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# Consider Transferring Ownership of 320 Lindsay Street and 506 Mitchell Lane in Support of the Northside Neighborhood Initiative (NNI) and Creation of Permanently Affordable Housing

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## Staff Memorandum – October 2018

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### Overview

Staff recommends that the Council approve transferring ownership of two Town-owned parcels of land in the Northside neighborhood to Self-Help, Inc., a Northside Neighborhood Initiative (NNI) partner and manager of the Northside Land Bank<sup>1</sup> to provide permanently affordable housing. This report provides background information on the Northside Neighborhood Initiative, the Town's role as a partner in the Initiative, information on this project proposal, and the analysis that took place culminating in staff's recommendation to transfer the properties.

### Background

The Northside Neighborhood Initiative (NNI) is a collaborative effort among residents, the Marian Cheek Jackson Center, Self-Help, UNC-Chapel Hill, the Towns of Chapel Hill and Carrboro, and area affordable housing agencies that aims to maintain and strengthen a vibrant, diverse, family-friendly neighborhood that honors the history of Northside.

Durham-based nonprofit community developer Self-Help is using a \$3 million no-interest loan from UNC-Chapel Hill to lead the acquisition and resale of properties in the Northside for housing opportunities, consistent with the community's goals and vision. The Town of Chapel Hill has provided annual funding to support the operations of the Northside Land Bank since its inception in 2015.

Since its launch in March 2015, the NNI has made significant progress in reversing decades-long trends by increasing homeownership, balancing student rentals with family households, and supporting the retention of long-term Northside residents.

Self-Help and the Marian Cheek Jackson Center have identified an opportunity to secure ownership of four cottages currently located at 109 Park Place, also known as the Grisham Cottages. The owner of the cottages has offered to donate the four cottages to the Northside Land Bank, as well as pay for much of the removal and relocation costs. The Northside Neighborhood Initiative was one of forty parties interested in the cottages and was chosen for the donation because of their extensive collaboration and the history of the NNI.

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<sup>1</sup> <https://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/northside-neighborhood/northside-neighborhood-initiative>

The cottage owner has already received approvals to relocate the cottages by the Historic District Commission and for placement of the cottages from the Planning Commission. The deadline for this work is by the end of October, following a 365-day waiting period established by the Historic District Commission.

Self-Help, the Marian Cheek Jackson Center, and Town staff have worked together to identify potential sites in the Northside Neighborhood for relocation of these cottages. After a thorough analysis of potential sites over the last several months, outlined below, the vacant Town-owned sites on Lindsay Street and Mitchell Lane, as well as a Self-Help owned site on Craig Street, were the sites identified as candidates for relocation of the cottages.

## Proposal from the Northside Neighborhood Initiative

Self-Help, as manager of the Northside Land bank, formally requests that the Town of Chapel Hill donate the vacant Town-owned land located at 320 Lindsay Street and 506 Mitchell Lane. These two parcels would be used to relocate three of the cottages for the creation of permanently affordable housing. Self-Help’s long-term plan for the lots, as has been implemented with other land bank properties, would be to partner with a local affordable housing provider to become the long-term owner and manager of the cottages to ensure permanent affordability.

### Analysis

#### 1. Consistency with Town Affordable Housing and Northside Efforts

- A. Staff conducted an analysis to determine this proposal’s fit with Town Council’s Goals and Northside plans. Below is a breakdown of the fit of this proposal with these plans.

Plan	Goal	Consistent with Goals
Town Council Goals	Adopt and Support Affordable Housing Programs and Projects	✓
Northside and Pine Knolls Community Plan	Development of Affordable Ownership and Rental Housing Opportunities	✓
Affordable Housing Goals	Create 400 new permanently affordable housing units over next 5 years	✓

#### 2. Site Identification

An analysis of possible properties for the cottages to be relocated to was conducted to determine potential candidates. Self-Help, the Jackson Center, and Town staff analyzed sites to determine viable options where relocation of the cottages would meet the Town’s Land Use Management Ordinance requirements as well as fit within existing development constraints. Analysis for the suitability of affordable housing was also conducted, using criteria such as access to transportation and amenities. Through this analysis, three sites were identified as potential candidates for relocation of the cottages. These sites are two Town-owned sites located at 320 Lindsay Street and 506 Mitchell Lane, as well as a Self-Help owned site at 603 Craig Street.

### 3. Sites

#### 320 Lindsay Street (PIN 9788-17-8646)

##### ▪ **Background**

- 2014 Town Council authorizes transfer of ownership to Habitat for Humanity for developing an affordable housing duplex. Habitat was unable to develop the property at the time due to issues limiting access to the site.
- The Northside Neighborhood Initiative has solved the access issue through an agreement with a neighboring property. A portion of the neighboring property will be purchased and will then be recombined with 320 Lindsay providing the needed access.

##### ▪ **Key Information**

- Two of the cottages will be combined for use as a duplex.
- Vacant Town property identified for affordable housing development since 2014.
- Planning Commission approved the site plan for the property in August, 2018.
- Tax Value: \$175,000.

#### 506 Mitchell Lane (PIN 9788-17-1945)

##### ▪ **Background**

- Chapel Hill Housing Authority acquired property in 1976 as part of the Northside Knolls Neighborhood Redevelopment Program.

##### ▪ **Key Information**

- The NNI is proposing one cottage on this site.
- Vacant Town property with significant site constraints include easements for OWASA and stormwater lines, and Resource Conservation District.
- Planning Commission approved the site plan for the property in September, 2018.
- Due to site constraints on the property, a setback variance is needed. The Board of Adjustment is scheduled to consider approving a variance for the placement of the cottage on October 11, 2018. The proposed location of the cottage will be approximately 5 feet from the edge of the existing sidewalk.
- Tax Value: \$175,000

## **Staff Recommendation**

Staff recommends that the Council adopt the resolution to transfer Town-owned Lots at 320 Lindsay Street and 506 Mitchell Lane to Self-Help Ventures Fund.