

Item Title: MOA for Disposition and Development of Affordable Housing on County-Owned Property in Holly Springs

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to enter into a Memorandum of Agreement (MOA) between Wake County, the Town of Holly Springs, DHIC and MyComputerCareer (MyCC) represented by Savills USA, to participate in a process coordinating the disposition and development of real property at 1317 N. Main St. in Holly Springs, 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. In accordance with this policy and in consultation with the Town of Holly Springs, a Request for Proposals (RFP #20-006) was released on January 1, 2020 for property located at 1317 N. Main St., Holly Springs, NC. This is the first development project stemming from the Evaluation and Disposition Policy.

Upon closing of the Request for Proposal period, DHIC and MyComputerCareer (MyCC), represented by Savills USA, were recommended as the lead applicants and Project Sponsors. Prior to conveyance of the property, Wake County, the Town of Holly Springs, and the Project Sponsors will enter into an Memorandum of Agreement (MOA) to meet mutually agreed upon milestones during a period of due diligence prior to contract execution and disposition of the property from the County.

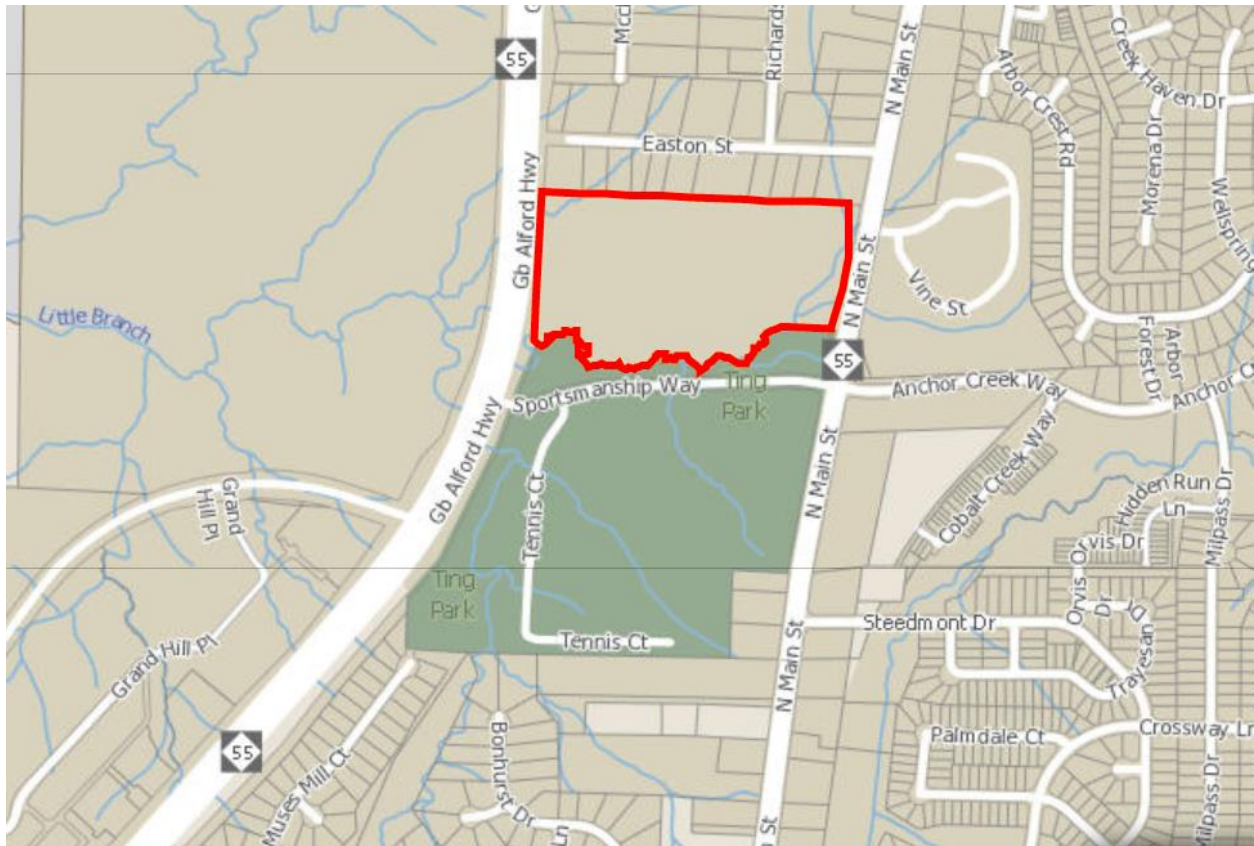
Board Goal: This Board action complements housing affordability initiatives in the Social and Economic Vitality and Economic Strength goal areas.

Fiscal Impact: Disposition of the property will occur at a later date upon satisfactory completion of terms identified in the MOA.

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 1317 N. Main St., Holly Springs is a priority property for disposition and development of affordable housing.



On January 1, 2020, RFP #20-006 was released to the disposition the 19.89-acre tract of undeveloped land (REID # 0414978). The RFP sought a forward-thinking development team to purchase and develop a mixed-income, mixed-use project that included legally-binding, affordable rental or ownership housing as a portion of the total development, as well as uses that meet the needs of the Town of Holly Springs and its residents.

A review committee comprised of Wake County and Town of Holly Springs staff considered the RFP submission. DHIC and MyCC, represented by Savills USA, was recommended as the lead applicant and Project Sponsors with a responsive and responsible proposal. DHIC, Inc., is a non-profit affordable housing developer that have partnered with the County on multiple development projects. MyComputerCareer, Inc., was founded in Holly Springs in 2008 and currently employs over 250 residents in the Triangle area as an adult technical school with courses taught online and at seven campuses in North Carolina, Indiana, Ohio, and Texas.

The proposed development would consist of approximately 125 units of family-oriented and senior affordable housing apartments serving an average of households with incomes less than 60% of Area Median Income (AMI), which is \$39,540 for an individual or \$56,460 for a family of four. Across Wake County, an average of current rental rates for 60% AMI households is \$915 for a one-bedroom or \$1,303 for a three-bedroom. Rental

rates are determined by the rental product and local market; however, an individual or family should pay no more than 30% of their income on housing costs to be considered affordable.

In addition, the development would offer a multistory office building to be occupied by MyComputerCareer to support an anticipated 525 employees. In addition, approximately 10,000 square feet of retail space would be located near the office building designed for businesses that can service office employees, residents of the housing development, and the community at-large. It may also include a state-of-the-art performing arts theatre capable of providing local, regional, and nationally acclaimed programming.

As outlined in the MOA, the Project Sponsors will take the lead on all development aspects including project delivery and design and achieving the development goals as outlined in the County RFP and project proposal. The Town will work to identify opportunities to ensure optimal progression of the development proposal through the Town's entitlement approval process, as well as any economic incentives offered for business retention and expansion. The County will take the lead on property disposition and process facilitation.

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 disposition the property.

Attachments:

1. Draft Memorandum of Agreement