

Item Title: Affordable Housing Loan Extension for two CASA Properties Located at 1131 Carlton and 212 N. Boylan in Raleigh, NC

Specific Action Requested:

That the Board of Commissioners extends the terms of the loans and affordability periods for 1131 Carlton & 212 N. Boylan Avenue in Raleigh, NC.

Any loan extension is subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: The Board of Commissioners approves all Wake County real estate transactions.

Background: On July 9, 2001 Wake County approved two loans totaling \$41,125 to Community Alternatives for Supportive Abodes (CASA) for the purchase and renovation of two properties located in Raleigh, NC. A loan in the amount of \$14,025 was awarded for the purchase and renovation of a 7-unit building located at 1131 Carlton Avenue. A loan in the amount of \$27,100 was awarded for the purchase and renovation of an 8-unit house located at 212 N Boylan Avenue. This created 15 supportive housing units in and near downtown Raleigh. The loan terms were 20 years with 0% interest, with payments deferred until the end of the term. Both loans became due and payable on January 15, 2022.

CASA plans to redevelop both properties beginning in Fiscal 2023. On June 14, 2022 CASA submitted a request for the continued deferment of the loans until planned redevelopment of both properties begins. Staff recommends extending the term and deferment for an additional 10 years or until the properties are redeveloped, whichever occurs first. CASA staff support this recommendation.

Board Goal: This action supports Community Health and Vitality Goal 5: Create and preserve affordable housing.

Fiscal Impact: The County will not be contributing additional funding. No new County debt will be issued.

Additional Information:

On July 9, 2001 Wake County approved a loan in the amount of \$14,025 to CASA for the purchase and renovation of a 7-unit building located at 1131 Carlton Avenue, and a \$27,100 loan for the purchase and renovation of an 8-unit house located at 212 N Boylan Avenue. This created 15 supportive housing units currently occupied by formerly homeless tenants with disabilities. These loans were deferred until January 15, 2022. The loan balances remain \$14,025 and \$27,100.

CASA plans to redevelop both properties. The redevelopment plans for 1131 Carlton include redevelopment of this property along with an adjacent parcel to the south, 1201 Carlton. CASA is determining the best option for redevelopment, likely mixed-income with no fewer than the 11 affordable housing units already on the site. A development proposal is expected in Fiscal 2023.

The plans for 212 N. Boylan involve redeveloping CASA's entire W. Jones Street campus. They have started the process of rezoning four properties at the site to allow up to seven stories. The development will have no fewer than the 20 affordable units already on the site along with market-rate units. Rezoning should be complete in FY 2023 with redevelopment beginning in FY 2024. CASA will ensure their tenants will have options to move into the new communities for into other CASA housing throughout Raleigh.

On June 14, 2022, CASA formally requested to continue to defer payment on the loans for these properties until they are redeveloped. This will improve CASA's operational cash flow until financing is in place for the redevelopments. Housing Affordability and Community Revitalization staff recommend extending the loan term and affordability period to 30 years and continuing to defer payment until the end of the term or redevelopment, whichever occurs first. CASA staff are aware of and support this recommendation.

Attachments:

1. Site Map