Please Raise Your Hand

1. Click “Reactions” in the bottom toolbar

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
Affordable Housing Summit  
- Dix Edge Overview -
The Growing Affordability Gap

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

<table>
<thead>
<tr>
<th>Bond Elements</th>
<th>Percent Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit-Oriented Site Acquisition</td>
<td>20%</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Public-Private Partnerships</td>
<td>35%</td>
<td>$28,000,000</td>
</tr>
<tr>
<td>LIHTC Gap Financing</td>
<td>30%</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Owner-Occupied Home Rehabilitation</td>
<td>7.5%</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Down Payment Assistance</td>
<td>7.5%</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>

$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
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.
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

- Owner A (31 Properties, 6 AC)
- Owner B (28 Properties, 14 AC)
- Owner C (22 Properties, 45 AC)
- Owner D (22 Properties, 4 AC)
- Owner E (18 Properties, 4 AC)
- Owner F (14 Properties, 91 AC)
- Owner G (10 Properties, 25 AC)
- Owner H (10 Properties, 3 AC)
- Publicly Owned
- Owns 1 - 9 Properties
- Wake Railroads
- Dix Edge Study Boundary
Property Acquisitions by Major Property Owners (1980-2020)

Legend

- **Deeded 2010-2020**
- **Deeded 2000-2009**
- **Deeded 1990-1999**
- **Deeded Before 1990**
- *Wake Railroads*
- *Dix Edge Study Boundary*
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
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
- 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 Redevelopment – Charlotte, NC
Historic Double Oaks Apartments (1950s Barrack-style Housing)
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
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
• 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
<table>
<thead>
<tr>
<th>Brightwalk Project Funding ($142 million)</th>
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<tbody>
<tr>
<td>▪ HUD 108 Loan (Acquisition)</td>
</tr>
<tr>
<td>▪ LIHTC (4% and 9%)</td>
</tr>
<tr>
<td>▪ CDBG / HOME (10 yrs./$1.5 mil/yr.)</td>
</tr>
<tr>
<td>▪ Traditional Bank Loans (Wachovia/Wells Fargo)</td>
</tr>
<tr>
<td>▪ Housing Partnership Capital</td>
</tr>
<tr>
<td>▪ City of Charlotte Housing Trust Funds</td>
</tr>
<tr>
<td>▪ City of Charlotte Infrastructure Funds</td>
</tr>
<tr>
<td>▪ City Tax Increment Financing (TIF)</td>
</tr>
<tr>
<td>▪ Brownfield Property Tax Incentives (State)</td>
</tr>
</tbody>
</table>
Built in 1950 and located east of downtown Raleigh, between St. Augustine’s University and Raleigh Boulevard.
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
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
• 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

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Freddie Mac Tax Exempt Loan</td>
<td>$10,721,000</td>
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<tr>
<td>City of Raleigh</td>
<td>$8,600,000</td>
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<tr>
<td>NCHFA</td>
<td>$1,700,000</td>
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<tr>
<td>Neighborworks Project Reinvest</td>
<td>$246,357</td>
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<tr>
<td>Kresge Foundation</td>
<td>$50,000</td>
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<td>Federal LIHTC Equity</td>
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<td>Deferred Developer Fee</td>
<td>$570,836</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$32,382,734</strong></td>
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### Booker Park North

<table>
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<td>SECU Foundation Loan</td>
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<tr>
<td>City of Raleigh</td>
<td>$2,200,000</td>
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<tr>
<td>Wake County</td>
<td>$850,000</td>
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<tr>
<td>Neighborworks Project Reinvest</td>
<td>$203,643</td>
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<tr>
<td>Federal LIHTC Equity</td>
<td>$6,176,982</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>$426,870</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$12,257,495</strong></td>
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</tbody>
</table>
- 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
Affordable Housing Summit
- 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?
Contact Info

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(919) 996-2234

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