



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Legislation Details (With Text)

File #: [18-0702] **Version:** 1 **Name:**

Type: Discussion Item **Status:** Passed

File created: 2/14/2018 **In control:** Town Council

On agenda: 9/5/2018 **Final action:** 9/5/2018

Title: Consider Authorization to Submit a Rental Assistance Demonstration (RAD) Application to the U.S. Department of Housing and Urban Development for the Redevelopment of Public Housing.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Draft Staff Presentation, 2. Staff Presentation, 3. Resident Comments, 4. RAD Application, 5. A RESOLUTION APPROVING THE SUBMISSION OF THE TOWN OF CHAPEL HILL PUBLIC HOUSING RENTAL ASSISTANCE DEMONSTRATION (RAD) APPLICATION (2018-09-05/R-7), 6. Council Questions with Staff Response

Date	Ver.	Action By	Action	Result
9/5/2018	1	Town Council	adopted	Pass

Consider Authorization to Submit a Rental Assistance Demonstration (RAD) Application to the U.S. Department of Housing and Urban Development for the Redevelopment of Public Housing.

Staff:

Loryn B. Clark, Executive Director
Faith M. Thompson, Public Housing Director

Department:

Housing and Community

Overview: The U.S. Department of Housing and Urban Development (HUD) created the [Rental Assistance Demonstration \(RAD\) program <https://www.hud.gov/RAD>](https://www.hud.gov/RAD) to allow public housing agencies the ability to leverage public and private debt and equity to reinvest in revitalizing the nation’s public housing stock.

The Town identified RAD as a primary source of financing for the redevelopment of our public housing communities. On [November 1, 2017 <http://chapelhill.granicus.com/MediaPlayer.php?view_id=21&clip_id=3338&meta_id=179033>](http://chapelhill.granicus.com/MediaPlayer.php?view_id=21&clip_id=3338&meta_id=179033), we presented analysis conducted by the Town’s consultant, David Paul Rosen and Associates (DRA) that recommended the Town pursue RAD financing for the redevelopment of the Craig Gomains and Trinity Court public housing neighborhoods. That evening, the Council authorized the Town Manager to submit a Rental Assistance Demonstration (RAD) Program non-binding letter of interest to the U.S. Department of Housing and Urban Development (HUD). In response to our letter of interest, HUD has invited the Town to submit an application for funding by September 4, 2018.

☆ **Recommendation(s):**

That the Council adopt the resolution to approve submission of a Rental Assistance Demonstration application to the U.S. Department of Housing and Urban Development for the redevelopment of the Trinity Court and Craig Gomains public housing communities.

Background

- The resolution adopted by the Council on November 1, 2017 authorized the Town Manager to:

- explore the feasibility of a HUD Section 18 application for Craig Gomains;
- submit a Rental Assistance Demonstration program non-binding letter of interest to the U.S. Department of Housing and Urban Development;
- explore the financial feasibility of a 9% tax credit development application; and
- issue a Request for Qualifications/Request for Proposals to identify a development partner for a 9% tax credit application.

We have completed these tasks and continue to work with David Rosen & Associates (DRA) to analyze the development potential and financing structure for our public housing sites.

Key Issues

- The application was due September 4. Due to the Council's summer recess, HUD allowed the Town to submit a letter signed by the Mayor to accompany the application based on the Council's November 1, 2017 action, and ask that the Council formally authorize submittal of an application at tonight's meeting.
- If the Council approves submission of an application, there would be additional opportunity for the Council to consider whether to accept funding and pursue this redevelopment project.
- Increasing the number of permanently affordable rental units is a goal identified in both the Town's [Affordable Housing Strategy](http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/affordable-housing-strategy) <<http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/affordable-housing-strategy>> and [Affordable Rental Housing Strategy](http://www.townofchapelhill.org/home/showdocument?id=22547) <<http://www.townofchapelhill.org/home/showdocument?id=22547>>.

Preliminary Plan

- We have been working with a consultant, David Paul Rosen and Associates (DRA), to evaluate the development potential of all of our public housing sites. Our preliminary plan is to submit a RAD application that proposes comprehensive renovations and redevelopment in two-phased approach.
- Phase I: Rehabilitation of the Trinity Court neighborhood.
 - The Trinity Court units have been vacant for several months.
 - Our preliminary plan is to use RAD funds and also apply for Low Income Housing Tax Credits to renovate the existing 40 units.
 - Renovation of the existing units would not require a rezoning.
 - As we learn more about the condition of the units, we may return to the Council to discuss alternative approaches increasing the density or demolishing the units and selling the land to invest in other public housing properties.
- Phase II: Redevelopment of Craig Gomains community.
 - Craig Gomains was identified as the site with the most potential for redevelopment.
 - The preliminary analysis indicates that the Town could potentially develop up to 120 units on this site (currently 40 units).
 - At minimum, the new development would replace the 40 units of public housing
 - The remaining units would serve households ranging from 50% to 100% of the AMI.
 - Our preliminary plan is to use RAD funds and also apply for Low Income Housing Tax Credits to redevelop the site.
 - Based on our preliminary thinking, redevelopment of this site would require a special use permit, and depending on the proposed density, possibly a rezoning.

Resident Outreach

HUD requires notification and consultation with residents in advance of, and throughout the conversion process.

- Prior to submission of an application the Town must:
 - conduct at least two meetings with residents of projects proposed for initial application;
 - Provide opportunity for residents of proposed projects to comment; and
 - Address resident comments in writing.

To date, we have held three meetings: two with residents of the Craig Gomains neighborhood and one with all residents of Chapel Hill Public Housing invited.

- A total of 67 residents attended these meetings.
 - Staff shared several key messages:
 - No one is required to move now;
 - All present residents can return to the renovated units without any rescreening; and
 - Rent will continue to be calculated at no more than 30% of household income.
- We are working on a relocation plan to implement upon receipt of the RAD conversion. We would ensure that the Relocation Plan adheres to the provision set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- The relocation plan will ensure that displacement of residents will not differentiate the treatment of households based on race, nationality, color, religion, national origin, sex, sexual orientation, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, as well as any otherwise arbitrary, or unlawful discrimination.
- The Town will make every effort to minimize the impact of relocation on residents in the affected community.
- Each resident head of household will be receive an individual interview with Town staff to determine housing needs, special service and any other items applicable to their relocation.

Next Steps

If the Council adopts the resolution, we would:

- Continue our work with David Rosen and Associates (DRA) to select a development partner;
- Continue development plans on the best use of the Trinity Court property;
- Engage residents for ideas about renovations and what services they need;
 - Seek resident assistance in the scope of work for the development team;
 - Continue “all-site” meetings with residents about the process; and
- Return to the Council if the Town’s application is approved to provide more detailed plans for the renovation and redevelopment of our sites, and determine if the Council wishes to accept RAD financing.

Fiscal Impact/Resources: There is not a fiscal impact associated with approving the resolution. If HUD approves the application, we would return to Council to determine if the funds should be accepted.

Council Goals:

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration



Attachments:

- Resolution
- Draft Staff Presentation

A RESOLUTION APPROVING THE SUBMISSION OF THE TOWN OF CHAPEL HILL PUBLIC HOUSING RENTAL ASSISTANCE DEMONSTRATION (RAD) APPLICATION (2018-09-05/R-7)

WHEREAS, the Town of Chapel Hill has a special interest in helping to create affordable, safe housing options in Chapel Hill; and

WHEREAS, HUD introduced the Rental Assistance Demonstration (RAD) program to address the lack of consistent, sustainable funding to address repair and replacement needs of public housing properties; and

WHEREAS, the Town has been invited to submit an application for consideration under the RAD program; and

WHEREAS, the RAD program would afford the Town the opportunity to develop more affordable housing units.

NOW, THEREFORE, BE IT RESOLVED that the Council of the Town of Chapel Hill authorizes the Town Manager to submit an application to the U.S. Department of Housing and Urban Development for RAD financing for the renovation of the Trinity Court public housing neighborhood and redevelopment of the Craig Gomains public housing neighborhood.

BE IT FURTHER RESOLVED that the Town Manager is hereby designated as the authorized representative of the Town to act in connection with submittal of further documentation required for the RAD application.

This the 5th day of September, 2018.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Faith M. Thompson, Public Housing Director

RECOMMENDATION: That the Council adopt the resolution to approve submission of a Rental Assistance Demonstration application to the U.S. Department of Housing and Urban Development for the redevelopment of the Trinity Court and Craig Gomains public

housing communities.