

Affordable Housing Outlook in West Raleigh: Strategies & Recommendations

Alex Halloway, Amelie Bailey & Anna Patterson
Department of City and Regional Planning



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



OVERVIEW

Background

**Key Findings +
Recommendations**

Questions



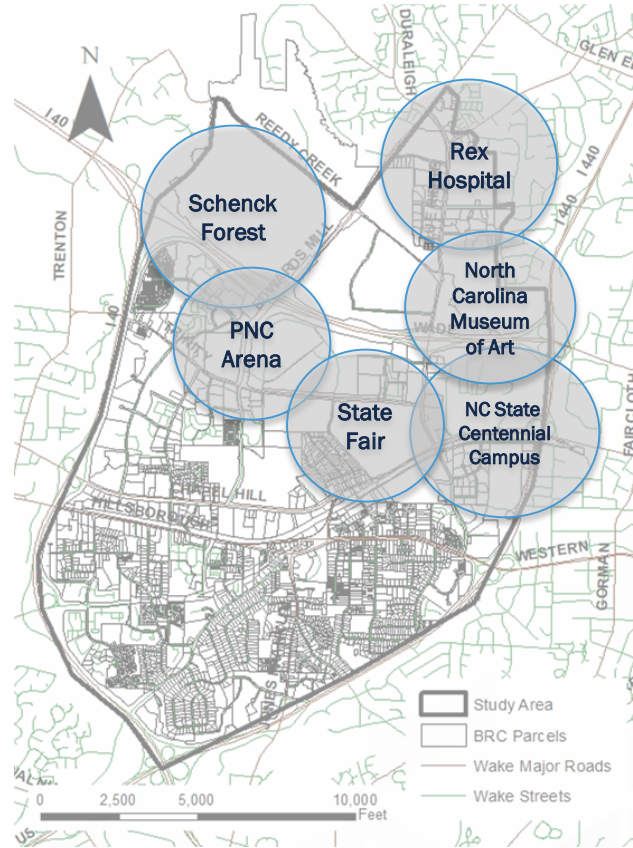
RESEARCH QUESTION

What parcels in the Blue Ridge Corridor have high potential for affordable housing?

What mechanisms should be used to finance any future development or preservation of affordable housing?



BLUE RIDGE CORRIDOR STUDY AREA



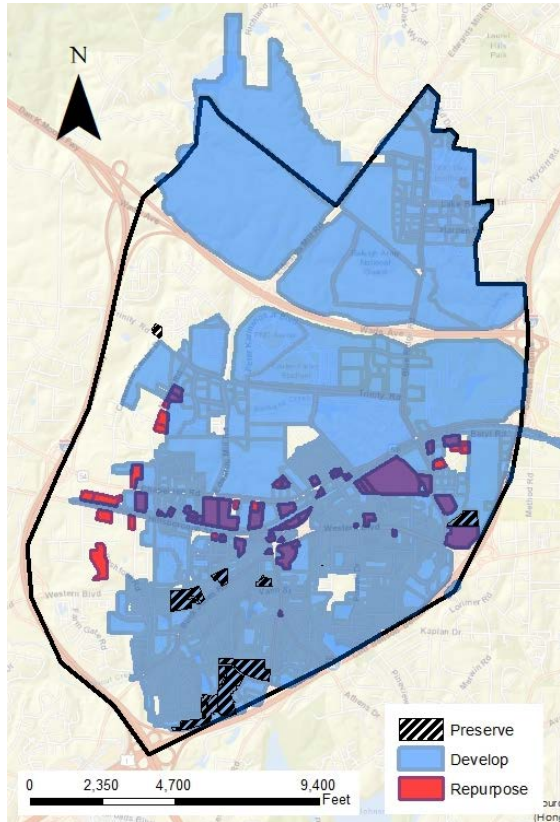


Recommendations by Relevant Entity

Recommendation Description	Private Developer	Nonprofit Housing Developer	City of Raleigh	Wake County	State of North Carolina
#1. Preserve NOAH		X	X	X	
#2. Preserve Expiring LIHTC developments	X	X	X		
#3. Implement a dedicated funding mechanism to generate funds for affordable housing			X		
#4. Purchase underutilized properties to adaptively reuse as affordable housing	X	X	X	X	
#5. Dispose of surplus public land to either build or fund affordable housing			X	X	X
#6. Improve walkability to make the Corridor more competitive for 9% LIHTC projects			X		X
#7. Advocate for an affordable housing bond as a source of gap financing			X	X	
#8. Use a 4% LIHTC bond deal as an early win project	X	X	X		
#9. Structure the NC DHHS transition to the Corridor as a private development	X				X



RECOMMENDED STRATEGIES



The Blue Ridge Corridor Study Area has opportunities for:

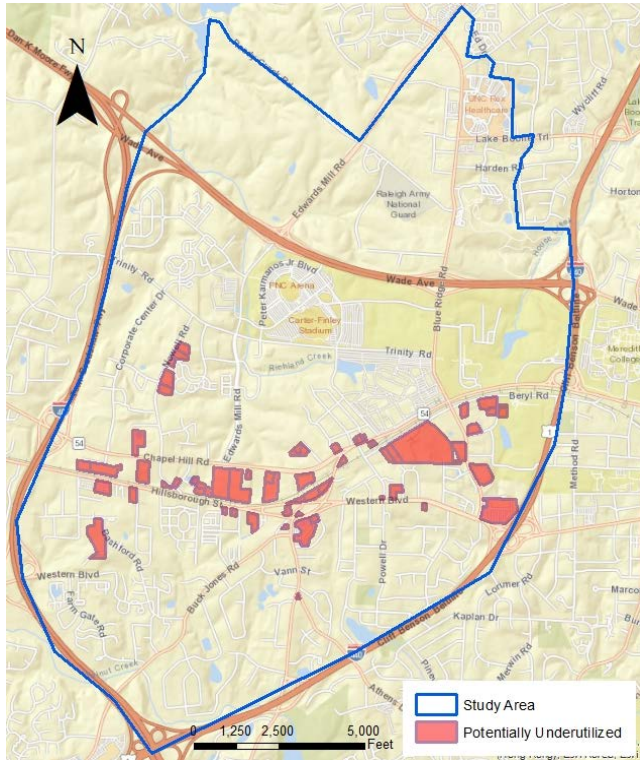
- Preservation of current affordable housing stock
- Acquisition and redevelopment of underutilized commercial and industrial properties
- Development of new affordable housing units using the Low-Income Housing Tax Credit (LIHTC)

KEY FINDINGS

Underutilization



UNDERUTILIZATION



Buildings appear to show signs of underutilization around **\$45 per SF**

These parcels may have potential to be acquired and redeveloped into affordable housing



ACQUISITION & ADAPTIVE REUSE RECOMMENDATIONS

- Purchase underutilized sites for future development as affordable housing
- Use surplus public lands for affordable housing OR sell the lands and use proceeds to purchase sites for affordable housing OR provide gap financing for affordable housing

KEY FINDINGS

**High Potential for New Affordable Rental
Housing Development**



- Determined this based on a parcels potential to receive Low-Income Housing Tax Credits (LIHTC)
- LIHTC has helped to produce more than 3 million affordable housing units since the program's inception in 1986.
- Two types of LITHCs - 4% and 9%.
- 9% credits are allocated through a competitive process in which developers apply for based on criteria laid out in the Qualified Allocation Plan (QAP)



LIHTC SCORE (MAX 38 POINTS)

Final QAP Score

- 1) Low primary amenity score
- 2) Strong secondary amenity score
- 3) Large amount of uncovered bus stops made up for low primary amenities score

QAP Amenities Score Sheet

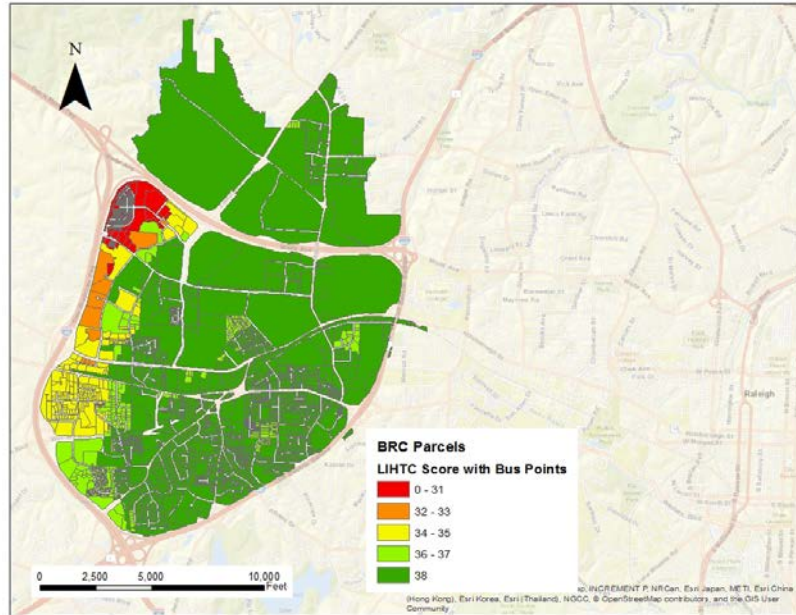
	<u>Driving Distance in Miles</u>			
	≤ 1	≤ 1.5	≤ 2	≤ 3
<i>Primary Amenities</i> (maximum 26 points)				
Grocery	12pts.	10 pts.	8 pts.	6 pts.
Shopping	7 pts.	6 pts.	5 pts.	4 pts.
Pharmacy	7 pts.	6 pts.	5 pts.	4 pts.
<i>Secondary Amenities</i> (maximum 12 points)				
Other Primary Amenity	5 pts.	4 pts.	3 pts.	2 pts.
Service	3 pts.	2 pts.	1 pt.	0 pts.
Healthcare	3 pts.	2 pts.	1 pt.	0 pts.
Public Facility	3 pts.	2 pts.	1 pt.	0 pts.
Public School (Family)	3 pts.	2 pts.	1 pt.	0 pts.
Senior Center (Elderly)	3 pts.	2 pts.	1 pt.	0 pts.
Retail	3 pts.	2 pts.	1 pt.	0 pts.

***each uncovered bus stops within ¼ mile of parcel adds an additional 2 points to a parcel's score**



LIHTC SCORE (MAX 38 POINTS)

Final QAP Score



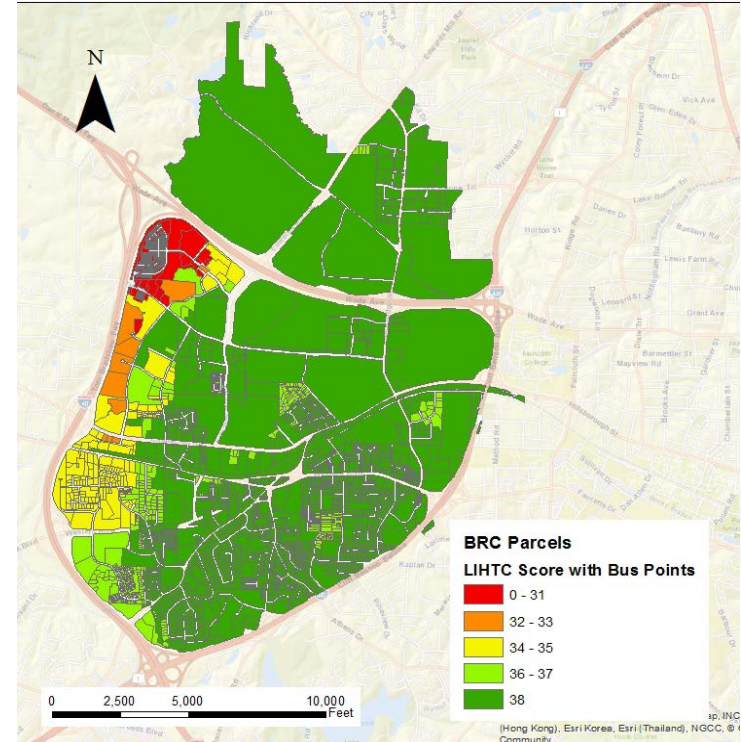
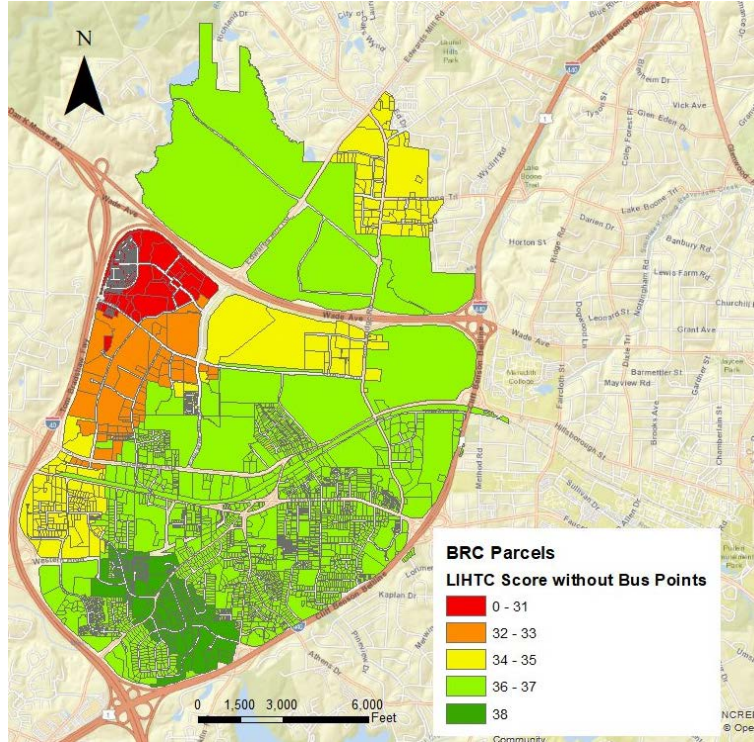
QAP Amenities Score Sheet

	<u>Driving Distance in Miles</u>			
	≤ 1	≤ 1.5	≤ 2	≤ 3
<i>Primary Amenities</i> (maximum 26 points)				
Grocery	12 pts.	10 pts.	8 pts.	6 pts.
Shopping	7 pts.	6 pts.	5 pts.	4 pts.
Pharmacy	7 pts.	6 pts.	5 pts.	4 pts.
<i>Secondary Amenities</i> (maximum 12 points)				
Other Primary Amenity	5 pts.	4 pts.	3 pts.	2 pts.
Service	3 pts.	2 pts.	1 pt.	0 pts.
Healthcare	3 pts.	2 pts.	1 pt.	0 pts.
Public Facility	3 pts.	2 pts.	1 pt.	0 pts.
Public School (Family)	3 pts.	2 pts.	1 pt.	0 pts.
Senior Center (Elderly)	3 pts.	2 pts.	1 pt.	0 pts.
Retail	3 pts.	2 pts.	1 pt.	0 pts.

*each uncovered bus stops within ¼ mile of parcel adds an additional 2 points to a parcel's score



LIHTC SCORE WITH/WITHOUT BUS STOPS





NEW CONSTRUCTION RECOMMENDATIONS

- Prioritize installation of continuous sidewalks and crosswalks in order to improve walkability and competitiveness for 9% LIHTC development
- Prioritize a 4% LIHTC bond as an "early win" project
- Implement affordable housing bond as a source of "gap financing"

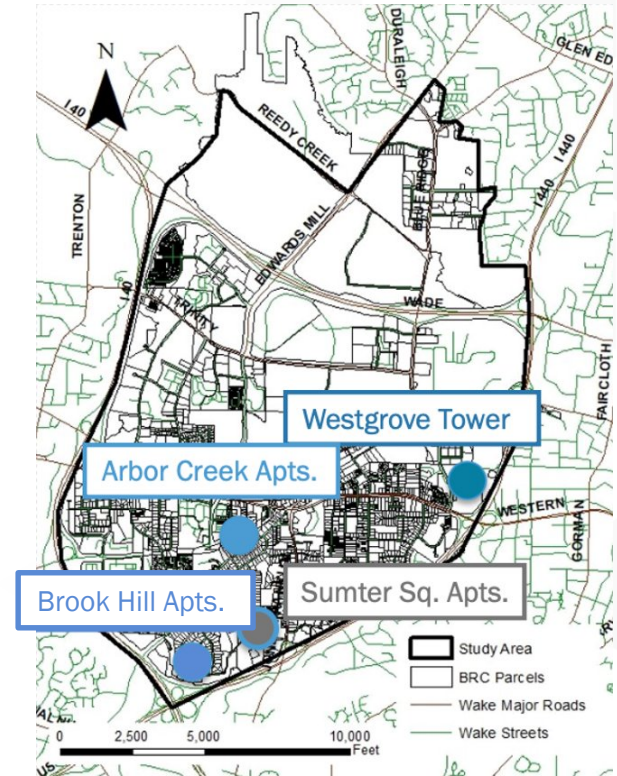
KEY FINDINGS

Preexisting Affordability



NATURALLY OCCURRING AFFORDABLE HOUSING

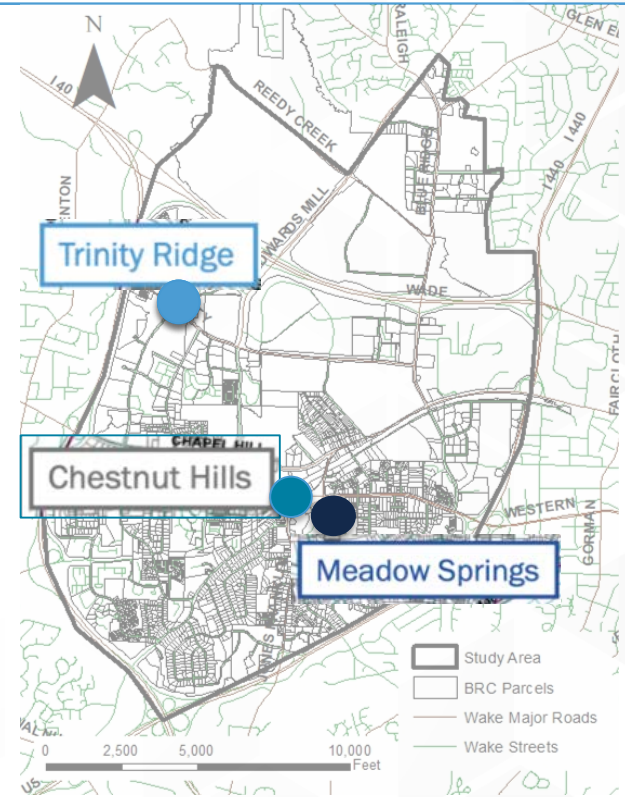
Development Name	2-Bedroom Price	# Units
Arbor Creek Apartments	\$930-\$1235	280
Brook Hill Townhouse Apartments	\$950-\$1,340	102
Sumter Square Apartments	\$935-\$1010	391
Westgrove Tower	\$780	240





PRESERVING EXISTING LIHTC

Development Name	# Units	Year 30 (LIHTC expiration)
Chestnut Hills	50	2033
Trinity Ridge Apartments	48	2030
Meadow Springs Apartments	33	2029





PRESERVATION RECOMMENDATIONS

- Monitor the stock of naturally-occurring affordable housing and look to preserve affordability when possible
- Monitor Low Income Housing Tax Credit properties and their Year-30 dates and look to preserve affordability in perpetuity



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL