Affordable Housing Outlook in West Raleigh: Strategies & Recommendations

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

- Schenck Forest
- PNC Arena
- State Fair
- Rex Hospital
- North Carolina Museum of Art
- NC State Centennial Campus

North Carolina Museum of Art
## Recommendations by Relevant Entity

<table>
<thead>
<tr>
<th>Recommendation Description</th>
<th>Private Developer</th>
<th>Nonprofit Housing Developer</th>
<th>City of Raleigh</th>
<th>Wake County</th>
<th>State of North Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1. Preserve NOAH</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>#2. Preserve Expiring LIHTC developments</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>#3. Implement a dedicated funding mechanism to generate funds for affordable housing</td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>#4. Purchase underutilized properties to adaptively reuse as affordable housing</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>#5. Dispose of surplus public land to either build or fund affordable housing</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>#6. Improve walkability to make the Corridor more competitive for 9% LIHTC projects</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>#7. Advocate for an affordable housing bond as a source of gap financing</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>#8. Use a 4% LIHTC bond deal as an early win project</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>#9. Structure the NC DHHS transition to the Corridor as a private development</td>
<td>X</td>
<td></td>
<td></td>
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<td>X</td>
</tr>
</tbody>
</table>
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
Buildings appear to show signs of underutilization around $45 per SF

These parcels may have potential to be acquired and redeveloped into affordable housing
• 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 LIHTCs - 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)
1) Low primary amenity score

2) Strong secondary amenity score

3) Large amount of uncovered bus stops made up for low primary amenities score

*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

*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
### 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

<table>
<thead>
<tr>
<th>Development Name</th>
<th># Units</th>
<th>Year 30 (LIHTC expiration)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chestnut Hills</td>
<td>50</td>
<td>2033</td>
</tr>
<tr>
<td>Trinity Ridge Apartments</td>
<td>48</td>
<td>2030</td>
</tr>
<tr>
<td>Meadow Springs Apartments</td>
<td>33</td>
<td>2029</td>
</tr>
</tbody>
</table>
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