



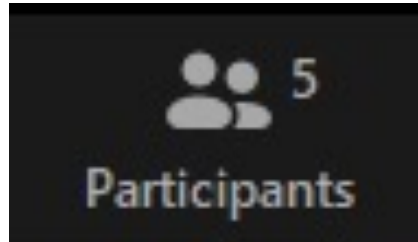
Connecting Communities.
Shaping a Shared Future.



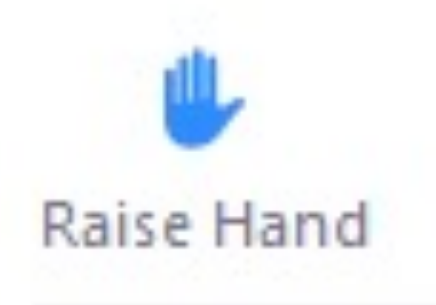
Future Land Use and Housing for All

Dix Edge Area Study | Phase Soon Workshop | May 2021

Please Raise Your Hand



1. Click “Participants” in the bottom toolbar



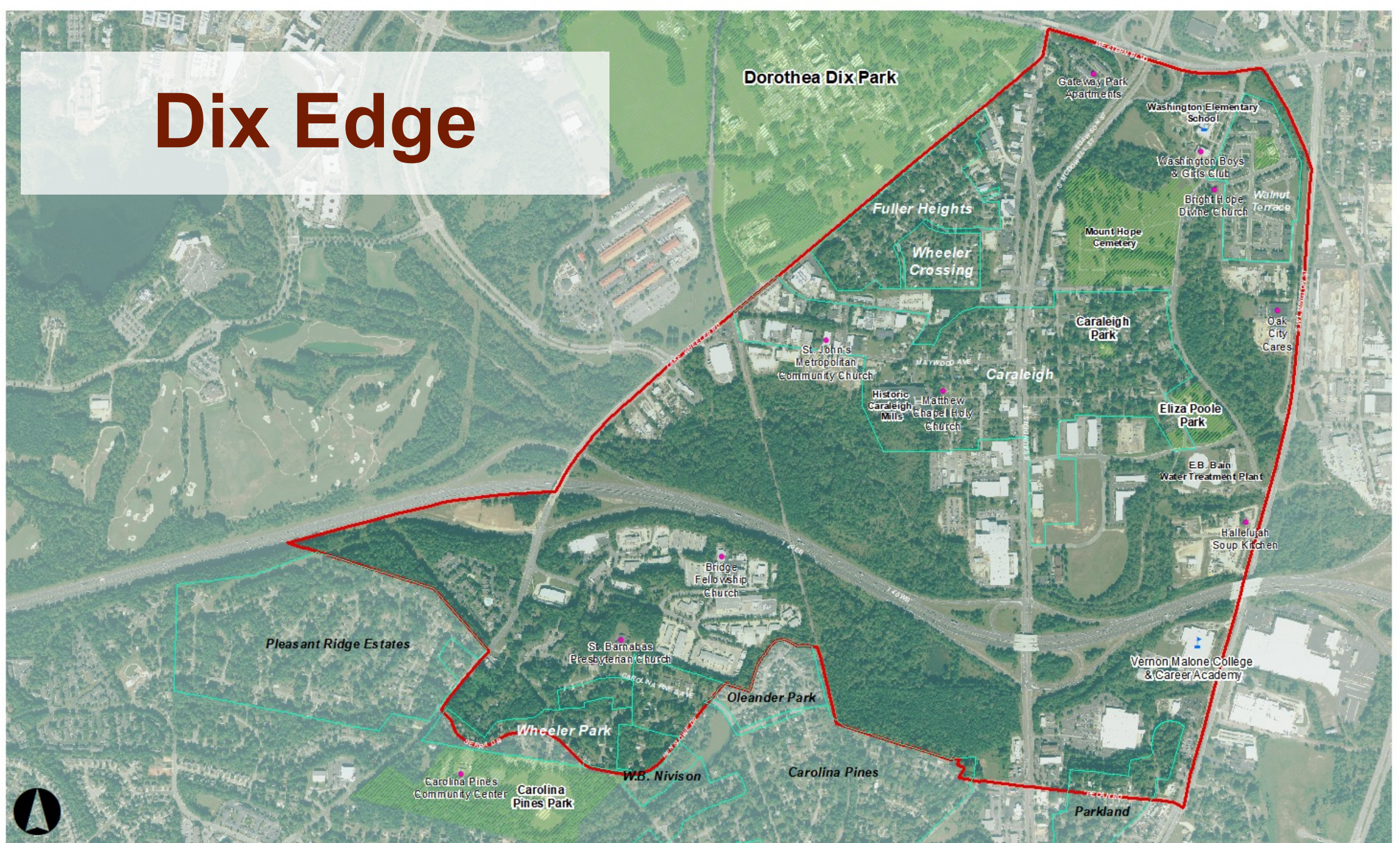
2. Click “Raise Hand” in the participant menu

Agenda



- Affordable Housing Findings
 - Housing Prices in Dix Edge
 - Potential for Overlay District
 - Site Selection Factors
 - Policy Priorities & Preliminary Recommended Tools
- Land Uses and Regulations
 - Existing FLUM
 - Potential Options for Consideration
- Breakout Session
- Reporting Back and Next Steps

Dix Edge





Dix Edge Area Study Timeline



Connecting Communities.
Shaping a Shared Future.

Housing for All

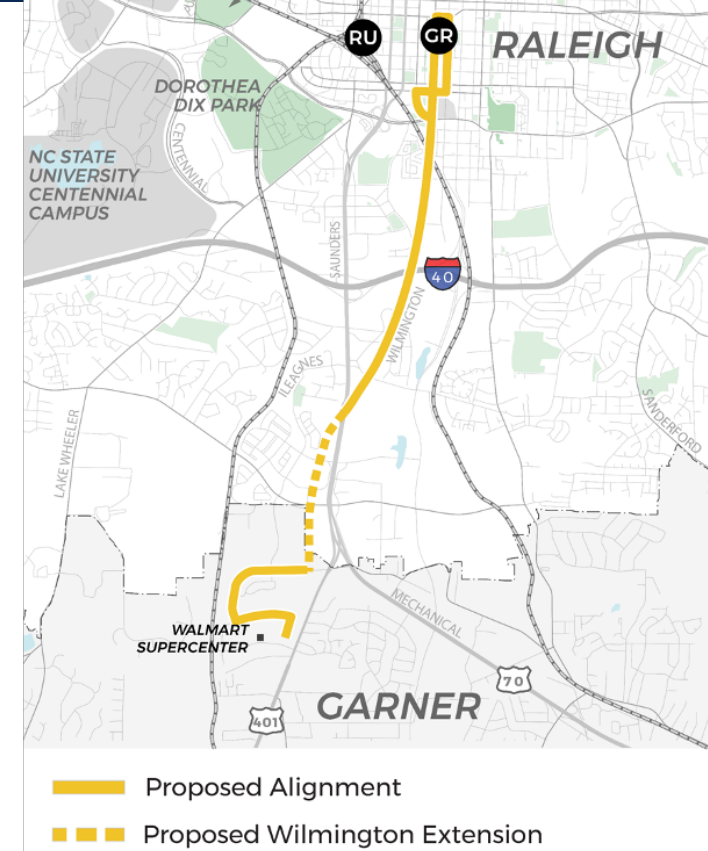
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What is Driving Rising Housing Prices in Dix Edge?

- Investment in Dix Park (master plan adopted in 2019)
- BRT is expected to boost achievable rents by 10%
- Regional population growth is increasing demand for housing
- Regional housing shortage not able to meet demand
- Designated as an opportunity zone
- Historically low mortgage interest rates
- More people want to live close to Downtown Raleigh

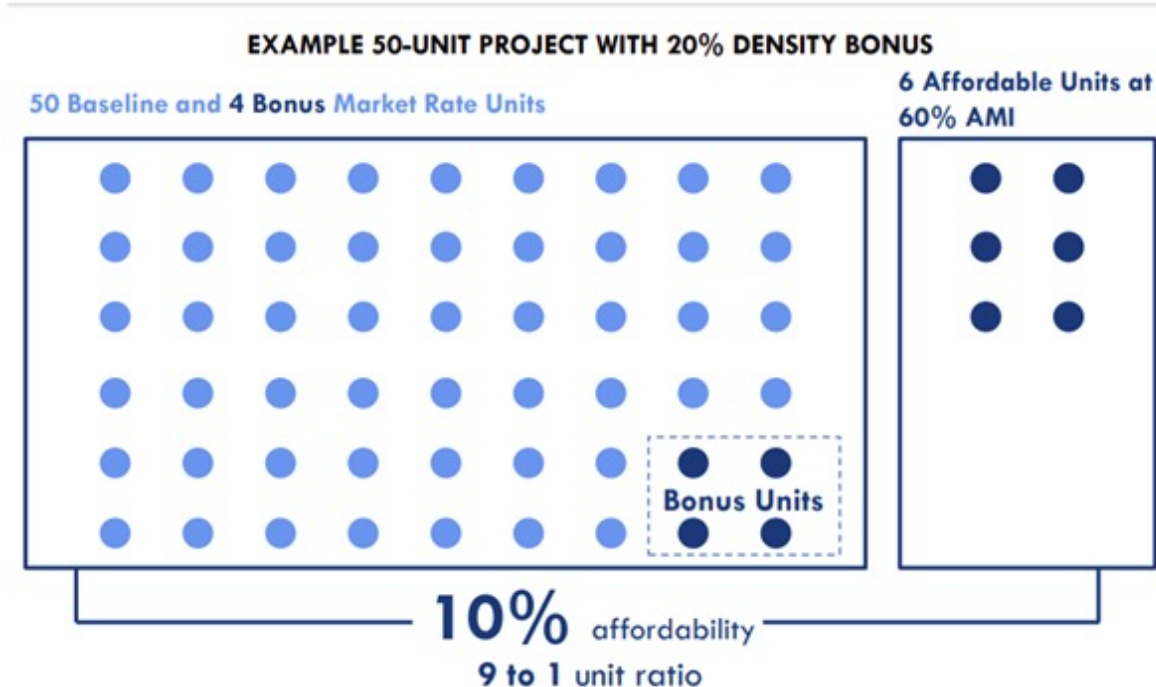


DOWNTOWN SOUTH

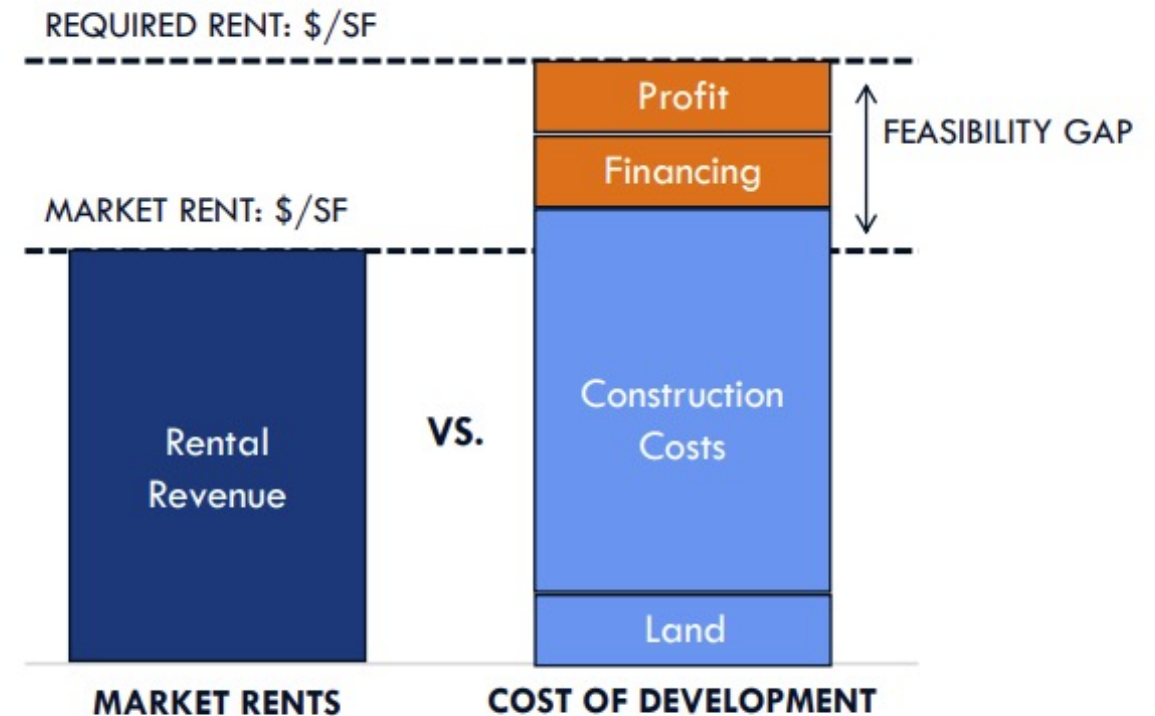


How Can an Affordable Housing Zoning Overlay Work?

- A zoning overlay is a tool to encourage affordable units in high density development
- Properties in target areas allow 3-story by-right, which translates to 5-stories heights with overlay

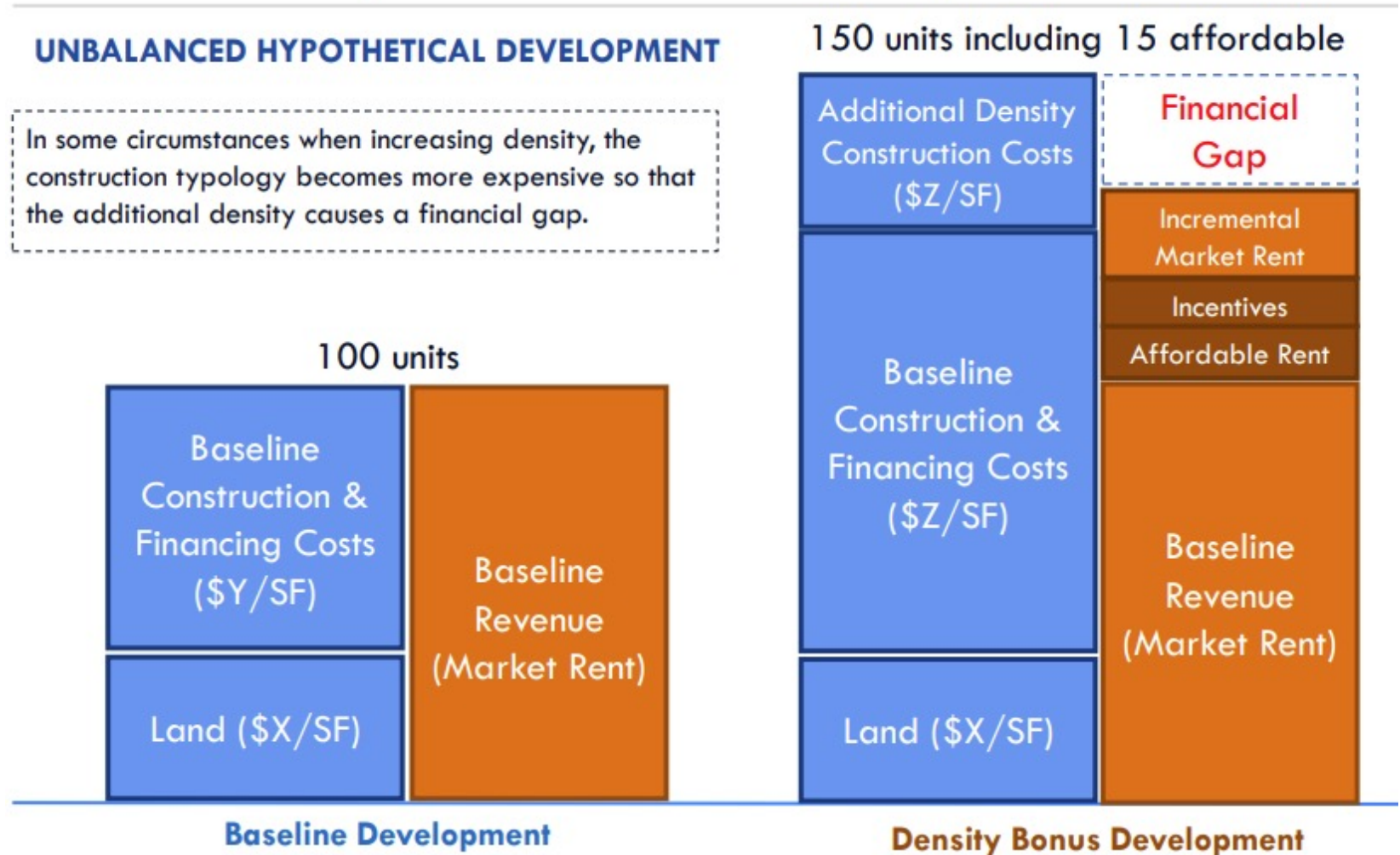


Taller Buildings Require Changes in Construction Methods, Which are More Costly and Can Create Financing Gaps



What Will the Overlay District Do?

- Low rise apartments are supported by the current rents
 - Maximum rents right now are \$1.03 per square foot
- The most likely outcome, based on market forces, with BRT
 - Urban Mid-rise apartments (5-7 stories) are achievable (needs \$1.80 per square foot rents)
 - The 10% boost from the overlay district would produce rents of \$1.98 per square foot



What Is Possible?

Western Blvd. & S. Wilmington/S. Saunders | A density bonus could support the creation of a significant number of affordable units when paired with grants, as well as units with longer affordability terms.

A ~50% density bonus means a site zoned for 3-stories could allow a 5-story building, which would likely be attractive to some developers.



Scenario 1	Scenario 2	Scenario 3
✓ 50% Density Bonus	✓ 50% Density Bonus	✓ 50% Density Bonus
✗ Rebate of 100% of City Taxes for 5 Years	✓ Rebate of 100% of City Taxes for 5 Years	✓ Rebate of 100% of City Taxes for 5 Years
✗ Rebate of 100% of County Taxes for 5 Years	✗ Rebate of 100% of County Taxes for 5 Years	✓ Rebate of 100% of County Taxes for 5 Years
13.0% of Units Affordable 60% AMI for 30 years	18.2% of Units Affordable 60% AMI for 30 years	26.5% of Units Affordable 60% AMI for 30 years

What Does That Look Like?

- Note: Under these scenarios, a 6-story structure **cannot** be incentivized to be an 8-story structure and still provide affordable units because the cost of switching to concrete or steel construction is prohibitive

S. Wilmington St./S. Saunders St. | A density bonus would enhance the opportunity for mid-rise development on the S. Wilmington/S. Saunders corridor.

Expected Outcome Before the BRT

While the maximum current rent supports suburban garden projects, the corridor is trending towards higher densities. A 20-story development was recently approved near Dorothea Dix Park, a transformational moment in the evolution of market conditions along the corridor.



Renaissance Park Apartment – 1400 Illeagnes Rd
Pipeline, 4 stories, 222 units

Expected Outcome with BRT

There is a rezoning case in the northern section of the proposed corridor to increase zoning from 3 to 12 stories. Based on this market activity and with the presence of BRT, other sections of the S. Wilmington/S. Saunders corridor could more consistently support higher rents and urban mid-rise development.



401 Oberlin
401 Oberlin Rd., Raleigh NC
Built 2014, 5 stories, 244 units

Affordable Housing Site Selection Factors

- Near the interstate and other higher capacity transit roads
- Closer to downtown
- Replace underperforming industrial or commercial uses
- Near major mixed-use projects where services and shopping will be available (Downtown South, Park City South, etc.).



Policy Priorities for a Housing Strategy

- **Priority 1:** Keep homeowners who want to stay in their homes, in their homes – Build on, and expand, existing programs.
- **Priority 2:** Fight predatory purchasing – Expand educational programming.
- **Priority 3:** Preserve existing naturally occurring affordable housing (NOAH), where feasible, and explore changes to the code & enforcement.
- **Priority 4:** Offset the inevitable loss of NOAH with an aggressive approach to affordable housing in new construction.
- **Priority 5:** Integrate newcomers into the existing culture, and not vice-versa – Sponsor events, and celebrate the history of the area.

Recommended Tools for Raleigh

- **Zoning and Rezoning:** Promote density from developers through overlays and enable small developers.
- **Preservation:** Pursue land trusts, more acquisitions, and dedication of public land.
- **Anti-displacement:** Remove barriers for contractors to bid on rehab program. Expand programming for foreclosure prevention, and homebuyer program.
- **Public-Private Partnerships:** Leverage the Equity Fund to promote more affordable units, partner with smaller developers.
- **Site Acquisition:** Consider the sale or lease of publicly owned land for new affordable and mixed-income/mixed-use projects.

Q&A

Dix Edge

Dorothea Dix Park

Historic Dix Hill
(Dorothea Dix
State Hospital)

Lake Wheeler Road

S. Saunders Street

Historic
Washington
School

Mount Hope
Cemetery

Historic
Caraleigh
Mills

E.B. Bain Water
Treatment
Plant

Walnut Creek Trail

I-40

Pleasant Ridge Estates

Oleander Park

Carolina Pines
Community Center

Carolina
Pines Park

W.B. Nivison

Carolina Pines

Parkland

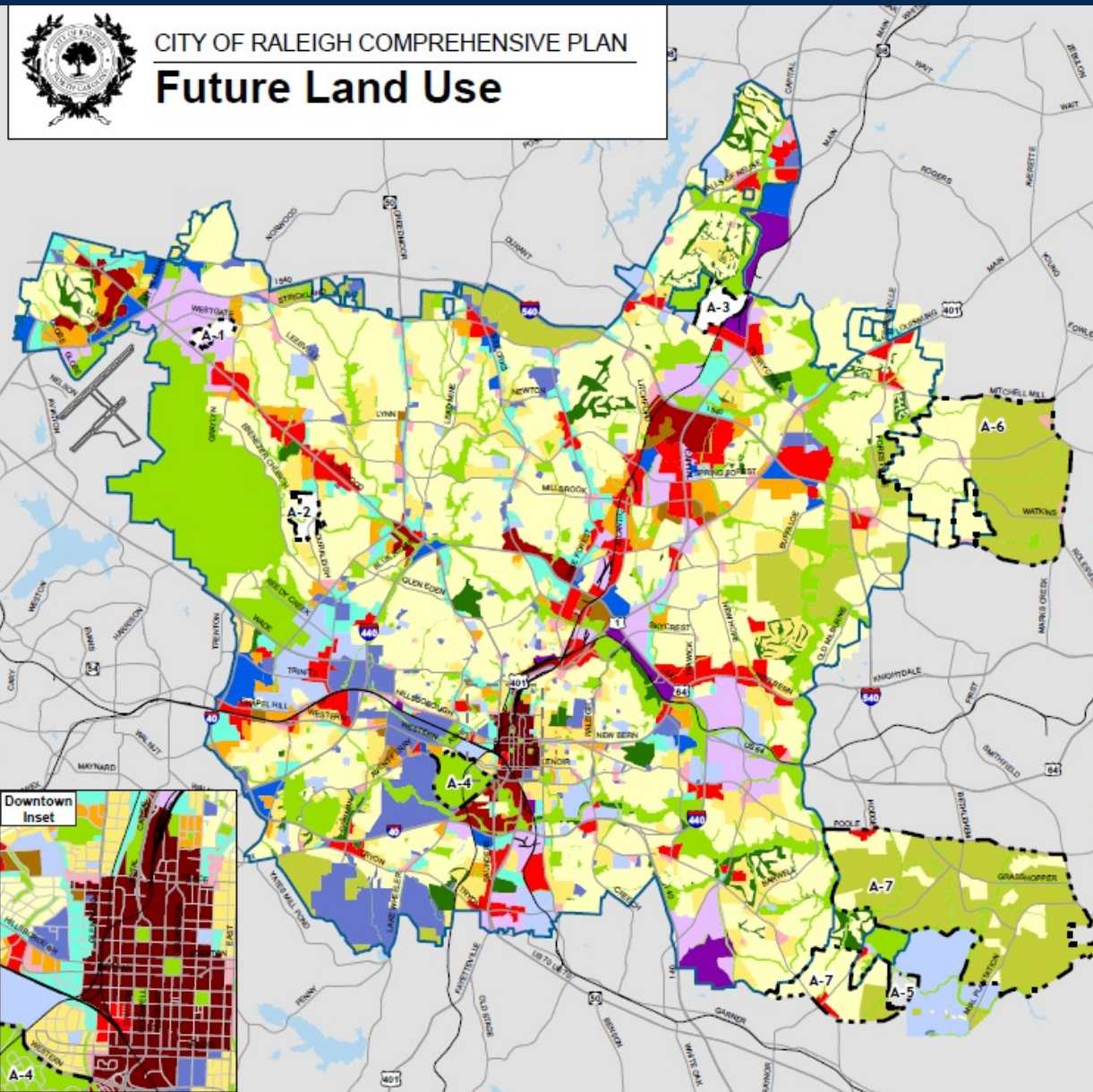




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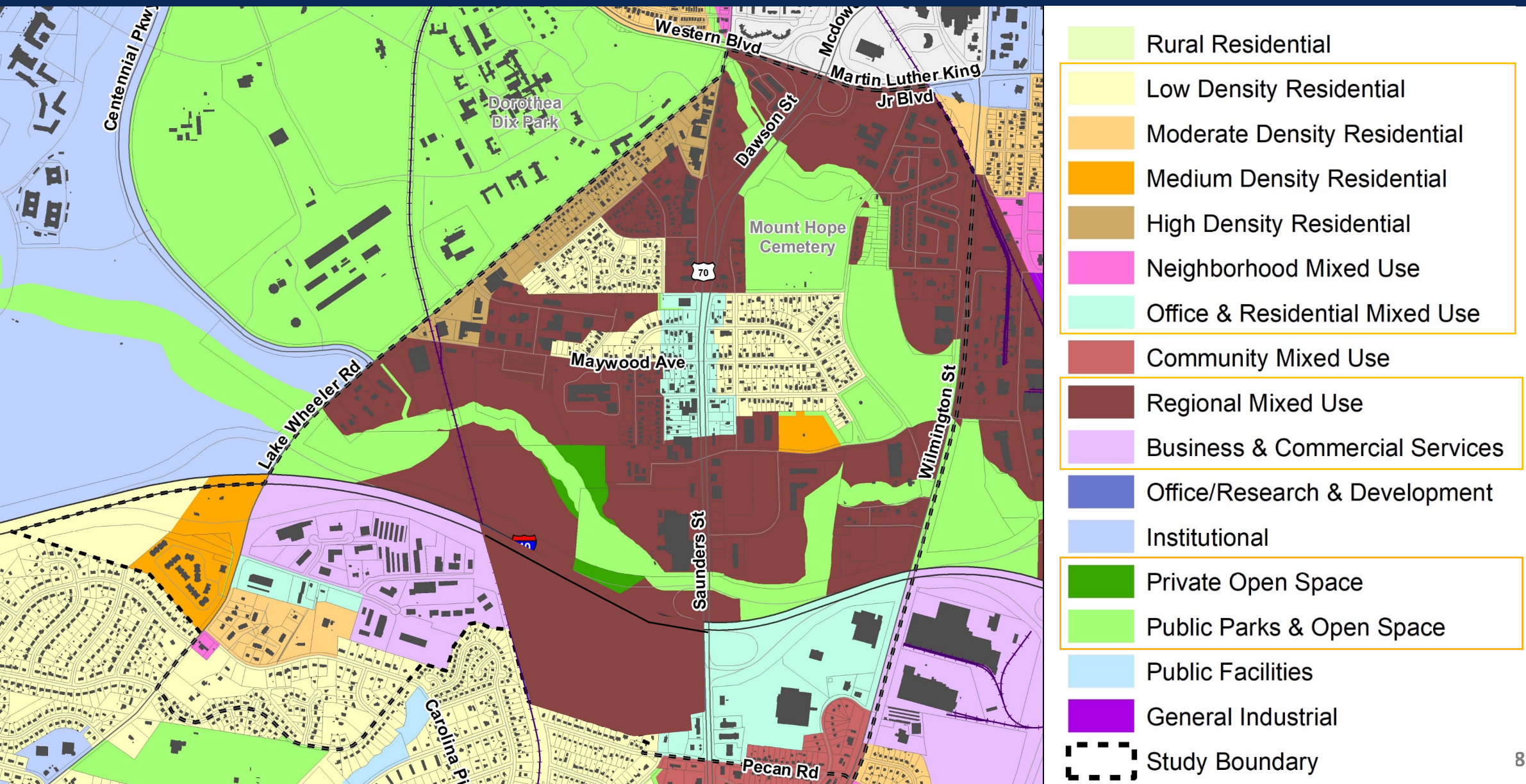
Land Use

Future Land Use & Zoning



- Every piece of property in Raleigh has a Future Land Use Map (FLUM) designation.
- This helps guide Raleigh's future growth and development.
- Planners use it to evaluate requests to change or rezone property.

Future Land Use in Dix Edge



Examples of Study Area FLUM

RESIDENTIAL



Low Density



Moderate Density



Medium Density



High Density

MIXED-USE



Office & Residential



Neighborhood



Community



Regional

EMPLOYMENT



Business & Commercial

Dix Edge Study Area Examples

Focus on older, established residential communities

Caraleigh



Fuller Heights/
Wheeler Crossing



Walnut Terrace

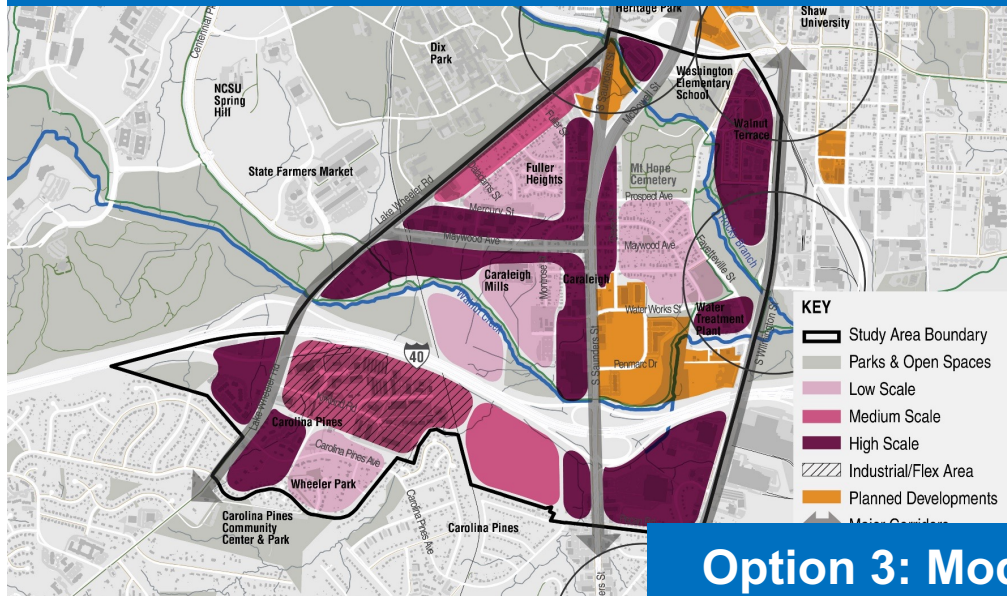


Carolina Pines/
Wheeler Park

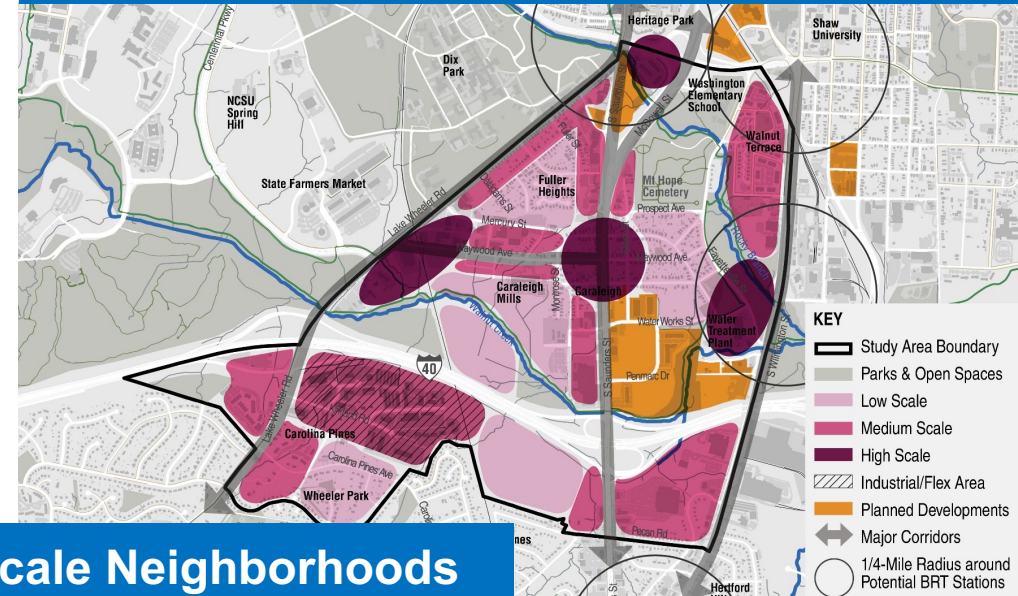


3 Potential Land Use Options

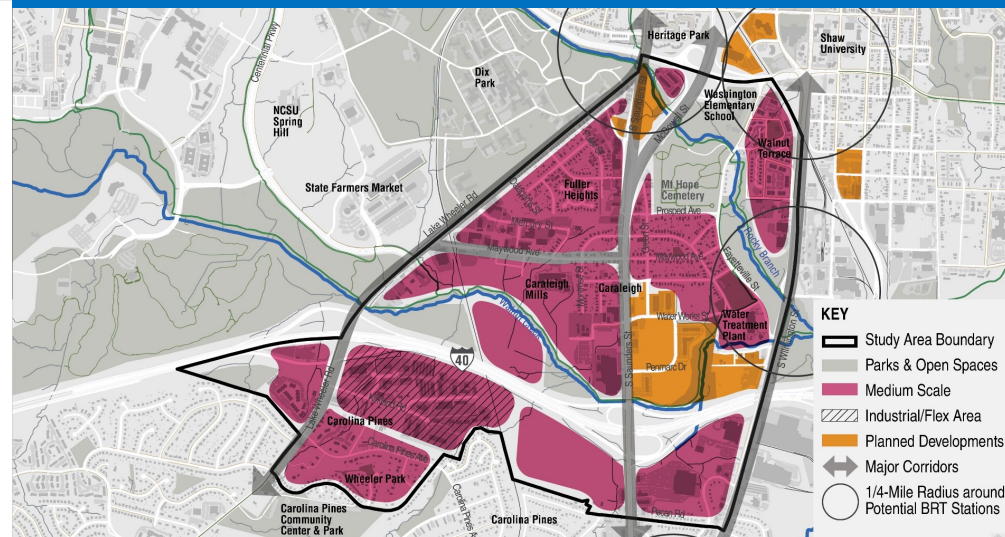
Option 1: Density along Major Roads



Option 2: Mixed Use around Intersections



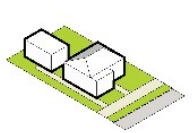
Option 3: Modest Scale Neighborhoods



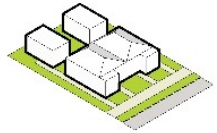
Potential Land Use Options

Scale / Height

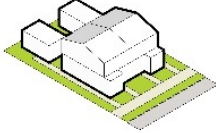
Low Scale (1-2 Stories) *wood construction*



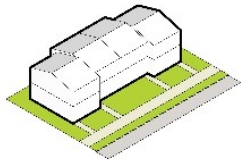
Single-Family
(with/without ADU)



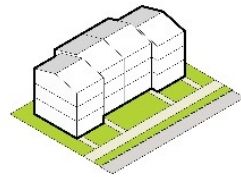
SF Attached



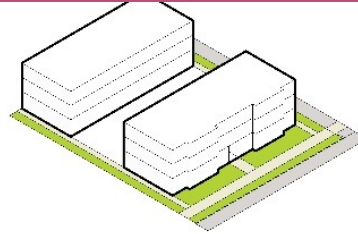
Duplex



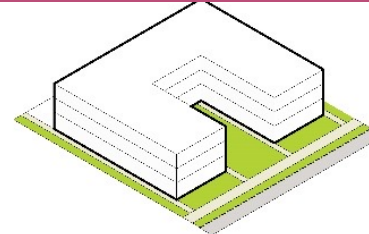
Townhomes
(2 Floors)



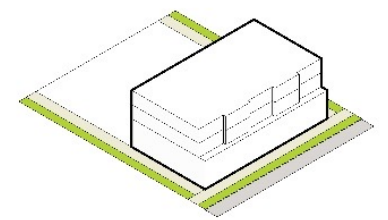
Townhomes/Condos
(3-4 Floors)



Apartments
(2-3 Floors)

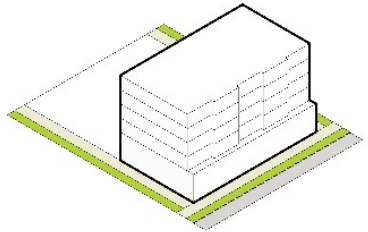


Apartments/Condos
(2-3 Floors)

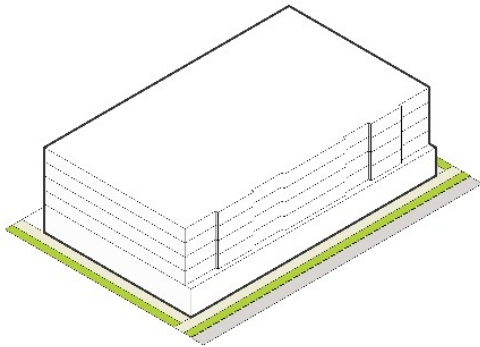


Mixed-Use/Residential
(3 Floors)

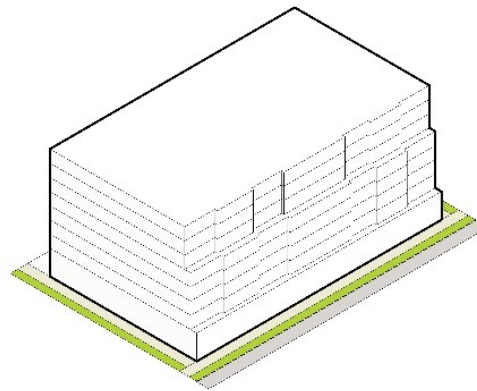
Medium Scale (3-5 Stories) *wood construction*



Mixed-Use/Residential
(5 Floors)

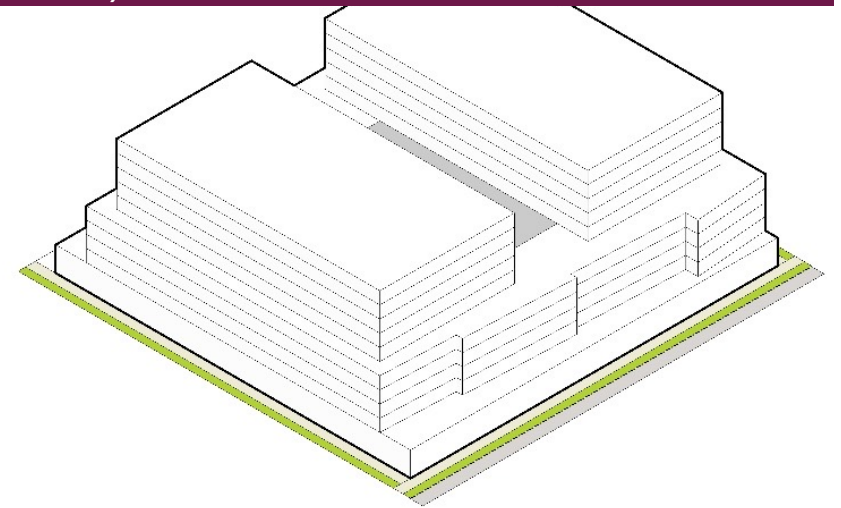


Mixed-Use/Residential/Office
(5 Floors)



Mixed-Use/Residential/Office
(8-10 Floors)

High Scale (5+ Stories) *steel/concrete construction*



Mixed-Use/Residential/Office
(10+ Floors)



Status Quo – Detached Houses

Oakdale Neighborhood, Raleigh - 2015

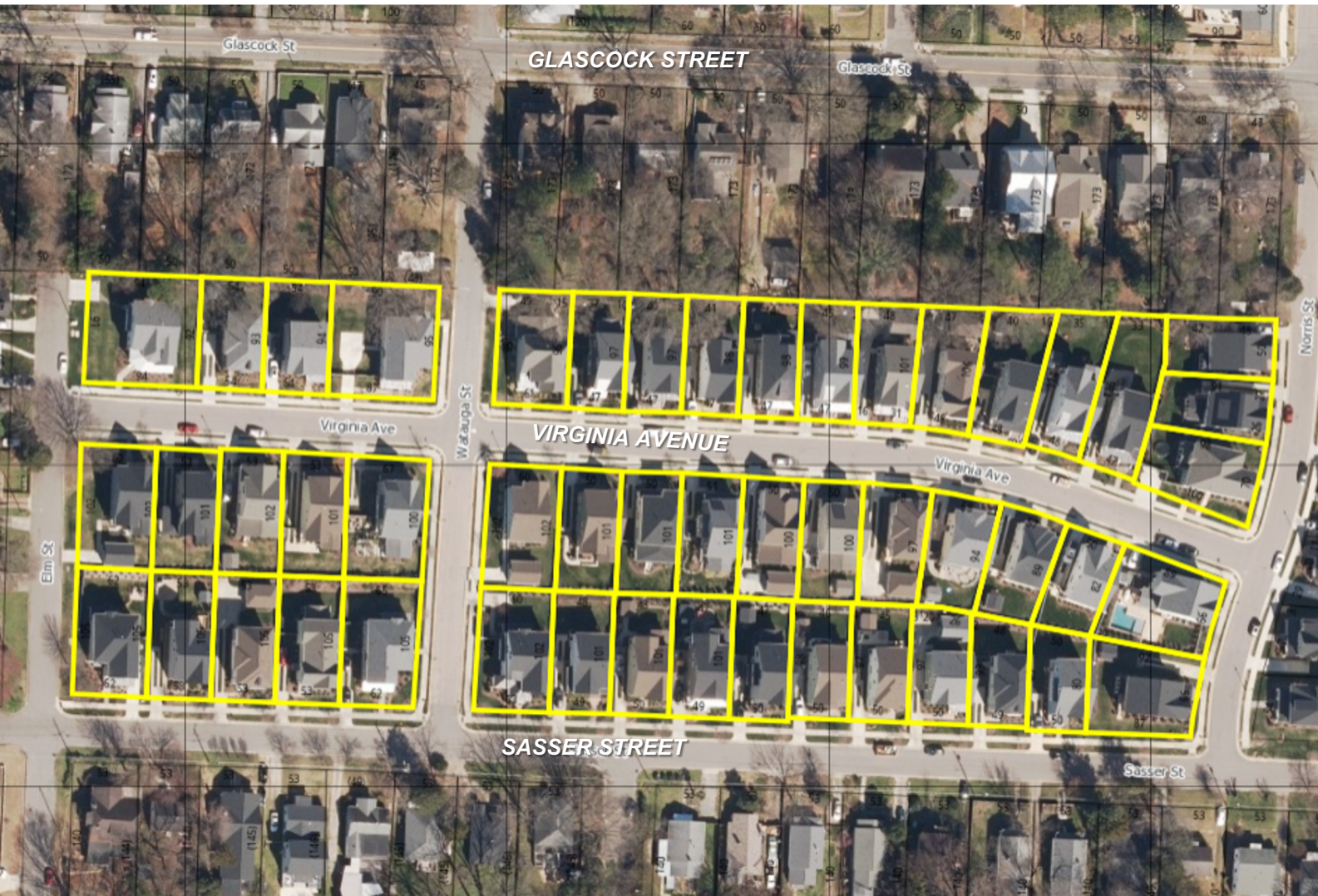
- Duplexes and Single Family Detached Homes
- Post WWII Construction (1945)
- Mostly rental properties
- Residential-10 (R-10) Zoning





Status Quo – Detached Houses

Oakdale Neighborhood, Raleigh - TODAY



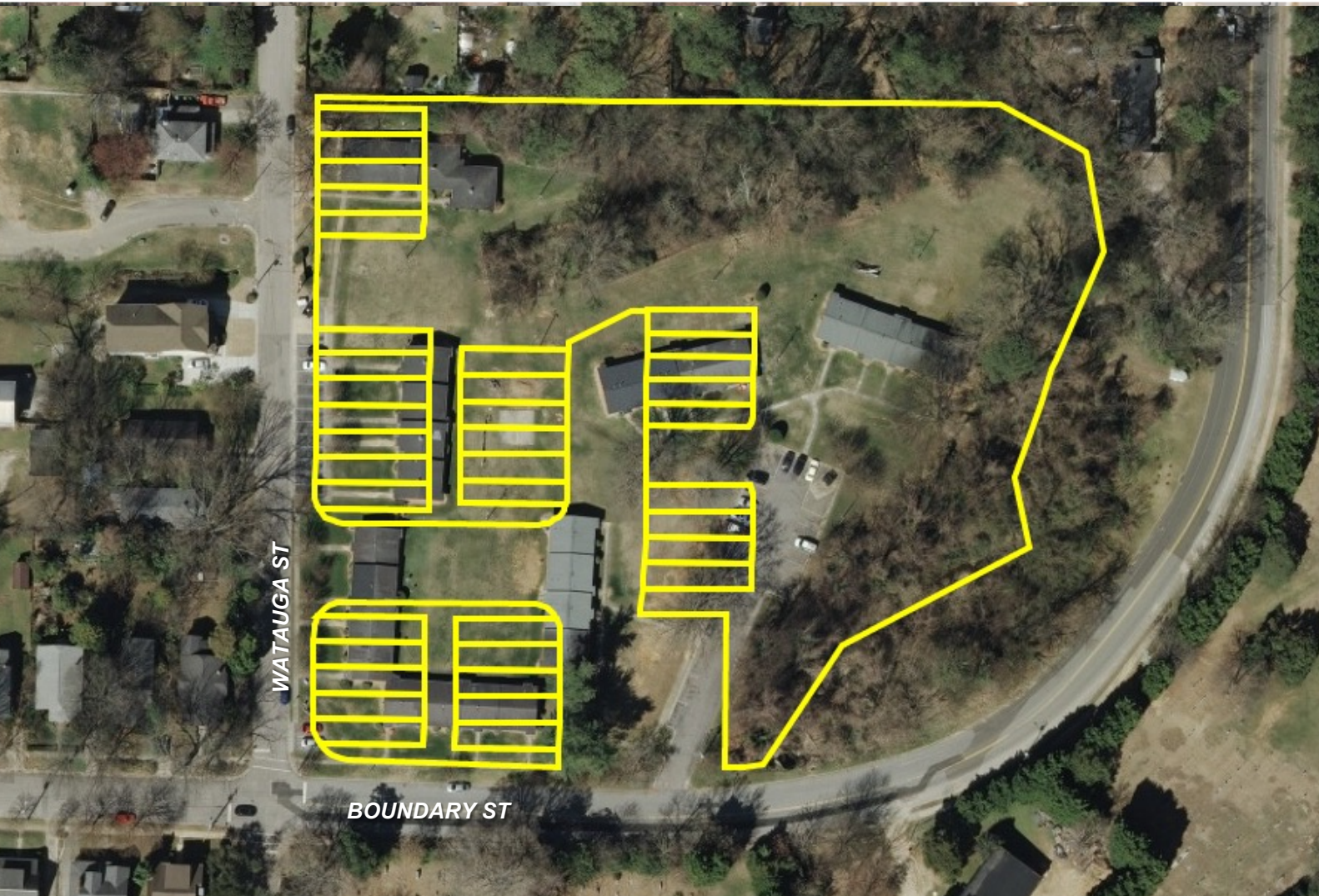
- No change in regulations or policy
- Teardown and rebuild as larger homes
- Naturally occurring affordability is lost





Status Quo - Townhouses

Oakwood Apartments, Raleigh - 2015



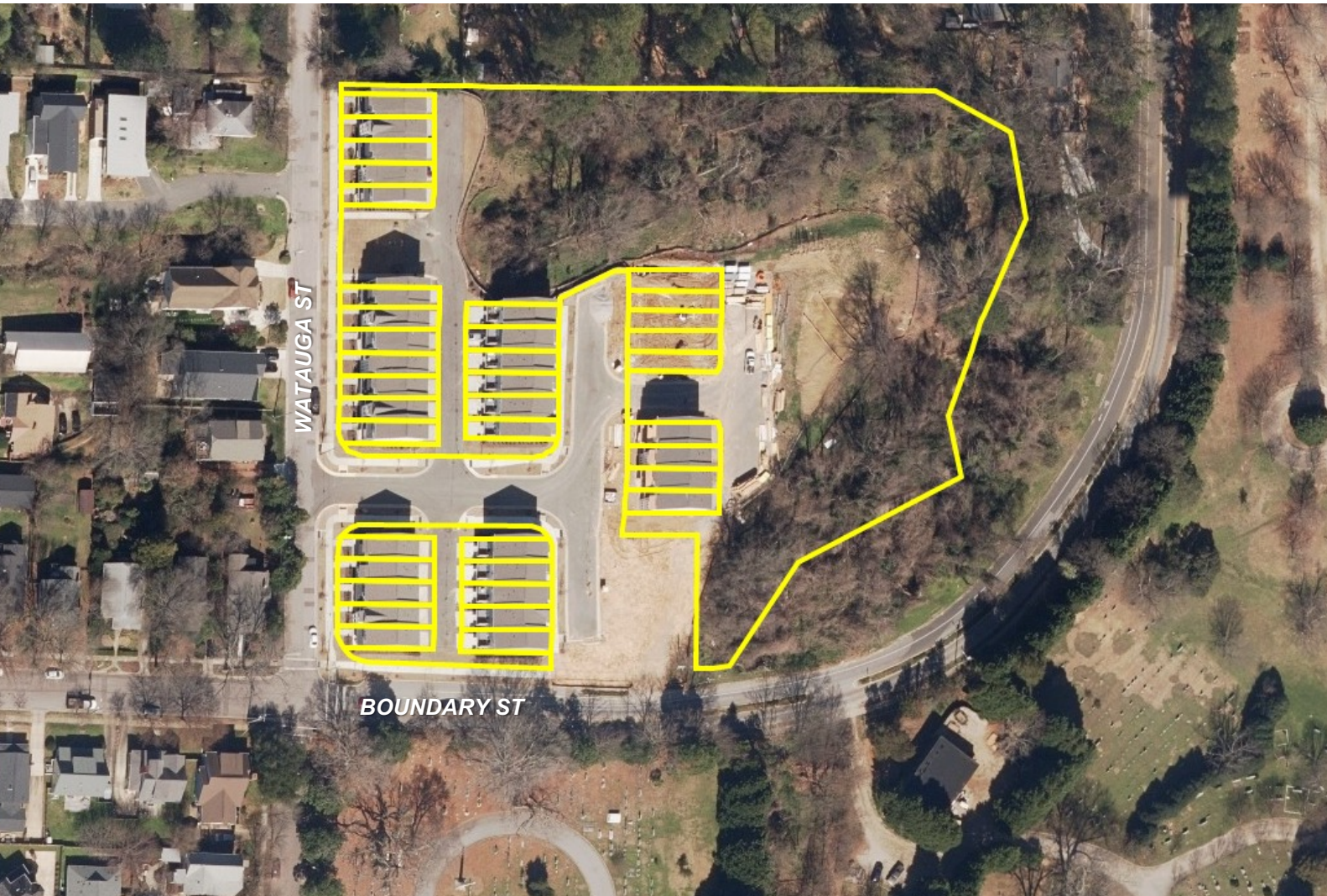
- Duplexes and apartments
- Post WWII Construction
- Mostly rental properties
- Residential-10 (R-10) Zoning





Status Quo - Townhouses

Oakwood Apartments, Raleigh - 2015



- No change in regulations or policy
- Townhouses built instead of detached single family (both allowed in R-10)
- Naturally occurring affordability is lost





Oakdale Detached vs Oakwood Townes

Oakdale detached



Oakwood Townes



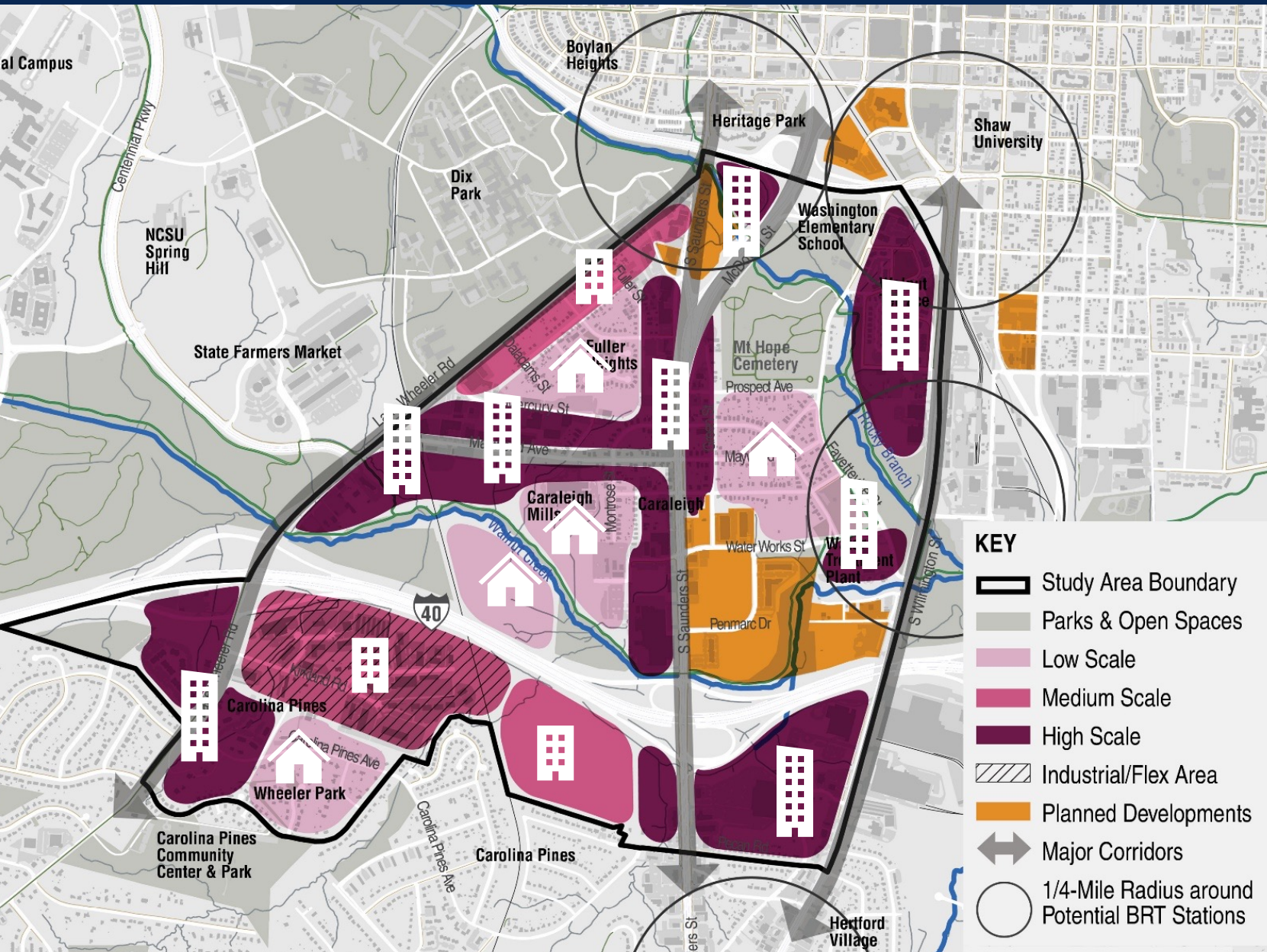
	Oakdale	Oakwood Townes	Difference
Zoning	R-10	R-10	
Acres	0.13	0.03	0.10
Heated Area	2,753	1,685	1,068
Year Built	2017	2019	2
Sale Date	2018	2019	1
Sale Price	\$ 672,650.00	\$ 484,083.33	\$ 188,566.67

On average, townhouses are on smaller pieces of property, are smaller in size, and sale for less.

Townhouses are more affordable than detached houses.



Option 1: Density along Major Roads



- **Along Major Roads**
(*S Saunders St, Maywood Ave (west side), Wilmington St*)
 - Higher scale (above 5 stories)
 - Mixed use
- **Residential Neighborhoods**
(*interior/not on major roads*)
 - Low scale (1-3 stories)
 - Encourage ADUs, duplex, low scale multi-family and “missing middle” options
- **Industrial areas** (south of I-40)
 - Mixed use (medium scale), industrial, flex uses with job creation
 - Medium scale residential



Option 1: Density along Major Roads

Low Scale (1-3 Stories)



Medium Scale (3-5 Stories)



High Scale (5+ Stories)



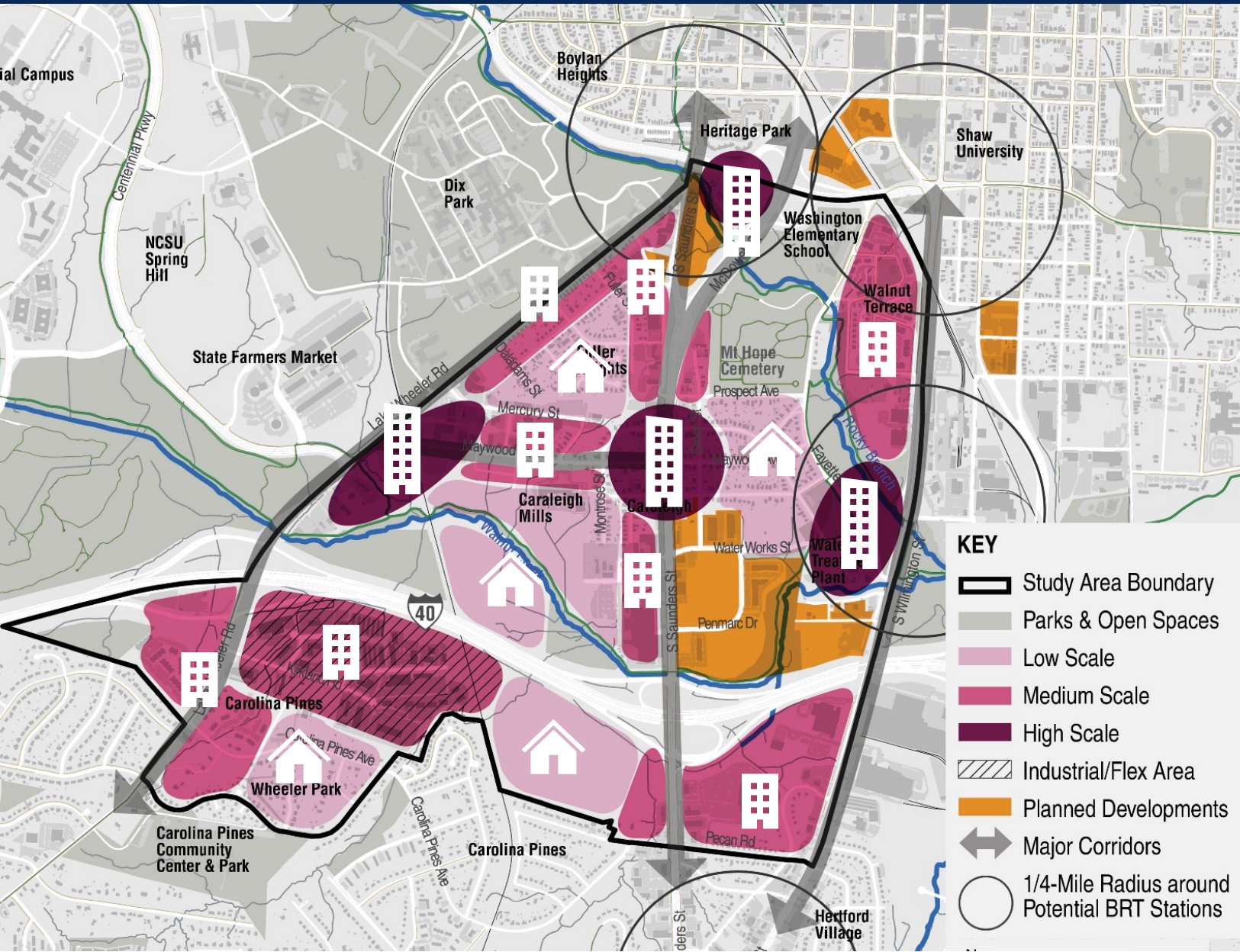
Industrial Areas | Low-Medium Scale

- **Pros**
 - Create “places” along major roads by clustering development
 - Preserve the built-form/character of interior neighborhoods
 - Keep existing Naturally-Occurring Affordable Housing (NOAH)
- **Cons**
 - Limits potential for development adjacent to downtown





Option 2: Mixed Use around Major Intersections



- **At Major Intersection Areas**
 - Higher scale (above 5 stories) clustered around intersections
 - Mixed use activity centers
- **Along Major Roads** (*between intersection areas*)
 - Medium scale (3-5 stories)
- **Residential Neighborhoods** (*interior/not on major roads*)
 - Low scale (1-3 stories)
 - Encourage ADUs, duplex, low scale multi-family and “missing middle” options
- **Industrial areas** (south of I-40)
 - Mixed use (medium scale), industrial, flex uses
 - Medium scale residential



Option 2: Mixed Use around Major Intersections

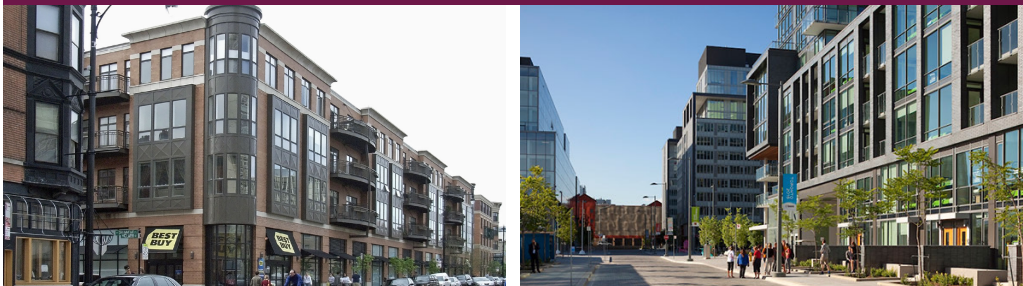
Low Scale (1-3 Stories)



Medium Scale (3-5 Stories)



High Scale (5+ Stories)



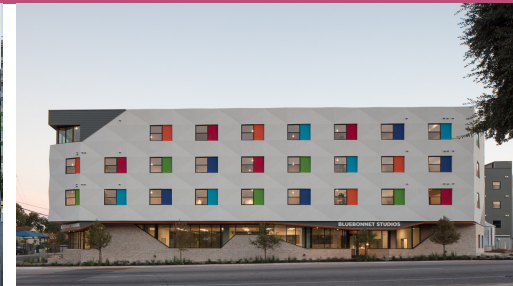
Industrial Areas | Low-Medium Scale

- **Pros**

- Create activity centers around major intersections and around potential Bus Rapid Transit (BRT) station areas by clustered development
- Preserve the built-form/character of neighborhoods
- Transition areas along major roads via medium scale

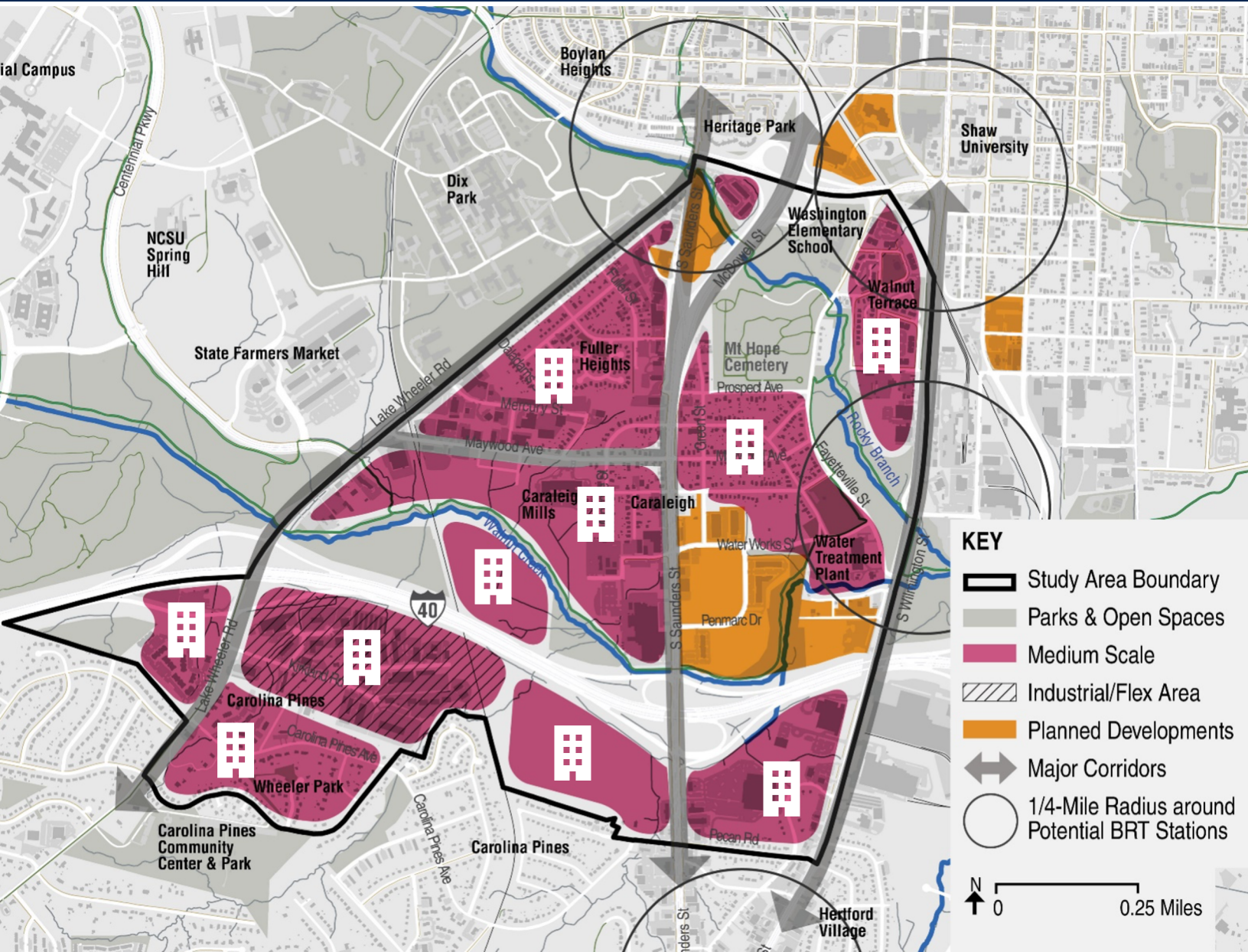
- **Cons**

- Possible capture for higher development scale along southside of I-40 will not be realized
- Some relocation of existing industrial jobs





Option 3: Medium Scale Neighborhoods



- **Area-wide**
 - Medium scale (3-5 stories)
 - Mixed use, single-family (with/without accessory dwelling units), multi-family residential, commercial, office
- **Industrial areas** (south of I-40)
 - Mixed use (medium scale), industrial, flex uses with job creation
 - Medium scale residential



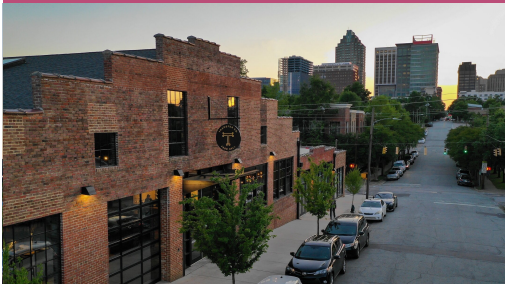
Option 3: Medium Scale Neighborhoods

Medium Scale (3-5 Stories)



- **Pros**
 - Create area-wide built-form scale/height
 - Increase affordability through density bonuses
- **Cons**
 - Lack of creation of special “places”
 - Increased housing cost
 - Major relocation/displacement

Industrial Areas | Medium Scale



What should be Preserved?

People value
DIVERSITY of the
Dix Edge area



Diversity can be interpreted in various forms - people, incomes, densities, distinct neighborhoods, etc.

Q&A

Dix Edge

Dorothea Dix Park

Historic Dix Hill
(Dorothea Dix
State Hospital)

Lake Wheeler Road

S. Saunders Street

Historic
Washington
School

Mount Hope
Cemetery

Historic
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E.B. Bain Water
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Plant

Walnut Creek Trail

I-40

Pleasant Ridge Estates

Oleander Park

Carolina Pines
Community Center

Carolina
Pines Park

W.B. Nivison

Carolina Pines

Parkland



Small Group Activity

**We want to hear your
thoughts on land use!**

Large Group Report-Out

**Thanks for sharing your
thoughts and feedback!**



**Connecting Communities.
Shaping a Shared Future.**

Contact Info

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raleighnc.gov/dix-edge