



TOWN OF CHAPEL HILL

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

Legislation Text

File #: [21-0871], Version: 1

Authorize the Conveyance of Town-Owned Land at 107 Johnson Street for the Development of Permanently Affordable Housing.

Staff:

Sarah Osmer Viñas, Director
Nate Broman-Fulks, Affordable Housing Manager

Department:

Affordable Housing and Community Connections

Overview: EmPOWERment, Inc., a nonprofit affordable housing provider, formally requests that the Town of Chapel Hill convey the vacant parcel of Town-owned land at 107 Johnson Street to EmPOWERment, Inc., to develop permanently affordable rental housing for the PEACH apartments project. See attached Staff Memorandum for additional details.



Recommendation(s):

That the Council approve conveying Town-owned land at 107 Johnson Street to EmPOWERment, Inc. to develop permanently affordable housing.

Key Issues:

- The parcel is vacant and the Town has no plans for its use.
- Conveyance of Town-owned land for development of permanently affordable housing is consistent with past practices for creating new affordable housing in town.
- The parcel was purchased by the Town in 1992 using \$35,000 of 1989 Parks and Open Space Bond funds.
- EmPOWERment acquired the neighboring parcels and would need the Town's parcel to develop the planned ten units of affordable rental housing.
- Staff conducted an analysis of the request and concluded that the proposed project:
 - Supports the Town Council's [Strategic Affordable Housing Goals](https://www.townofchapelhill.org/government/mayor-and-council/town-strategic-goals) [and the Northside and Pine Knolls Community Plan](https://www.townofchapelhill.org/government/mayor-and-council/town-strategic-goals) [and the](https://www.townofchapelhill.org/government/departments-services/housing-and-)
 - Staff concluded the proposed project's value to the public is clear. The provision of affordable housing and the reduced rents for low- and moderate-income residents will surpass the value of the donated property in about three years.
- If the conveyance is approved, the Town would place deed restrictions on the property to limit future residents of the property to households at or below 80% of the area median income. The Town would also retain a reversionary interest and/or a right of transfer in the land/project if it is not used for the intended purpose or EmPOWERment, Inc. is dissolved. EmPOWERment would be required to generate and execute an agreement satisfactory to the Manager that includes the major conditions and any terms necessary to secure the continued public purpose of the conveyance.

Fiscal Impact/Resources: The appraised value of the land is \$135,000. The Council previously allocated \$501,000 of Affordable Housing Bond and Affordable Housing Development Reserve funding for

this project.



Attachments:

- Resolution
- Staff Presentation
- Staff Memorandum
- 107 Johnson Street Parcel Map
- EmPOWERment Request to Convey Land

A RESOLUTION STATING THE COUNCIL'S INTENT TO TRANSFER OWNERSHIP OF TOWN-OWNED LAND AT 107 JOHNSON STREET TO EMPOWERMENT, INC. (2021-11-10/R-4)

WHEREAS, EmPOWERment, Inc. has formally requested the Town convey the Town-owned property at 107 Johnson Street to developing permanently affordable housing; and

WHEREAS, the Town has determined using this property to provide affordable housing meets a key community need of safe, accessible, and affordable housing for low and moderate incomes families; and

WHEREAS, the transfer of ownership of these properties is consistent with the Northside and Pine Knolls Community Plan, the Town Council's Strategic Affordable Housing Goals, and the Town's Affordable Housing Work Plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council directs the Manager to follow procedures established in [N.C. General Statute 160A-279](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_160A/GS_160A-279.html) [<https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_160A/GS_160A-279.html>](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_160A/GS_160A-279.html) to allow the Town to transfer ownership of these properties to EmPOWERment Inc. to solely be used in the development of affordable housing and to require EmPOWERment Inc. to generate and execute an agreement satisfactory to the Town that includes terms and conditions necessary to ensure the public purpose.

BE IT FURTHER RESOLVED that the Town intends to place 99-year affordable housing deed restriction on the property to ensure the public benefit of affordable housing is achieved.

BE IT FURTHER RESOLVED that the Town intends to maintain a reversionary interest on the land/improvements as well as appropriate transfer rights to other land upon which the project is sited to allow the Town to take back and secure the value of the property, if the public benefit has not or is no longer being met at any future point.

This the 10th day of November, 2021.

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

PRESENTER: Nate Broman-Fulks, Affordable Housing Manager

RECOMMENDATION: That the Council approve conveying Town-owned land at 107 Johnson Street to EmPOWERment, Inc. to develop permanently affordable housing.