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 Area Study Timeline

- **Fall 2020**: Listening Sessions, Visioning Workshops
- **Spring 2021**: Affordable Housing Summit, “Phase Soon” Public Workshops
- **Winter 2021**: “Phase Now” Public Workshops
- **Summer 2021**: “Phase Later” Public Workshops, Community Meetings - Recommendations
- **Spring 2022**: Final Council Approval

**Preparation**  **Action**  **Reflection**
Housing for All

Dix Edge Area Study | Phase Soon Workshop | May 2021
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
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

Source: HR&A Advisors, Inc.
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.

<table>
<thead>
<tr>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ 50% Density Bonus</td>
<td>✓ 50% Density Bonus</td>
<td>✓ 50% Density Bonus</td>
</tr>
<tr>
<td>✗ Rebate of 100% of City Taxes for 5 Years</td>
<td>✓ Rebate of 100% of City Taxes for 5 Years</td>
<td>✓ Rebate of 100% of City Taxes for 5 Years</td>
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<tr>
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<td>✓ Rebate of 100% of County Taxes for 5 Years</td>
<td>✓ Rebate of 100% of County Taxes for 5 Years</td>
</tr>
<tr>
<td>13.0% of Units Affordable 60% AMI for 30 years</td>
<td>18.2% of Units Affordable 60% AMI for 30 years</td>
<td>26.5% of Units Affordable 60% AMI for 30 years</td>
</tr>
</tbody>
</table>

Source: HR&A Advisors, Inc.
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.
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.
Land Use
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: Densify along Major Roads

Option 2: Mixed Use around Intersections

Option 3: Modest Scale Neighborhoods
# Potential Land Use Options

## Scale / Height

<table>
<thead>
<tr>
<th>Low Scale (1-2 Stories)</th>
<th>Medium Scale (3-5 Stories)</th>
<th>High Scale (5+ Stories)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single-Family</strong></td>
<td><strong>Medium Scale (3-5 Stories)</strong></td>
<td><strong>Mixed-Use/Residential</strong></td>
</tr>
<tr>
<td>(with/without ADU)</td>
<td><strong>wood construction</strong></td>
<td>(5 Floors)</td>
</tr>
<tr>
<td><strong>SF Attached</strong></td>
<td></td>
<td><strong>Mixed-Use/Residential/Office</strong></td>
</tr>
<tr>
<td><strong>Duplex</strong></td>
<td></td>
<td>(5 Floors)</td>
</tr>
<tr>
<td><strong>Townhomes</strong></td>
<td></td>
<td><strong>Mixed-Use/Residential/Office</strong></td>
</tr>
<tr>
<td>(2 Floors)</td>
<td></td>
<td>(8-10 Floors)</td>
</tr>
<tr>
<td><strong>Townhomes/Condos</strong></td>
<td></td>
<td><strong>Mixed-Use/Residential/Office</strong></td>
</tr>
<tr>
<td>(3-4 Floors)</td>
<td></td>
<td>(10+ Floors)</td>
</tr>
<tr>
<td><strong>Apartments</strong></td>
<td></td>
<td><strong>Mixed-Use/Residential/Office</strong></td>
</tr>
<tr>
<td>(2-3 Floors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Apartments/Condos</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2-3 Floors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mixed-Use/Residential/Office</strong></td>
<td><strong>steel/concrete construction</strong></td>
<td></td>
</tr>
<tr>
<td>(3 Floors)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Low Scale (1-2 Stories) - wood construction
- Medium Scale (3-5 Stories) - wood construction
- High Scale (5+ Stories) - steel/concrete construction
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

<table>
<thead>
<tr>
<th></th>
<th>Oakdale</th>
<th>Oakwood Townes</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>R-10</td>
<td>R-10</td>
<td></td>
</tr>
<tr>
<td>Acres</td>
<td>0.13</td>
<td>0.03</td>
<td>0.10</td>
</tr>
<tr>
<td>Heated Area</td>
<td>2,753</td>
<td>1,685</td>
<td>1,068</td>
</tr>
<tr>
<td>Year Built</td>
<td>2017</td>
<td>2019</td>
<td>2</td>
</tr>
<tr>
<td>Sale Date</td>
<td>2018</td>
<td>2019</td>
<td>1</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$ 672,650.00</td>
<td>$ 484,083.33</td>
<td>$ 188,566.67</td>
</tr>
</tbody>
</table>

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: Densify 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
Low Scale (1-3 Stories)

- Pros
  - Create “places” along major roads by clustering development
  - Preserve the built-form/character of interior neighborhoods
  - Keep existing Naturally-Occurring Affordable Housing (NOAH)

Medium Scale (3-5 Stories)

- Cons
  - Limits potential for development adjacent to downtown

High Scale (5+ Stories)
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)**

- **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

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

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

**High Scale (5+ Stories)**

**Industrial Areas | Low-Medium Scale**
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
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
Small Group Activity

We want to hear your thoughts on land use!
Thanks for sharing your thoughts and feedback!
Contact Info

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