

Item Title: Disposition of Three County Owned Properties for the Purpose of Affordable Housing

Specific Action Requested:
That the Board of Commissioners:

1. **Accepts the offers for the purchases of the following county owned properties for affordable housing:**
 - a. **Offer of \$150,000 for 109 W. Barbee St, Zebulon (REID # 0022750);**
 - b. **Offer of \$175,000 for 1201 J R Dr, Garner, NC (REID # 0123031);**
 - c. **Offer of \$180,000 for 202 S. West St, Fuquay Varina, NC (REID # 0055981);**
and
2. **Directs the County Manager to execute a contract of sale for each property pursuant to N.C.G.S. 153A-378(3) for affordable housing, and authorizes the Chair to sign the deed and any other documents necessary to convey the subject property to the awarded buyer. All agreements 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.

Background: Between 2016 and 2017, the County acquired three properties. These properties, previously served through the Rehabilitation Loan Program, are located at 109 W. Barbee Street in Zebulon, 1201 JR Drive in Garner, and 202 S. West Street in Fuquay Varina. After investing additional funding to significantly rehabilitate the properties, Housing received bids from qualified first-time homebuyers in accordance with the Wake County Evaluation and Disposition of County-owned Land for Affordable Housing Policy ("Land Disposition Policy").

A 15-day bid period was held in April 2021 resulting in 72 offers. The sale of these properties will guarantee three families earning less than 60% of the Area Median Income (AMI) will become first-time homebuyers. In addition, the property must remain affordable to families earning less than 80% of the AMI for the next 20-years. The County will also retain a right of first refusal to purchase the property upon sale by the homebuyer.

Board Goal: This action supports Community Health and Vitality Goal 5: Create affordable housing opportunities and support efforts to end homelessness.

Fiscal Impact: The County will not contribute additional funding to finance the homes. Program income received from the sale or payoff of properties is budgeted annually in the Housing Special Revenue Fund. Revenue received from the sale of these properties will become program income for future eligible grant uses.

Additional Information:

Since 1992, Housing has managed a homeowner rehabilitation program. This program provided loans, and now grants, to low-income families needing health, safety, and accessibility repairs to their homes. The program is fully funded through the Community Development Block Grant (CDBG) that is received annually from the US Department of Housing and Urban Development (HUD).

Under the now discontinued rehabilitation program, loan payments were deferred for elderly and very low-income families. The intent of the program was to keep people in their homes to prevent homelessness or prematurely entering assisted living. There was no requirement for loans to be repaid by the homeowner while they continued to live in the property. However, once the property was no longer occupied by the original recipient(s), the loan was structured to be due and payable.

James and Beulah Tuck received a deferred payment loan in 1994 for their home located at 109 W. Barbee Street in Zebulon. Following 22 years of aging in place, Wake County took ownership of the property in 2016. Roger Avery received a deferred payment loan in 2002 to replace his home located at 202 S. West Street in Fuquay Varina. Following 13 years of aging in place, Wake County took ownership of the property in 2016. Richard Emery received a deferred payment loan in 2005 to replace his home located at 1201 JR Drive in Garner. Following 12 years of aging in place, the property was transferred to the County in 2017.

In accordance with the Land Disposition Policy, finalized in October 2019, Housing undertook rehabilitation of the homes to disposition for the purpose of affordable housing. Repairs to the three properties included:

109 W. Barbee Street, Zebulon, NC

Rehabilitation of this home preserved a historic row style home constructed in 1901, however, this home required the most significant rehabilitation. Extensive work was completed on the foundation for added support and stability, and the interior was completely gutted to create a new floor plan to improve livability. The scope of work also included all new plumbing, electrical, and mechanical components. The exterior of the house was completely updated with a new 30-year shingled roof, windows, and doors. An old chain-link fence was removed, and landscaping was completed for improved street appeal. Additionally, a new support beam was installed in the existing attic to meet current building codes. Prior to completing the renovation of this home, Housing staff spoke with Town of Zebulon staff about their desires to demolish or renovate this home. Town staff expressed their desire to save the historic property.



202 S. West Street, Fuquay Varina, NC

Renovations to this home included installing a new 30-year shingled roof and gutters. All interior rooms were painted and new flooring (carpet and vinyl) were installed. In the kitchen and bathrooms plumbing fixtures were installed. Additionally, a new HVAC system was installed for improved heating and cooling efficiency. Landscaping was completed for safety and improved street appeal.



1201 J R Drive, Garner, NC

Renovations to this home also included installing a new 30-year shingled roof and gutters. All interior rooms were painted and new flooring (carpet and vinyl) were installed. In the kitchen and bathrooms, new cabinets and plumbing fixtures were installed. A new HVAC system was installed for efficiency and landscaping was completed for safety and improved street appeal.



The properties were listed in April 2021 to be advertised for sale. Housing maintained a list of persons expressing interest in County owned property, and an email was sent with the realtor contact information to notify them of the properties listing. Offers were received during a 15-day period. Program design required those submitting offers to meet the following criteria which was evaluated based upon Housing priorities determined in the Affordable Housing Plan and community needs:

- Individuals and families must be at or below 80% AMI
- The property must remain the buyer's primary residence, renting is not allowed
- The property is required to maintain affordability for 20 years through Deed restrictions
- The individual or family must be a qualified first-time homebuyer
- Pre-approval loan financing is required

HACR scored the offers based on selection criteria including income, cost burden, homebuyer status, family size, and offer. The County extended a conditional acceptance notification to the highest scoring, qualified offer.

Attachments:

None