

Item Title: Ground Lease for Affordable Housing Development at 326 Chapanoke Road in Raleigh

Specific Action Requested:

The Board of Commissioners:

- 1. Adopt the resolution authorizing the Chair to execute (i) a ground lease with Chapanoke JV LLC, or an affiliated entity (“Developer”), in accordance with G.S. 160A-278 for the development of affordable housing on a portion of the real property located at 326 Chapanoke Road in Raleigh, NC, and (ii) in the event of the termination of the ground lease with the Developer, a new ground lease for the same property and purposes with the Developer’s senior mortgagee, or its successor or assign (“Lender”).**
- 2. Authorizes the Chair, or where appropriate, the County Manager to execute all other instruments necessary, as owner of the leased property, to facilitate the development of affordable housing at the location, including but not limited to, all easements, plats, and other development related documents.**

The ground lease and all related development documents are subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: The Board of Commissioners approves all Wake County real estate transactions and related agreements for affordable housing projects.

Background: In December 2025, The Board of Commissioners approved an Option to Lease (“Option”) for the property at 326 Chapanoke Road in Raleigh. This is an approximately 5.50 acre parcel that will be developed by Chapanoke JV LLC, an affiliate of Harmony Housing Affordable Development (“Developer”), with 200 units of affordable rental housing targeting households earning up to 30%, 50%, 60%, and 70% of the area median income (AMI). The development will also set-aside 30% of units for students of Wake Tech Community College (“Wake Tech”) who are income-eligible and meet other criteria established by the Low-Income Housing Tax Credit (LIHTC) program.

The Developer wishes to now exercise the Option and requests that Wake County enter into a ground lease (“Lease”) pursuant to the Option to begin construction of the affordable housing project. The proposed Lease is for a term of ninety-nine (99) years, at a nominal annual rental rate of \$100 per year. In addition, for purposes of satisfying its Lender’s requirements, the Developer is requiring the County to offer a similar ground lease in favor of the Lender, which requires separate authorization by the Board and is only exercisable

in the event the underlying Lease with the Developer is terminated before the end of the lease term.

Notice of the Board of Commissioners intent to consider the Lease has been provided as required by G.S. 160A-278. The Affordable Property has an estimated land value of \$5,400,000 based on an appraisal report from March 23, 2026.

Strategic Plan: This action supports Community Health and Wellbeing Goal 1: Create and preserve 2,500 affordable housing units by 2029.

Fiscal Impact: There is sufficient budget capacity in the Housing Affordability and Community Revitalization Special Revenue Fund to cover site management costs until the development partners are given full site control.

Additional Information

On August 16, 2021, the Board of Commissioners accepted the donation of an approximately 6.10-acre tract of land at 326 Chapanoke Road (the "Property") in Raleigh from Wake Tech primarily for development of affordable housing, subject to other terms and restrictive covenants. In accordance with the Wake County Evaluation and Disposition of County-Owned Land for Affordable Housing Policy and in consultation with Wake Tech, Wake County released a Request for Proposals (RFP #22-019) on January 19, 2022, soliciting development proposals for this property. Upon closing of the RFP period, Raleigh Community Partners (RCP) (the "Project Sponsors"), a partnership between Gilbane Development, Harmony Housing Affordable Development (formerly Greystone Affordable Development), and F7 Development, was selected as the most responsive applicant with a proposal for affordable housing and complementary commercial uses.

On August 15, 2022, the Board of Commissioners authorized the County Manager to enter into a Memorandum of Agreement between the Project Sponsors, Wake County, and Wake Tech, which was executed on October 1, 2023. To comply with site control requirements to apply for Low-Income Housing Tax Credits (LIHTC) and Wake County Affordable Housing Development Program (AHDP) gap financing, the Project Sponsors entered into an Option to Lease with Wake County on January 21, 2025. In April 2025, the Board of Commissioners approved an award of up to \$7,100,000 of construction-to-permanent financing to support the development of the proposed 200-unit affordable property. The Developer has secured financing from the City of Raleigh, a bank lender, and the North Carolina Housing Finance Agency, and has rezoned the property to CX-5 zoning which will support all proposed uses. If approved, the Developer is prepared to close on financing and begin construction in the summer of 2026.

The remaining approximately 0.6 acres will be subdivided from the Property and are proposed to be developed with commercial uses that will complement the affordable development. Disposition of this portion of the property through lease or sale will require separate consideration and approval by the Board of Commissioners at a later date. The total development is located in a high-frequency transit corridor and in the future Southern

Bus Rapid Transit corridor and will establish 99-year affordability ahead of future transit-oriented investment and development.

A map of the site is below.



Federal funding requires the County to utilize Area Median Income (AMI) as a key affordable housing metric to determine program or project eligibility. AMI is defined as the midpoint of a specific area's income distribution. Wake County utilizes the Raleigh Metropolitan Statistical Area (MSA) as the geographical area, identified by the Census Bureau. AMI is updated annually by HUD utilizing American Community Survey (ACS) data and other sources. The specific methodology can be found online at www.huduser.gov.

The following table illustrates income limits for the proposed rental units to be developed on the Property, according to household size.

Household Size	30% AMI	50% AMI	60% AMI	70% AMI
1 Person	\$27,870	\$46,450	\$55,740	\$65,030
2 People	\$31,860	\$53,100	\$63,720	\$74,340
3 People	\$35,850	\$59,750	\$71,700	\$83,650
4 People	\$39,810	\$66,350	\$79,620	\$92,890

Attachments:

1. Resolution