Future Land Use and Housing for All

Dix Edge Area Study | Phase Later Workshop | August 2021
Please Raise Your Hand

1. Click “Participants” in the bottom toolbar

2. Click “Raise Hand” in the participant menu
Agenda

- Dix Edge Legacy and Neighborhood Story
- Future Land Use and Housing for All
  - Background and Land Use Scenarios
  - Preferred Land Use Scenario
    - Land Use Polls and Group Discussion
  - Affordable Housing Feasibility Factors
    - Housing Occupancy Polls
  - Housing Scenarios (tradeoffs with different AMIs)
    - Housing Scenario Polls
  - Policy Priorities & Recommended Tools
- Discussion and Q&A
Upcoming Meetings

August 28, 2021, 12PM – 3PM
Eliza Pool Park Cookout Meeting

August 31, 2021, 6:30PM – 8PM
Phase Later Workshop – Transportation and Connectivity

Phase Later Survey
available Wednesday, 8/18 at https://raleighnc.gov/dix-edge
Legacy and Neighborhood Story
Neighborhood Story

- Dix Edge - A Neighborhood Story to Inspire Collective Action
- Capture and uplift the community’s history for future generations
- Create opportunities for ACTION throughout the planning process
Neighborhood Story

- Acknowledges our history of inequity as a way to build bridges to the future

- Guide our future decisions in equity in equal opportunity for ALL residents → How does everyone benefit from future change???

- Collective Action = Collective Prosperity
Neighborhood Story

- Digital tool via ESRI Storymap that will include
  - Historical Overview
  - Present-day context
  - Call to Action through the Dix Edge Area Study

- Creative ways for visitors to the site to add in their history to the narrative and their feedback to the process
Future Land Use and Housing For All
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 (Current)
3 Potential Land Use Options

Option 1: Densify along Major Roads

Option 2: Mixed Use around Intersections

Option 3: Modest Scale Neighborhoods
Preferred Land Use Option

- Based on community feedback - Phase Soon workshops and survey
- Control and coordination between the buildings, **create a good Place – Neighborhood and Street.**
- **Balance of preservation** (of existing neighborhoods) and **sustainable and affordable growth**
- **Growth clustered** at centers and corridors, as well as around future BRT stations
- **Affordable housing** provided at all areas with different forms, sizes, intensities/scale, and can be added within existing areas and new developments
Preferred Option | Urban Center

URBAN CENTER

- Most Intense
- Flexible Uses
- Height: Max 10-12 Stories (potential 20 with public benefits)
- Lot Width: Max 300 feet
- Uses: Residential, Commercial, Retail (Ground Floor Only)

Affordable Housing
- Set-aside units with multi-family buildings, units added as part of higher intensities/bonus floors
Preferred Option | Urban Corridor

URBAN CORRIDOR

- Medium Intensity
- Flexible Uses
- Height: Max 5 Stories (*potential 12 with public benefits*)
- Lot Width: Max 160 feet
- Uses: Residential, Commercial, Retail (along Corridors and at Ground Floor Only)

Affordable Housing

- Set-aside units with multi-family buildings, units added as part of higher intensities/floors, ADUs (not along Corridor frontage areas)
Preferred Option | Urban Corridor
Preferred Option | Urban Corridor
Preferred Option | Urban Corridor
THE NEIGHBORHOODS

Residential

- 60’ lot width
- 120’ lot width
Preferred Option | The Neighborhoods

THE NEIGHBORHOODS

Residential
- Height: Max 3 Stories
- Lot Width
  - Max 60 feet
  - Max 120 feet
- Uses: Single-Family (attached & detached), Duplex, Multi-Family, Accessory Dwelling Units, Home Office

Affordable Housing
- Set-aside units with multi-family buildings, ADUs
Preferred Option | The Neighborhoods
Preferred Option | The Neighborhoods
Preferred Option | The Neighborhoods
Preferred Option | The Neighborhoods
Preferred Option | Light Industrial Mixed Use

LI MIXED-USE/MAKER SPACE
Preferred Option | Light Industrial Mixed Use

LI MIXED-USE/MAKER SPACE

- Workplace/Maker Space (size limited LI)
- Flexible Uses
- Height: Max 3 Stories
- Lot Width: Max 200 feet
- Uses: Light Industrial, manufacturing, sales (of on-site production), residential < 200SqFt & Owner limited

Affordable Housing
- Set-aside units with maker-spaces
Preferred Option | Light Industrial Mixed Use
Preferred Option | Light Industrial Mixed Use
1. Neighborhood Manners
   - Rules on form and function designed to keep the new development a “good neighbor” and protect residences, especially the existing neighbors.
   - Setbacks, setback planes, performance standards (noise, fumes, etc).

2. Distributed Affordable (Workforce) Housing

3. Parking
   - Shared parking (district-wide) and better access to sites
   - While community parking structures might be considered, any parking structures should be constructed such that they can be converted into habitable space.
Land Use Polls
Affordable Housing Analysis
DEFINITION: “Affordable Housing”

- Housing is affordable when mortgage payments and rent levels do not exceed 30% of a household’s monthly income. People paying more than 30% of their income are considered “cost burdened”

AFFORDABLE HOUSING ANALYSIS

- Examines the match (or mismatch) between Dix Edge housing costs (housing values and rents) and area median incomes (AMI) as reported by Housing and Urban Development (HUD)
- HUD uses area median incomes (AMI) at the Raleigh-Durham MSA level not the study area level
What is Driving the Housing Affordability Gap?
What Does it Mean When Home Sale Prices Exceed Residential Assessed Values?

Residential Assessed Values v. Sales Price
Dix Edge Study Area
(2020-2021)

34 Home Sales
Home Price Appreciation Above the Assessed Value

Recent Dix Edge Home Sales

Assessed Value
Amount Paid Above Assessed Value
Affordable Housing Analysis Boundaries

Dix Edge is primarily contained in Census Tracts 509 and 545.
Housing Occupancy Polls
How Different Housing Types Benefit More People Per Lot

Single Family Home: 1-4 People
Home + ADU: ?
Rowhouses: ?
Sixplex: ?
5 Story Apartment: ?

Source: Ryan DiRaimo, The Urbanist, March 25, 2021
How Different Housing Types Benefit More People Per Lot

- Single Family Home: 1-4 People
- Home + ADU: ?
- Rowhouses: ?
- Sixplex: ?
- 5 Story Apartment: 12-48 People

Source: Ryan DiRaimo, The Urbanist, March 25, 2021
How Different Housing Types Benefit More People Per Lot

- Single Family Home: 1-4 People
- Home + ADU: Population Per Building
- Rowhouses: ?
- Sixplex: ?
- 5 Story Apartment: 12-48 People

Source: Ryan DiRaimo, The Urbanist, March 25, 2021
How Different Housing Types Benefit More People Per Lot

- Single Family Home: 1-4 People
- Home + ADU: 2-8 People
- Rowhouses: 3-12 People
- Sixplex: 6-24 People
- 5 Story Apartment: 12-48 People

Source: Ryan DiRaimo, The Urbanist, March 25, 2021
How Do we Increase Affordable Housing with Different Building Types?

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Number of Affordable Units</th>
<th>5,000 SF</th>
<th>2,500 SF</th>
<th>1,600 SF</th>
<th>800 SF</th>
<th>400 SF</th>
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</thead>
<tbody>
<tr>
<td>Single Family Home</td>
<td>1</td>
<td>$100,000</td>
<td>$50,000</td>
<td>$33,333</td>
<td>$16,667</td>
<td>$4,167</td>
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<tr>
<td>Home + ADU</td>
<td>2</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Rowhouses</td>
<td>3</td>
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</tr>
<tr>
<td>Sixplex</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5 Story Apartment</td>
<td>12</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Ryan DiRaimo, The Urbanist, March 25, 2021
### Ownership Affordable Housing AMI Thresholds

**100% AMI Level for 2-person Household = $74,200/yr.**

**Dix Edge Median Household Income = $39,863**

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>Income Range</th>
<th>Occupations</th>
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<tbody>
<tr>
<td>30% AMI or Lower</td>
<td>($0 to $25,050/yr.)</td>
<td>Bartender ($19,290/yr.)</td>
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<tr>
<td></td>
<td></td>
<td>Order Taker ($19,964/yr.)</td>
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<tr>
<td></td>
<td></td>
<td>Line Cook ($21,702/yr.)</td>
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<td></td>
<td></td>
<td>Bus Driver ($28,705/yr.)</td>
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<td></td>
<td></td>
<td>Barber ($29,194/yr.)</td>
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<td></td>
<td></td>
<td>Painter ($34,088/yr.)</td>
</tr>
<tr>
<td>30% to 50% AMI</td>
<td>($22,251-$37,100/yr.)</td>
<td>Secretary ($38,500/yr.)</td>
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<td></td>
<td></td>
<td>Roofer ($40,068/yr.)</td>
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<tr>
<td></td>
<td></td>
<td>Electrician ($44,477/yr.)</td>
</tr>
<tr>
<td>50% to 80% AMI</td>
<td>($37,101-$59,350/yr.)</td>
<td>Secretary ($38,500/yr.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Roofer ($40,068/yr.)</td>
</tr>
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<td></td>
<td></td>
<td>Electrician ($44,477/yr.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Registered Nurse ($68,666/yr.)</td>
</tr>
<tr>
<td>80% to 100% AMI</td>
<td>($59,351 to $74,200/yr.)</td>
<td>Auto Repair ($59,375/yr.)</td>
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<tr>
<td></td>
<td></td>
<td>Social Worker ($63,285/yr.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Registered Nurse ($68,666/yr.)</td>
</tr>
</tbody>
</table>

- **No Homes Priced Under $118,000**
- **$118,000 - $196,800**
- **$196,800 - $314,827**
- **$314,827 - $393,000**

**Prices:**
- $250,000
- $319,000

**Salary Comparisons:**
- Bartender: $19,290/yr.
- Line Cook: $21,702/yr.
- Order Taker: $19,964/yr.
- Barber: $29,194/yr.
- Painter: $34,088/yr.
- Secretary: $38,500/yr.
- Roofer: $40,068/yr.
- Electrician: $44,477/yr.
- Auto Repair: $59,375/yr.
- Social Worker: $63,285/yr.
- Registered Nurse: $68,666/yr.
Ownership Units Surplus/Gap Analysis
(Based on 2019 AMI Levels)

- The ownership housing supply is small (178 units).
- There is a surplus of affordably-priced homes to meet the needs of households with incomes below 80% AMI.
- The largest group of households have incomes above 120% AMI, but they have a shortage of housing units priced to match their income.
- This means they are forced to purchase homes below their income or move.
Rental Affordable Housing AMI Thresholds
(100% AMI Level for 3-person Household Size = $83,500/yr.)
*Dix Edge Median Household Income = $39,863*

30% AMI or Lower
($0 to $25,050/yr.)
- Bartender: $19,290/yr.
- Line Cook: $21,702/yr.
- Order Taker: $19,964/yr.

30% to 50% AMI
($25,051-$41,750/yr.)
- Bus Driver: $28,705/yr.
- Barber: $29,194/yr.
- Painter: $34,088/yr.

50% to 80% AMI
($41,751-$66,750/yr.)
- Electrician: $44,477/yr.
- Auto Repair: $59,375/yr.
- Social Worker: $63,285/yr.

80% to 100% AMI
($66,751 to $83,500/yr.)
- Registered Nurse: $68,666/yr.
- College Professor: $71,989/yr.
- Police Detective: $80,833/yr.

Income Ranges:
- $0 to $626/mo.
- $627 to $1,044/mo.
- $1,045 to $1,669
- $1,670 to $2,088

Proposed Rental Sites:
- Duplex Gateway Park 927 West Morgan
- Millbrook Apts.
Rental Units Surplus/Gap Analysis
(Based on 2019 AMI Levels)

- The number of renter-households is 430% larger than the number of owner-occupied households.
- The greatest shortage of affordable rental units occurs at 30% AMI and below.
- There are virtually no rental units for people making above 100% AMI, so they compete for lower priced rental units against people with lower incomes or they must seek rentals outside of Dix Edge.
How Does “Affordable Housing” Actually get Built?

**Market Rate Development**
- 100 units
- Baseline Construction & Financing Costs ($Y/SF)
- Baseline Revenue (Market Rent)
- Land ($X/SF)

**Affordable Housing Development**
- 100 units
- Baseline Construction & Financing Costs ($Y/SF)
- Baseline Revenue (Market Rent and 60% AMI)
- Land ($X/SF)

**Subsidy Gap**
Can you Guess the Amount of Additional Funds Required to Make the Following Project Feasible?

**PROJECT DETAILS:**
- 240-units on 5 floors
- $54.4 million development costs
- Surface parking
- Located closer to Downtown Raleigh, near BRT stations or along major transportation corridors
- Apartment:
  - Studio: 24 10%
  - 1 Bdrm: 69 29%
  - 2 Bdrm: 103 43%
  - 3 Bdrm: 44 18%
  - Total: 240 100%
In a market rate development, what % of the total units are affordable?

a. 10% to 20%
b. 5% to 10%
c. 0%

In a market rate development, how much public investment is required to make the project feasible?

a. $30,000/unit
b. $15,000/unit
c. $0/unit
In a market rate development, what % of the total units are affordable?

a. 10% to 20%
b. 5% to 10%
c. 0%

In a market rate development, how much public investment is required to make the project feasible?

a. $30,000/unit
b. $15,000/unit
c. $0/unit
Affordable Housing Scenario #1
(60% Market Rate/40% at 60% AMI) 4% LIHTC Deal

If 100% AMI is $83,500/yr. for a 3-person household, what is 60% AMI equal to?

a. $83,500 – 60% = $33,400
b. $83,500 x 60% = $50,100
c. $83,500 + $50,100 = $133,600

If a market rate project requires $0 in public subsidies, how much subsidy is required for 40% affordable units at 60% AMI?

a. $50,000/affordable unit
b. $29,357/affordable unit
c. $21,613/affordable unit
Affordable Housing Scenario #1
(60% Market Rate/40% at 60% AMI) 4% LIHTC

If 100% AMI is $83,500/yr. for a 3-person household, what is 60% AMI equal to?

a. $83,500 – 60% = $33,400
b. $83,500 x 60% = $50,100
c. $83,500 + $50,100 = $133,600

If a market rate project requires $0 in public subsidies, how much subsidy is required for 40% affordable units at 60% AMI?

a. $50,000/affordable unit
b. $29,357/affordable unit
c. $21,613/affordable unit
Affordable Housing Scenario #2
(60% at 60% AMI and 40% at 30% AMI) 4% LIHTC Deal

If 100% AMI is $83,500/yr. for a 3-person household, what is 30% AMI equal to?
   a. $83,500 – 30% = $58,450
   b. $83,500 x 30% = $25,050
   c. $83,500 + $25,050 = $108,550

If a market rate project requires $0 in public subsidies, how much subsidy is required for 60% at 60% AMI and 40% at 30% AMI?
   a. $60,000/affordable unit
   b. $104,748/affordable unit
   c. $45,193/affordable unit
Affordable Housing Scenario #2
(80% Market Rate/20% at 60% AMI) 4% LIHTC Deal

If 100% AMI is $83,500/yr. for a 3-person household, what is 30% AMI equal to?

a. $83,500 x 30% = $25,050
b. $83,500 – 30% = $58,450
c. $83,500 + $25,050 = $108,550

If a market rate project requires $0 in public subsidies, how much subsidy is required for 20% affordable units at 60% AMI?

a. $60,000/affordable unit
b. $104,748/affordable unit
c. $45,193/affordable unit
Dix Edge Housing Policy Priorities

• Policy 1: Support Existing Homeowners in Dix Edge
• Policy 2: Improve Homeowner Education/Awareness
• Policy 3: Preserve Existing Naturally Occurring Affordable Housing (NOAH)
• Policy 4: Pursue New Affordable Housing Development
• Policy 5: Expand Affordable Housing Development Partnerships
• Policy 6: Provide Subsidy Support for New Affordable Housing Near BRT Transit Stations and Other Target Areas
• Policy 7: Sponsor Community Events to Celebrate Dix Edge Community
Contact Info

Sara Ellis
City Project Manager
Sara.Ellis@raleighnc.gov
(919) 996-2234