



City-Owned Land Disposition Policy for Affordable Housing

Housing & Neighborhood Development Committee

October 31, 2018

Briefing Objectives

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Background

March 2017	June 2017	August 2018
<ul style="list-style-type: none">• Council repeals “Guidelines for Asset Management” and considers new directives regarding property management, including affordable housing	<ul style="list-style-type: none">• Council approves the HAND Committee’s recommendation to adopt the City-Owned Real Estate and Facilities Policy to help ensure the acquisition, use, management, and transparent management of public resources	<ul style="list-style-type: none">• Council adopts Housing Charlotte Framework, which recommends the use of publicly owned land to further the development of affordable housing



Policy Statement:

- ▶ It is the intent to prioritize use of available City-owned property for development of affordable housing whenever possible.
- ▶ The City-Owned Surplus Property Disposition Policy is designed to leverage federal, state and local resources by monetizing real property assets to increase the supply of affordable housing.
- ▶ Additionally, the use of publicly-owned land is noted as a national best practice for expanding the supply of quality diverse price point housing, and is identified as a tool in the City Council approved “*Housing Charlotte Framework*.”



Purpose:

This policy is intended to:

1. Set forth the criteria, provide clarity, and reflect desired outcomes relative to the donation, sale, or long-term lease of City-owned land with the overall goal of affirmatively furthering the availability of fair housing choices for all residents while expanding the supply of affordable and workforce housing
2. Provide an orderly and uniform approach for the disposal of surplus property assets for the expansion of affordable housing
3. Provide for fixed asset control documentation to properly account for any reuse or disposal of City-owned property
4. Prohibit disposition of City-owned property in a context or by a method which could give rise to an allegation of a conflict of interest



General Applicability:

- Applies to any City-owned land that has been identified by the Engineering & Property Management Department as surplus and deemed appropriate for use in a proposed development where it allows affordable and workforce housing to be placed in:
 - Transit Station Areas and existing or proposed transit services
 - Center City and other areas of high opportunity
 - Areas zoned or planned for future development
 - Near commercial and employment centers
 - Neighborhoods experiencing change (gentrification)
 - Areas that support the City's revitalization efforts
 - Areas that promote diverse, inclusive neighborhoods

Disposition Assessment

- ▶ When determining the disposition or lease, each transaction will be based on its unique deal structure including the number of units and mix of incomes.
- ▶ The following should be considered to determine how the land is used to support the development of affordable housing:
 - 1. Sale at appraised value**
 - ▶ The City achieves a minimum of 10% affordable units for a minimum of 15 years
 - 2. Sale at a reduced rate or long-term lease** (longer than 10-years, but not to exceed 99 years)
 - ▶ In the City's inventory for three years or more
 - ▶ Valued at \$500,000 or less
 - ▶ A minimum of 51% of the units or more serving households at 80% or below with at least 20% of the units serving households earning 30% of AMI
 - ▶ In a high-opportunity area with high real estate values
 - ▶ The use of surplus land further leverages, reduces, or eliminates other public or private funding requests.
 - ▶ **Other?**
- ▶ Each transaction will be reviewed based on its unique deal structure including the number of units and mix of incomes.

Next Steps

- ▶ Work with Engineering and Property Management to ensure that this policy fully aligns with the City's overall property disposition process and assessment management guidelines.
- ▶ Continue the discussion with the Committee at the November meeting.