

10-10-2018 Town Council Meeting Responses (#1)

ITEM #10: Consider Authorizing the Transfer of Ownership of Town-Owned Land at 320 Lindsay Street and 506 Mitchell Lane in Support of the Northside Neighborhood Initiative and for the Creation of New Permanently Affordable Housing

Council Question: Why would we not do a long term land lease for \$1/year, instead of giving away town-owned property? As part of the properties task force last year, we established a guiding principle that the town should not sell or give away land if at all possible; this is a great project that I wholeheartedly support, but am wondering if there are legal or other reasons that we would not want to maintain ownership while allowing the project to go forward?

Staff Response: *Staff considered a long term land lease option with Self-Help in order to maintain ownership of the properties. While staff does believe this approach is possible, we are recommending transferring ownership for the following reasons:*

- *The property at 320 Lindsay Street will require a recombination with a portion of the neighboring property in order to address issues limiting access to the site. Self-Help has negotiated with the neighboring property for Self-Help to acquire the portion of the neighboring property needed to address the access issues. We believe the lease option with Self-Help would unnecessarily complicate the deal structuring of this project: Leasing would require Self-Help to deed to the Town the portion of the lot they are acquiring in order to combine it with the Town property and then for the Town to lease the combined property to Self-Help.*
- *Self-Help's long-term plan for the lots are to partner with a local affordable housing provider to become owner and manager of the cottages to ensure permanent affordability. A Town ground lease with Self-Help could conflict with an affordable housing provider model of owning the land their homes sit on, potentially limiting their options.*
- *The properties will need site work conducted, foundation construction, and the cottages moved on to them. If the Town remains as owners of the property, it could increase the Town's liability for these activities.*
- *Transferring ownership to Self-Help would allow for simplified construction funding as existing Northside Land Bank funding would be used for site work and other construction related expenses. Town ownership of the land would be inconsistent with the model established by the Northside Neighborhood Initiative and the Land Bank, and we or our selected developer would have to identify other funds or make a funding request to the Town for those expenses.*
- *The Town will include conditions in its deed transferring the property to Self-Help to ensure the property is used for affordable housing to the extent the law allows such restrictions to be effective.*

10-10-2018 Town Council Meeting Responses (#2)

ITEM #10: Consider Authorizing the Transfer of Ownership of Town-Owned Land at 320 Lindsay Street and 506 Mitchell Lane in Support of the Northside Neighborhood Initiative and for the Creation of New Permanently Affordable Housing

Council Question: If we donate town-owned land to Self-Help for the Grisham cottages, and the cottages don't survive the move, what is the plan for the land? Can we codify in the title transfer that the land is to be used for permanently affordable housing?

Staff Response: *If the transfer of property is approved, the Town's deed transferring the property to Self-Help would include conditions that the property is used for permanently affordable housing to the extent the law allows such restrictions to be effective.*