



Legislation Text

File #: [19-0372], Version: 1

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

Staff:

Loryn B. Clark, Executive Director
Faith M. Thompson, Public Housing Director
Emily Holt, Affordable Housing Development Officer

Department:

Housing and Community

Overview: In [November, 2017 <https://chapelhill.granicus.com/MetaViewer.php?view_id=21&clip_id=3338&meta_id=179034>](https://chapelhill.granicus.com/MetaViewer.php?view_id=21&clip_id=3338&meta_id=179034), the Council authorized the Town Manager to issue a Request for Qualifications (RFQ) to identify a development partner to pursue redevelopment opportunities of the Town's public housing. On [September 5, 2018 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3646907&GUID=A8F093AF-53AD-454C-8C83-90F66189A30E>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3646907&GUID=A8F093AF-53AD-454C-8C83-90F66189A30E), the Council approved submission of a Rental Assistance Demonstration (RAD) application to the U.S. Department of Housing and Urban Development for the redevelopment of the Trinity Court and Craig Gomains neighborhoods. The Town has issued a Request for Qualifications for redevelopment of the sites and is in the process of evaluating the responses.

We propose to return to the Council in the fall to consider whether to pursue RAD conversion and consider redevelopment options for the Trinity Court and Craig Gomains neighborhoods.



Recommendation(s):

That the Council adopt the resolution authorizing the Town Manager to begin negotiations with potential development partners, once identified.

Key Issues:

Preliminary Plan

- In January, the Town issued a Request for Qualifications to identify potential development partners for these sites. We received one response from a potential partner that later decided to withdraw from the process. We plan to revise and reissue a Request for Qualifications in May.
- We continue to work with housing consultant, David Paul Rosen and Associates (DRA), to refine our plans for redevelopment of the Craig Gomains and Trinity Court public housing sites.
- As previously shared with the Council, in September we submitted a RAD application and in the fall received HUD approval to proceed with a RAD conversion if we choose. The approved application proposes comprehensive renovations and redevelopment in two-phased approach as part of the RAD conversion process.

Phase I: Rehabilitation of the Trinity Court neighborhood.

- The Trinity Court units have been vacant for several months.
- Our preliminary plan is to complete a RAD conversion and also apply for Low Income Housing Tax Credits to finance the renovation of the existing 40 units.
- 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.







Phase II: Redevelopment of Craig Gomains community.

- The preliminary analysis indicates that the Town could potentially increase the number of 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 complete a RAD conversion and also apply for Low Income Housing Tax Credits to finance the redevelopment of the site.

Next Steps: If the resolution is approved by the Council, we will continue our work to identify a preferred development partner. If identified, we propose entering into an Exclusive Negotiating Agreement to begin negotiations to determine the responsibilities of the developer and the Town regarding the development of the site. We would return to the Council in the fall to request approval of the negotiated terms, and review more detailed plans for the renovation and redevelopment of the sites. At that time, we would ask the Council to determine if pursuing a RAD conversion would be appropriate for the redevelopment of the sites.

Fiscal Impact/Resources: Negotiating with potential development partners would require staff resources and continued support from our consultant David Paul Rosen and Associates.

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

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO ENTER INTO NEGOTIATIONS WITH POTENTIAL DEVELOPMENT PARTNERS FOR THE REDEVELOPMENT OF THE TRINITY COURT AND CRAIG GOMAINS PUBLIC HOUSING NEIGHBORHOODS (2019-04-24/R-4)

WHEREAS, one of the Town Council's 2016-2018 Goals is to adopt and support affordable housing programs, projects and policies that increase our diversity in income, race, age and lifestyle; and

WHEREAS, the Town Council has authorized the Town Manager to pursue redevelopment of the Trinity Court and Craig Gomains public housing neighborhoods and issuing a Request for Proposals to identify potential development partners for the sites.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager or his designee to enter into negotiations with a potential development partner.

BE IT FURTHER RESOLVED that the Council authorizes the Manager to execute documents to enter into an Exclusive Negotiating Agreement with a selected developer to negotiate a Development and Disposition Agreement to stipulate responsibilities of the Town and the Developer concerning development of the site.

This the 24th day of April, 2019.

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

By adopting the resolution, the Council authorizes the Town Manager to enter into negotiations with a development partner to redevelop the Trinity Court and Craig Gomains public housing communities.