

04-24-2019 Town Council Meeting
Responses to Council Questions

ITEM #4: Authorize the Town Manager to Begin Negotiations with Potential Development Partners for the Redevelopment of the Trinity Court and Craig Gomains Public Housing Neighborhoods

Council Question: It seems premature to begin negotiations with potential development partners when council hasn't weighed in on our vision for the redevelopment. When we approved submitting an application for RAD, it was only to give ourselves the option of RAD. We had many questions and concerns, including that it was too much money to spend without increasing the number of units. From the materials in our packet, it looks like RAD will be used to finance rehabbing the units but not increasing the number.

Can staff present what they're thinking of, including some of the ideas that came out of the RFQ and which ones the staff likes and why, and what kind of price tag are we looking at, and what our options are for funding those solutions, if we don't use RAD?

Staff Response: *The Council authorized submission of an application for a RAD conversion for both Trinity Court and Craig Gomains that was approved by HUD. As discussed during the April 10 discussion about the Public Housing Master Plan, we have not committed to pursue a RAD conversion at this time. We continue to research options for the redevelopment of both sites and plan to return to the Council in the fall for direction about how to proceed. Also, as discussed on April 10, based on feedback from our consultants and our conversations with HUD, it could be more appropriate to redevelop the existing forty units at Trinity Court, and consider increasing the density at the Craig Gomains site.*

The Council authorized issuing an RFQ to identify a potential development partner for redevelopment of the sites. We received one submission that was withdrawn and we plan to revise and reissue an RFQ in May. Since we issued a Request for Qualifications (vs. a Request for Proposals), applicants were asked to demonstrate that they have the expertise and experience to carry out the project and were not asked to provide a plan or cost for redevelopment of the sites.

The authorization to negotiate with a development partner does not assume that we are pursuing conversion through RAD. The purpose of these negotiations would be to identify the roles and responsibilities of a partnership that would be consistent with any approach Council approves.

If we identify a partner that meets the qualifications outlined in the RFQ, the requested action associated with this item would allow staff, with guidance from the Town Attorney and our consultant, to negotiate roles and responsibilities for development of the sites. If we receive qualified submissions, we expect these negotiations to occur over the summer. Our thinking is that we will return to the Council in the fall to:

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1. *Share the outcomes of the negotiations and request authorization to consider entering into an agreement with a development partner; and*
2. *Discuss the Council's vision for redevelopment of both sites, including financing options and income levels to be served by the developments.*

Council Question: There isn't mention of mixed income (is doing up to 100% AMI considered mixed income? If so, maybe I need some additional education/information on this one). Could we include something about the intention to make CG mixed income, not just public housing? I know Trinity is too small.

Staff Response: *Yes, we can modify the RFQ reflect the Council's interest in creating a mixed income development specifically on the Craig Gomains site. Our thinking is that serving up to 100% of the Area Median Income would create a mixed income community as our goal would be to replace the public housing units on each site, and also provide opportunities to serve households at higher income levels. The income levels served could be defined during negotiations with a potential development partner and would be shared with the Council for your consideration prior to executing an agreement.*

Council Question: What might account for the lack of interested potential development partners during the RFQ issued in January?

Staff Response: *We forwarded the Request for Qualifications (RFQ) to a variety of developers, including developers with Low Income Housing Tax Credit experience in North Carolina. We reached out to developers who did not respond to the RFQ and received one response. The developer said they had too many projects going on at the time the submission was due, but expressed interest should the Town reissue an RFQ.*

Council Question: How will the RFQ be revised for reissuing in May?

Staff Response: *We are working with our consultant David Paul Rosen and Associates to revise the RFQ. We also received some feedback from the single respondent to the RFQ who later withdrew their submission. Some of the revisions we expect include providing more information about the Northside neighborhood, the Town's interest in redevelopment of public housing, and information about Town funding sources that could be available to support the project.*