



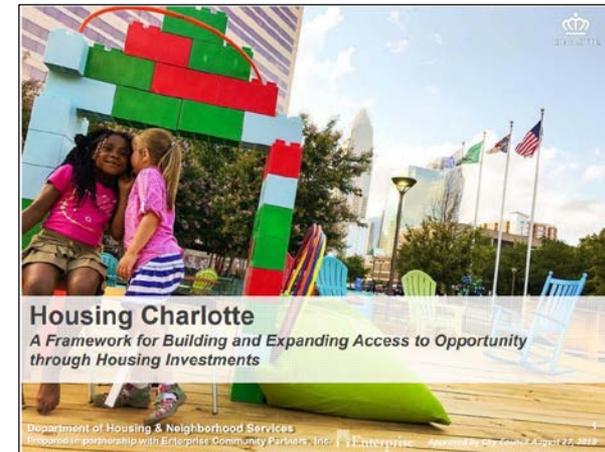
Guidelines for Evaluation & Disposition of City-Owned Land for Affordable Housing

City Council Briefing

February 11, 2019

Briefing Objectives

- ▶ Background
- ▶ Committee Review
- ▶ Proposed Guidelines
 - ▶ Purpose
 - ▶ Guiding Principals
 - ▶ Periodic Review of City-Owned Land
 - ▶ Affordable Housing Goals
 - ▶ Disposition Process
- ▶ Next Steps



Background

- ▶ **August 2018:** Council adopted the “Housing Charlotte Framework.”
- ▶ The use of publicly-owned land is noted as a national best practice for expanding the supply of quality affordable and workforce housing



Housing & Neighborhood Development Committee

The HAND Committee discussed the following:

- ▶ Assessment for the use of City-owned land for affordable housing should:
 - ▶ Be **broader than just surplus property**
 - ▶ Consider mixed-use opportunities (housing in conjunction with a municipal uses)
 - ▶ Align with other Council priorities
 - ▶ Create future opportunities by **leveraging long-term leasing** of City-owned property
 - ▶ Secure the longest affordability periods and deed restrictions possible, while remaining flexible enough to attract and encourage creative deal structures

Purpose

Guidelines are intended to:

1. Establish criteria, clarity, and reflect desired outcomes relative to the donation, sale, or long-term lease of City-owned land with the overall goal of expanding the supply of affordable and workforce housing
2. Provide an orderly and uniform approach for the disposal of surplus property assets for the expansion of affordable housing
3. Provide for fixed asset control documentation to properly account for any reuse or disposal of City-owned property
4. Prohibit disposition of City-owned property in a manner to avoid actual or perceived conflicts of interest

Guiding Principals

- ▶ It is the City's intent to prioritize use of available City-owned land for development of affordable housing whenever possible
- ▶ To every extent possible, City owned land will be used for affordable housing to:
 - ▶ Create mixed-income and inclusive neighborhoods
 - ▶ Leverage, reduce or eliminate Housing Trust Fund and other public funding requests
 - ▶ Increase the City's long-term deed restricted affordable housing supply

Key Components

Guidelines consist of three key components:

- 1** Periodic Review of City-Owned Land
- 2** Goals for Affordable Housing
- 3** Disposition Process

Periodic Review

- ▶ Implement a periodic review of all City-owned land to evaluate opportunities for Affordable Housing

Review Frequency	Land Classification
Every 5-Years	Fully-Utilized Land: Land that is actively being used to its fullest potential
Every 1-Year	All other Land (e.g. underutilized, interim uses, surplus)

- ▶ Council can request a review of a specific property at any time
- ▶ Reviews conducted by Engineering & Property Management – Real Estate Division, in collaboration with Housing & Neighborhood Services

Periodic Review - Benefits

Benefits of Periodic Review for Affordable Housing:

- ▶ Allows the City to leverage **all** City-owned land to its fullest potential, not just surplus land
- ▶ Includes evaluation for the potential of more intensive uses, such as incorporating affordable housing along with a municipal use
- ▶ Balances evaluation for affordable housing with other City priorities, such as economic development and public safety
- ▶ Considers the original funding source and any restricted uses, such as FTA restrictions

Affordable Housing Goals

- ▶ Goals serve as guidelines for evaluation
- ▶ Each development scenario evaluated on its unique characteristics
- ▶ **Preference given to developments that help City meet and surpass affordable housing goals**

Goals:

AMI	Achieve the highest number of units serving households earning between 30-80% of AMI, with emphasis on units serving households earning 30% AMI
Deed Restrictions	Align with City priorities, typically 20-30 years with a preference for longer affordability periods
Long-Term Leases	Establish the preference for long-term leases, while maintaining the flexibility to use all available options

Disposition Process

- ▶ The typical disposition process will involve a **Request for Proposal (RFP)** to solicit competitive development proposals from qualified developers
- ▶ RFPs will set forth affordable housing goals, including the preference for long-term leases
- ▶ Final decisions regarding land disposition will be made by City Council

Summary

Guidelines for Evaluation and Disposition of City-Owned Land will:

- ▶ **Implement a periodic review of all City-owned land** to evaluate opportunities for Affordable Housing
- ▶ **Create goals** for unit mix and deed restrictions to serve as a guide for Council evaluation
- ▶ **Include language that establishes a preference for long-term leases**, while maintaining the flexibility to use all available options
- ▶ **Maintain flexibility** to evaluate projects on a case-by-case basis based on unique characteristics of each project, and in accordance with City priorities, policies and plans

Next Steps

- ▶ City Council will be asked to approve the *Guidelines for the Evaluation and Disposition of City-Owned Land for Affordable Housing* at the February 25, 2019 business meeting.