

Item Title: MOA for Development of Affordable Housing on County-Owned Property at 0 Chapanoke Road in Raleigh, NC

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to enter into a Memorandum of Agreement (MOA) Wake County, Wake Tech Community College, and Raleigh Community Partners (RCP) to participate in a process coordinating the lease and development of real property at 0 Chapanoke Road in Raleigh, NC, 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.

Background: Effective September 1, 2019, the Wake County Evaluation and Disposition of County-owned Land for Affordable Housing Policy was approved. On August 16, 2021 the Board of Commissioners accepted the donation of a 6.10 acre tract of land at 0 Chapanoke Road in Raleigh from Wake Tech Community College ("Wake Tech") for the development of affordable housing. In accordance with this policy and in consultation with Wake Tech, a Request for Proposals (RFP #22-019) was released on January 19, 2022 soliciting development proposals for this property. This is the second development project stemming from the Evaluation and Disposition Policy.

Upon closing of the Request for Proposal period, Raleigh Community Partners (RCP) (the "Project Sponsors"), a partnership between Gilbane Development, Greystone Affordable Development, and F7 Development, was selected as the most responsive applicant. Prior to lease of the property to the Project Sponsors, Wake County, Wake Tech, and the Project Sponsors will enter into a Memorandum of Agreement (MOA) to meet mutually agreed upon milestones during a period of due diligence prior to contract execution and lease of the property.

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

Fiscal Impact: This action has no additional fiscal impact. This will be an initial step towards the lease and development of the property at a later date.

Additional Information:

The Wake County Evaluation and Disposition of County-owned Land for Affordable Housing Policy established uniform procedures for the evaluation and disposition of available County-

owned property to develop affordable housing. The Housing Affordability & Community Revitalization (Housing) Department evaluated properties for potential development of affordable housing. The property located at 0 Chapanoke Road in Raleigh is a priority property for disposition and development of affordable housing.

On January 19, 2022, RFP #22-019 was released to disposition the 6.1-acre tract of undeveloped land (REID # 0133661), which is located adjacent to a proposed Bus Rapid Transit (BRT) station. The RFP sought a creative development team to enter into a land lease agreement with Wake County and build a transit-oriented, affordable rental development to include at least 30% of units set-aside for Wake Tech students as well as at least 1,000 square feet of flexible space for use by Wake Tech. The RFP also sought proposals that would include retail or other non-residential uses and encourage frontage activation along Chapanoke Road and transit connectivity. Proposals were evaluated using the following criteria:

- Financial feasibility and project timeline
- Development quality and urban design goals
- Development experience and management approach
- Project vision
- Affordability and unit mix

A review committee comprised of Wake County, City of Raleigh, and Wake Tech staff considered the RFP submission. Raleigh Community Partners (RCP), a partnership between Gilbane Development, Greystone Affordable Development, and F7 International was recommended as the lead applicant and Project Sponsors with a responsive and responsible proposal. Gilbane is a nationally-recognized development firm with over 20,000 residential units developed or underway. Greystone Affordable Development is an affiliate of Greystone and Company, a national affordable housing lending and investing firm. Wake County awarded Greystone Affordable Development Affordable Housing Development Program (AHDP) funding to develop New Bern Crossings, a 192-unit affordable rental development with supportive housing set-asides to be located on New Bern Avenue in Raleigh. F7 Development is a Raleigh-based commercial real estate development and investment company with Low Income Housing Tax Credit development experience.

The proposed development would consist of a four-story building with structured parking, a central courtyard, and additional green space between the primary building and a separate building containing approximately 10,000 square feet of retail space. The development would contain approximately 235 units of rental housing for families and individuals earning 30%, 50%, 60% and 80% of the area median income (AMI) or less. The proposed development would also include the required 1,000 square feet of flex space for Wake Tech and would have 30% of the units soft set-aside for Wake Tech students. The review committee concluded that the proposed development exceeded the minimum requirements of the RFP and most closely matched the County's vision for the property in terms of a mix of uses, residential density, street activation, and alignment with the transit-oriented development goals of the City of Raleigh.

As outlined in the MOA, the Project Sponsors will take the lead on all development aspects, including entitlements, rezoning, and securing funding, and agree to develop the property in accordance with the mix of uses in their proposal. The MOA does not obligate the County to

lease the property. The County will review the site plan for deviation from the design submitted in the Project Sponsor's RFP response, and if agreed to by both parties the County will draft a contract to lease the property subject to approval by the Board of Commissioners and the County Attorney.

During the Term of the MOA, all parties agree to work together according to the mutually developed work plan with targeted dates of achievement of significant milestones. Should all parties satisfactorily complete the scope of work in the attached MOA, this item may come back to the Board of Commissioners for approval to enter into a land lease agreement with the Project Sponsors.

Attachments:

1. Draft Memorandum of Agreement
2. RCP Development Proposal
3. Site Map