls Per Year. Crime is Substantially Lower and Site is Now Market Rate Ownership Housing**
- **Legacy Tenants had the Right of First Refusal to Return but Only 10%-15% Came Back to Live at Brightwalk Once Completed**
- **Project Received LEED-Neighborhood Development Designation and is Served by Public Transit/Bus Line**



DREAMKEY
PARTNERS

**369 Single Family
Units**

**409 Multi-family
Units**

**778 Total New
Housing Units**



Brightwalk at Historic Double Oaks Redevelopment (80 acres)

Affordable Multi-family Housing at Brightwalk (4% and 9% LIHTC)



**The Alexander at
Brightwalk**

96 units

24 < 30% AMI
72 < 60% AMI



**The Gables
Apartments I & II**

135 units

18 < 30% AMI
25 < 35% AMI
92 < 50% AMI



**The Stevenson
at Brightwalk**

130 Units

13 < 50% AMI
117 < 60% AMI



**The McNeel Apartments
at Brightwalk**

48 units

12 < 25% AMI
36 < 50% AMI

Market Rate Home Ownership at Brightwalk

(369 For-Sale Homes & Townhomes)



Townhomes

Size (SF): 1,500 to 2,000 SF
List Price: \$315,000 to \$415,000

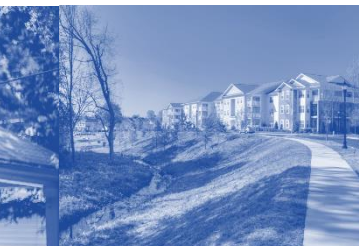
Single Family Homes

Size (SF): 1,200 to 2,200 SF
List Price: \$450,000 range



Project Partners

- Mecklenburg County Parks and Recreation
- Novant/Michael Jordan Health Clinic
- Heist Brewery/Druid Hills
- Double Oaks Aquatic Center
- City of Charlotte
- Bank of America
- Wells Fargo



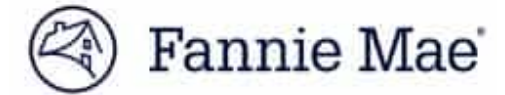
Brightwalk Project Funding (\$142 million)

- **HUD 108 Loan (Acquisition)**
- **LIHTC (4% and 9%)**
- **CDBG / HOME (10 yrs./\$1.5 mil/yr.)**

- **Traditional Bank Loans (Wachovia/Wells Fargo)**
- **Housing Partnership Capital**
- **City of Charlotte Housing Trust Funds**
- **City of Charlotte Infrastructure Funds**
- **City Tax Increment Financing (TIF)**
- **Brownfield Property Tax Incentives (State)**



Strategic Development Partners





Built in 1950 and located east of downtown Raleigh, between St. Augustine's University and Raleigh Boulevard.

Washington Terrace — Raleigh, NC

Master Plan for Redevelopment

Master Plan

- 23-acre site with 246 Rental Units
- Year long civic engagement process
- 350 residents and stakeholders participated

Key Features of Plan:

- Mixed income community
- Rental and homeownership
- Increased density from 245 to 400+ homes
- 1st priority: 1:1 replacement of affordable rental homes
- No involuntary displacement of residents
- Rents remain essentially same for legacy residents
- Community partnerships: On-site childcare, gardening programs, emphasis of healthy living



Washington Terrace Timeline

- Acquisition: 2014
- Development Phases:
 - Phase I - The Village Completed 2015
 - Phase II - Booker Park North Completed 2019
 - Phase III - Booker Park South financing approved in 2020
 - Phase IV - 58 Townhomes (17 Affordable), to start construction 2022



Washington Terrace

Village at Washington Terrace

Nine building types, 16 buildings
162 residential units in 14 buildings

- Garden Apartments:
1, 2, and 3 BR
- Townhouses: 2 BR

Pricing:

1BR: \$602 or \$702

2BR \$695 or \$810

2BR Towns: \$894

3BR \$788 or \$918

Community center with gathering room,
kitchen, conference room, and laundry facilities

Child Care Center



Booker Park North Apartment Homes

- 72 apartment homes,
- Target Income:
 - 57 units at 60% AMI (79%)
 - 15 at 50% AMI (21%)
- Monthly Rents:
 - (58) 1 BRM - \$420-\$705
 - (14) 2 BRM - \$500-\$840
- 36 legacy households benefit from internal subsidy



Washington Terrace “By the Numbers”

Village at Washington Terrace

Source	Amount
Freddie Mac Tax Exempt Loan	\$10,721,000
City of Raleigh	\$8,600,000
NCHFA	\$1,700,000
Neighborworks Project Reinvest	\$246,357
Kresge Foundation	\$50,000
Federal LIHTC Equity	\$10,494,541
Deferred Developer Fee	\$570,836
Total Sources	\$32,382,734

Booker Park North

Source	Amount
SECU Foundation Loan	\$2,400,000
City of Raleigh	\$2,200,000
Wake County	\$850,000
Neighborworks Project Reinvest	\$203,643
Federal LIHTC Equity	\$6,176,982
Deferred Developer Fee	\$426,870
Total Sources	\$12,257,495

Booker Park South Senior Apartments



- Number of Units: 68 senior apartments for individuals ages 62 and older
- Target Household Incomes:
 - 17 units at 30%, (25%)
 - 11 units at 50%, (16%)
 - 40 units at 60% AMI (59%)
- Construction Start: 2021

Washington Terrace Townhomes

- 58 townhomes to be built
- 17 units (29%) will be affordable units to be sold to those making 80% of AMI or less, with a sales price linked to City of Raleigh maximums.
- Construction to begin in late 2021



Washington Terrace Redevelopment





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- *Breakout Discussion* -

Breakout Discussion

- Q 1:** What Role Should Market Rate Developers Play in Increasing Affordable Housing Supply in Dix Edge? Is Voluntary Inclusionary Affordable Housing a Worthwhile Pursuit?
- Q 2:** What is the Most Effective Role for the City to Play in Increasing or Preserving Affordable Housing in Dix Edge?
- Q 3:** What Development Partnerships/Approaches do you Believe Would be Most Effective in Increasing or Preserving Affordable Housing in Dix Edge?

Q&A

Dix Edge

Dorothea Dix Park

Lake Wheeler Road

Washington
Elementary
School

Mount Hope
Cemetery

S. Saunders Street

Historic
Caraleigh
Mills

E.B. Bain Water
Treatment
Plant

Walnut Creek Trail

I-40

Pleasant Ridge Estates

Oleander Park

Carolina
Pines Park

W.B. Nivison

Carolina Pines

Parkland

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Dix Edge Area Study Timeline



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Contact Info

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raleighnc.gov/dix-edge