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MANDATORY REFERRAL REPORT NO. 17-25

Proposed Sale or Transfer of Nine City-Owned Properties for Affordable Housing

PROJECT PROPOSAL AND LOCATION:

The City of Charlotte's Real Estate Division in partnership with the Housing & Neighborhood Services (H&NS) Department proposes to sell or transfer nine City-owned properties out of the City's portfolio for construction of affordable housing by non-profit organizations or affordable housing developers. See the properties detailed below.

Parcels 1 through 3 were acquired for road projects and are now remnants that are no longer needed for City operations. Parcels 4, 7, 8, and 9 were acquired as the result of foreclosures and are no longer needed for City operations. Parcel 5 currently houses the historic shotgun houses; however, following their upcoming relocation, the property will be vacant and no longer needed for City operations. Parcel 6 is a former CATS Park and Ride lot, which has been relocated farther north along Albemarle Road.

With regard to the two historic shotgun houses located on parcel 5, the Harvey B. Gantt Center owns the houses that are located on the City-owned property. The Center is currently exploring alternative uses and locations for the houses which must be removed prior to sale of the property. One option under discussion is relocation of these structures onto the grounds of the Charlotte Museum of History on Shamrock Drive. Once a plan is developed by the Center they will work with the Historic Landmarks Commission to discuss implementation of the plan and relocation of the houses.

Site	Address	Parcel ID	Acres	Zoning ⁽¹⁾	Use	Reason Acquired
1	7619 N Tryon St.	047-221-22	0.82	I-1	Vacant	NC49/US29 interchange
2	7631 N Tryon St.	047-221-23	3.2	I-2(CD)	Vacant	NC49/US29 interchange
3	6514 Freedom Dr.	057-231-06	0.44	B-1	Vacant	Freedom Dr. (NC 27) widening
4	1654 Newland Rd.	077-061-13	1.34	R-12MF	Vacant	In Rem Lien Foreclosure
5	705 E 7 th St.	080-104-02	0.83	UR-2	SF / Vacant	Urban Renewal
6	Idlewild Road North	133-251-20	1.68	O-1	Parking Lot	Former CATS Park & Ride lot
7	4319 Lothar Ridge Ln.	041-112-35	.185	R-4	Single family	Loan Foreclosure
8	3115 Amay James Av.	145-17-304	.162	R-5	Single family	Loan Foreclosure
9	5521 Patton Street	043-032-06	.248	R-5	Single family	Loan Foreclosure

(1) According to Charlotte Zoning Ordinance

City Real Estate and H&NS will develop a Solicitation of city-owned properties approved for sale or transfer in order to gauge interest among the development community and initiate real estate transactions to include affordable housing opportunities.

Solicitation is similar to a Request for Qualifications/Request for Proposals (RFP) process but is used specifically for the sale of real property. Unlike an RFP in which bidders price services or commodities, a Solicitation requests general proposals from developers interested in the parcels. It functions as the beginning of the negotiation process rather than an exact quote. Moreover, a Solicitation is not a form of sale but will initiate conversations with developers that may result in a private sale. The city is permitted to engage in a private sale so long as the sale is for a public purpose. In this case, the public purpose is affordable housing.

In contrast, the Upset Bid process which is frequently used is a form of public sale in which any member of the public can bid on the property and the sale serves no public purpose. With a private sale, however, the city retains much more control about the use of the property and the terms of conveyance.

PROJECT JUSTIFICATION:

The properties are no longer needed for City purposes and the City incurs the expenses of year-round mowing and maintenance. However, they represent a valuable opportunity to leverage city-owned land for affordable housing, a key City Council priority. H&NS works with City-approved, experienced non-profit organizations and affordable housing developers to make more affordable housing available in neighborhoods throughout the City. Therefore, selling or transferring the parcels to those organizations for use as affordable housing will serve an important City Council priority and reduce maintenance costs. The three single family homes (parcels 7, 8 and 9) are suitable for rehabilitation as affordable housing, while the remaining properties offer new construction opportunities.

CONSISTENCY WITH ADOPTED PUBLIC POLICIES:

Sale or transfer of these properties supports City Council's established goal of creating 5,000 affordable housing units in three years.

In June 2017, City Council approved the City-Owned Real Estate and Facilities Policy, which aims to ensure that the acquisition, use, management and disposition of City-owned properties and facilities are responsible, responsive, transparent, and consistent with City Council priorities.

CONSISTENCY WITH ADOPTED LAND USE PLANS:

See below:

Site	Address	Parcel ID	Area / District Plan	Plan Recommendation
1	7619 N Tryon St.	047-221-22	University City Area Plan / BLE Update (2015)	Office/Retail
2	7631 N Tryon St.	047-221-23	University City Area Plan / BLE Update (2015)	Office/Retail
3	6514 Freedom Dr.	057-231-06	Northwest District Plan (1990)	Multi-Family
4	1654 Newland Rd.	077-061-13	Central District Plan (1993)	Multi-Family
5	705 E 7 th St.	080-104-02	Central District Plan (1993)	Residential up to 22 DUA
6	Idlewild Road North	133-251-20	East District Plan (1990)	Office / Business Park / Research
7	4319 Lothar Ridge Ln.	041-112-35	Northwest District Plan (1990)	Single Family up to 4 DUA
8	3115 Amay James Av.	145-17-304	Central District Plan (1993)	Single Family up to 5 DUA
9	5521 Patton Street	043-032-06	Northeast District Plan (1996)	Residential up to 8 DUA

PROJECT IMPACT:

The proposed project will supply much-needed affordable housing units within the city and will make important progress toward City Council's goal of 5,000 units in three years. Furthermore, many of the properties are located in or near uptown and will provide reasonably priced housing for workers in the area.

RELATIONSHIP TO OTHER PUBLIC OR PRIVATE PROJECTS:

Parcels 3, 5, 6, 8, and 9 have no known relationships to other public or private projects. Parcel 1 is located along the LYNX Blue Line Extension between the University City station and the McCullough Street station. Parcel 4 is located within the Lincoln Heights Drainage Improvements affected area. Parcel 7 is located within the Sunset/Beatties Ford Comprehensive Neighborhood Improvement Plan, or CNIP area.

ESTIMATED PROJECT COMPLETION DATE:

Interest in the properties for use by non-profit organizations and affordable housing developers as well as the availability of funds to undertake construction will dictate the completion of the sale or transfer.

JOINT USE TASK FORCE REVIEW COMMENTS:

The Joint Use Task Force discussed this matter at their July 6, 2017 meeting and Planning Department, Neighborhood & Housing Services, Charlotte Water and E&PM – City Real Estate staff discussed the issues related to each individual site, highlighting the following points.

- According to Real Estate staff, there's been no firm process developed for properties that are not currently zoned for (or whose area plan does not support) residential development. The City may proactively re-zone these properties prior to conveyance, or use some other mechanism to ensure that development of affordable housing can in fact be developed on sites not zoned for that land use.
- Housing and Neighborhood Services staff added that when meeting with prospective developers there would be transparency in letting developers know that for certain sites, rezoning may be an issue.
- Charlotte Water staff reported that sites 1 and 2 on N. Tryon Street are located upstream from a sewer project to be activated at the end of 2018; therefore it would be preferable if the development of that property were to be deferred until the completion of the sewer project.

Agencies represented at the July 6, 2017 meeting:

Park & Recreation, City Real Estate, Planning, City Engineering & Property Management, City Stormwater, Charlotte-Mecklenburg Library, Central Piedmont Community College, City Housing & Neighborhood Services, County Public Health, Charlotte Mecklenburg Police, Charlotte Water, Charlotte Department of Transportation, Mecklenburg Solid Waste.

PLANNING STAFF REVIEW:

Planning staff has reviewed the proposed land transactions and has determined the following:

Conclusions:

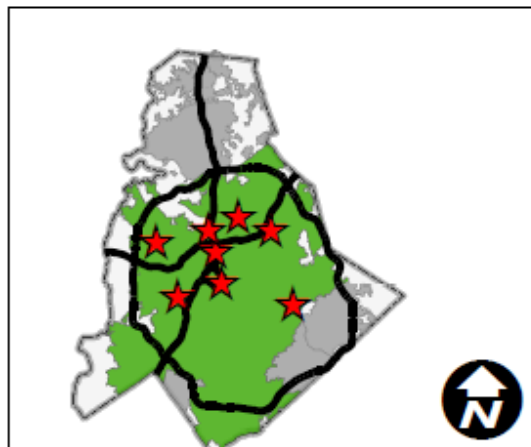
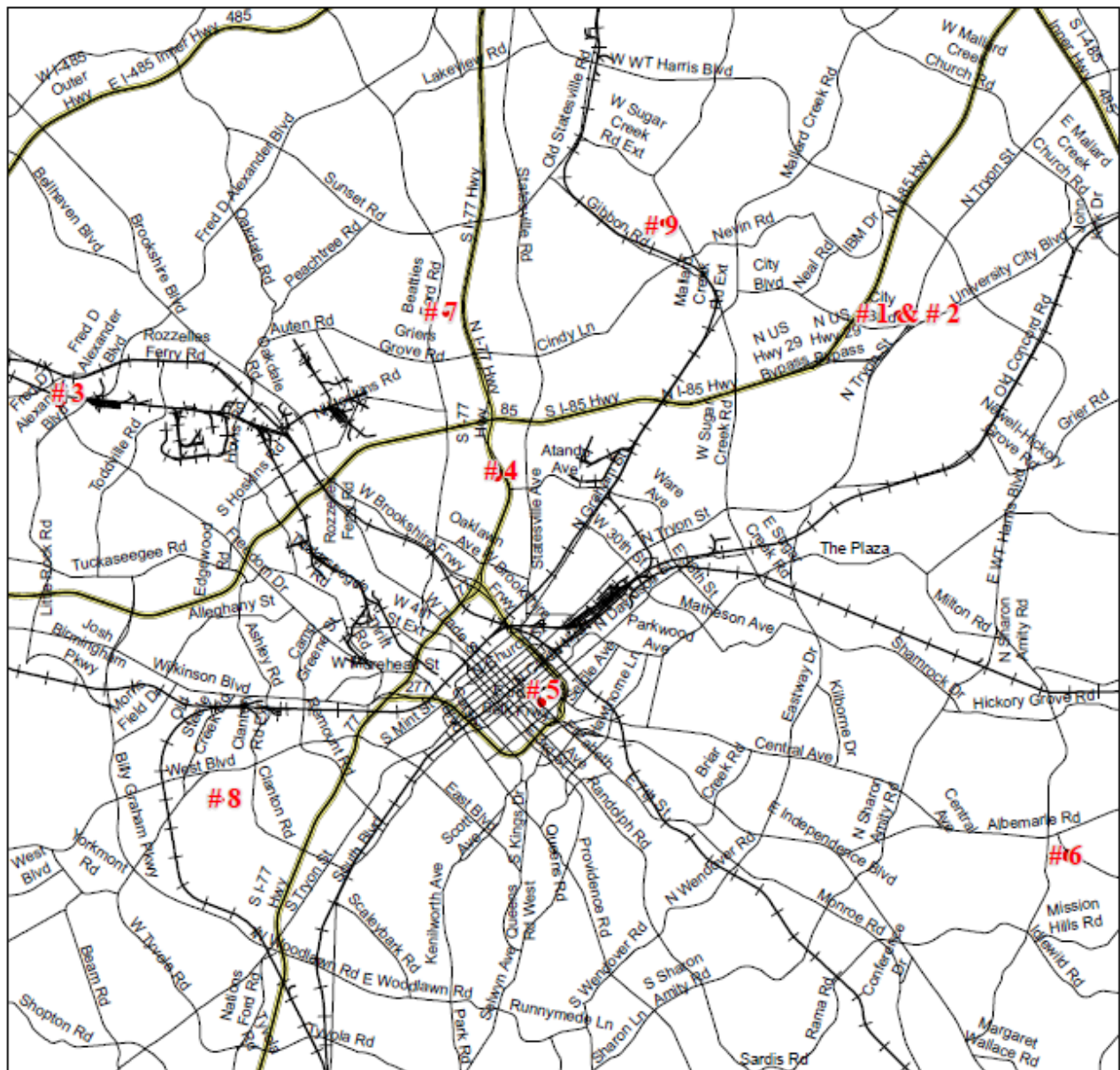
- The variety of housing types in and around neighborhoods is considered a community asset and a mix of housing options (e.g. single family, duplex, triplex, quadraplex, multi-family, etc.) is normally encouraged if consistent with the adopted future land use for that specific site.

Adopted Goals and Policies:

- **Sites 1 and 2** – The subject parcels are not zoned for residential uses, and are surrounded by retail developments and utility infrastructure. The proposed residential use on these parcels is not consistent with the adopted office/retail land use per the *University City Area Plan / BLE Update* (2015).
- **Site 3** – The subject property is recommended for multi-family use as per the *Northwest District Plan* (1990), and its current zoning is B-1, which allows residential uses by right. However depending on the type, size and scale of the development requested, a rezoning might be required.
- **Site 4** – The subject property is recommended for multi-family use as per the *Central District Plan* (1993), and is zoned R-12MF. Residential uses at 12 DUA is consistent with the adopted land use for this site, and with the context of the surrounding low density residential neighborhood.
- **Site 5** – The subject property is located in the First Ward neighborhood of Uptown Charlotte and is recommended for residential uses up to 22 DUA as per the *First Ward Master Plan* (1997). The property includes two “shotgun houses” that were moved to the site, and City Real Estate is looking to move them again prior to the proposed sale/transfer of the land.
- **Site 6** – The subject property is zoned O-1 and recommended for office / research / business park land uses as per the *East District Plan* (1990). The parcel was used as a parking lot for a CATS Park & Ride lot that is no longer in service. Residential uses in O-1 are allowed by right; however a rezoning might be required depending on the proposed development. Multi-family and single family residential land uses are located across the street from the site on two sides.
- **Sites 7, 8 & 9** – The subject properties are existing single family homes and are proposed to remain as such through this proposed sale/transfer to a non-profit providing affordable housing.

CMPC PLANNING COMMITTEE REVIEW:

At their July 18, 2017 meeting the Planning Committee voted 7-0 to offer the following comment: The Committee would like for the City of Charlotte to provide all nine properties for sale for affordable housing and that the City take the lead, if at all possible, in rezoning the parcels so that they would be acceptable for affordable housing.




Mandatory Referral 17-25

Initiated by: Housing & Neighborhood Services

Submitted by: Engineering & Property Management

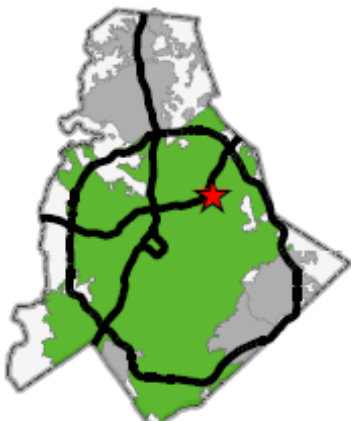
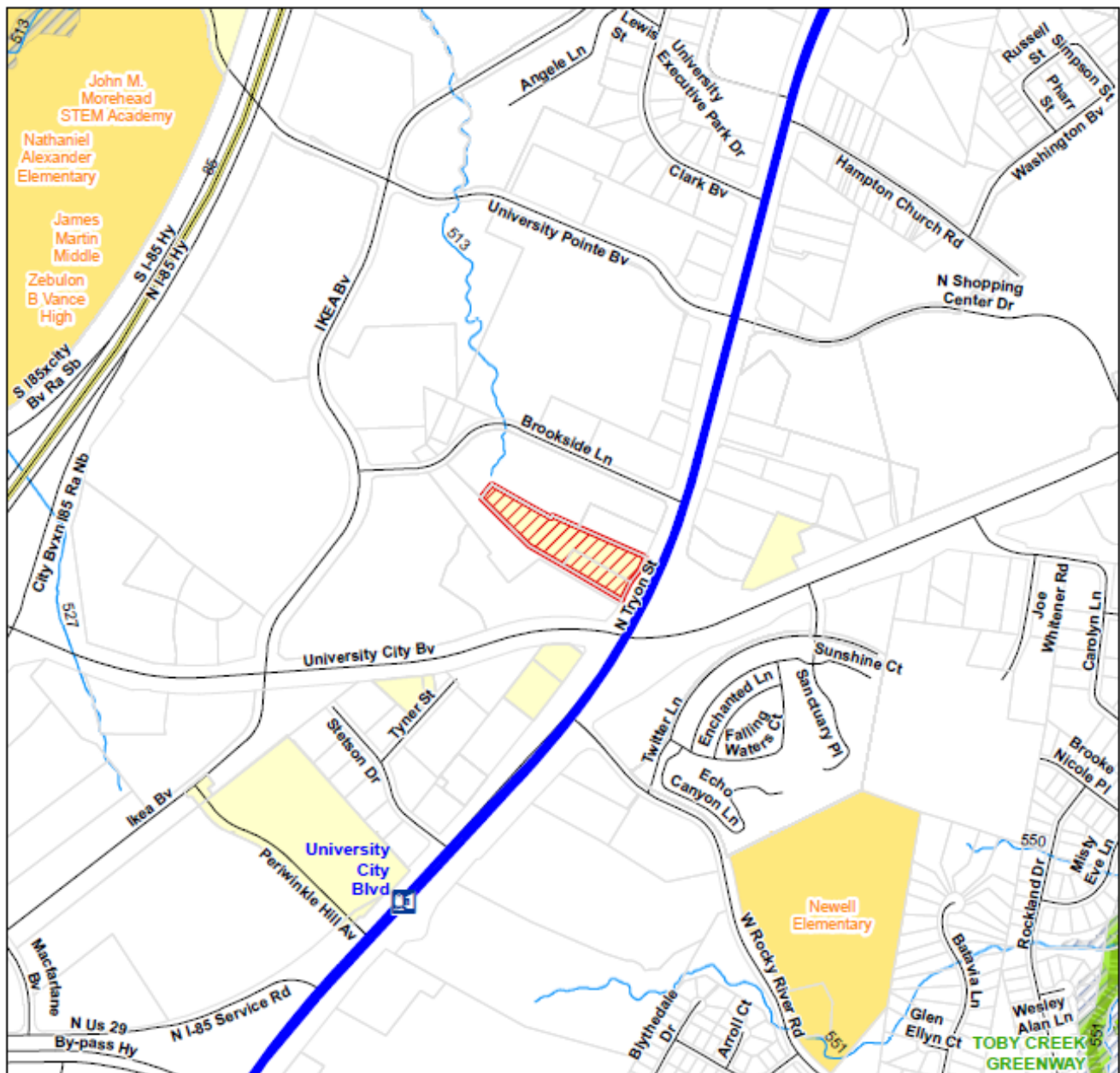
— Thoroughfare

 Mandatory Referral

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Sites 1 and 2: 7619-7631 N. Tryon Street





Mandatory Referral 17-25


Initiated by: Housing & Neighborhood Services


Submitted by: Engineering & Property Management

 Mandatory Referral

 City Property

 Schools

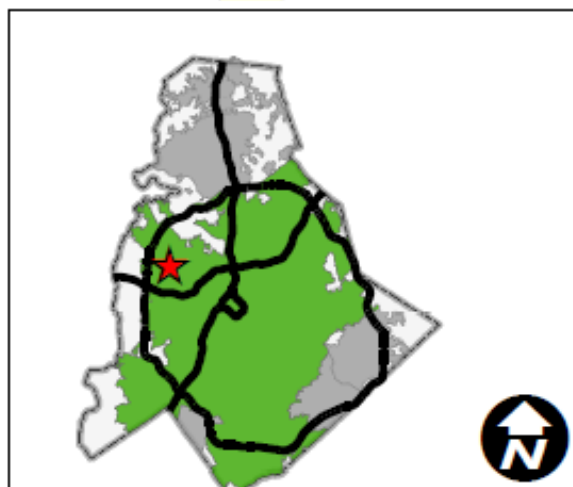
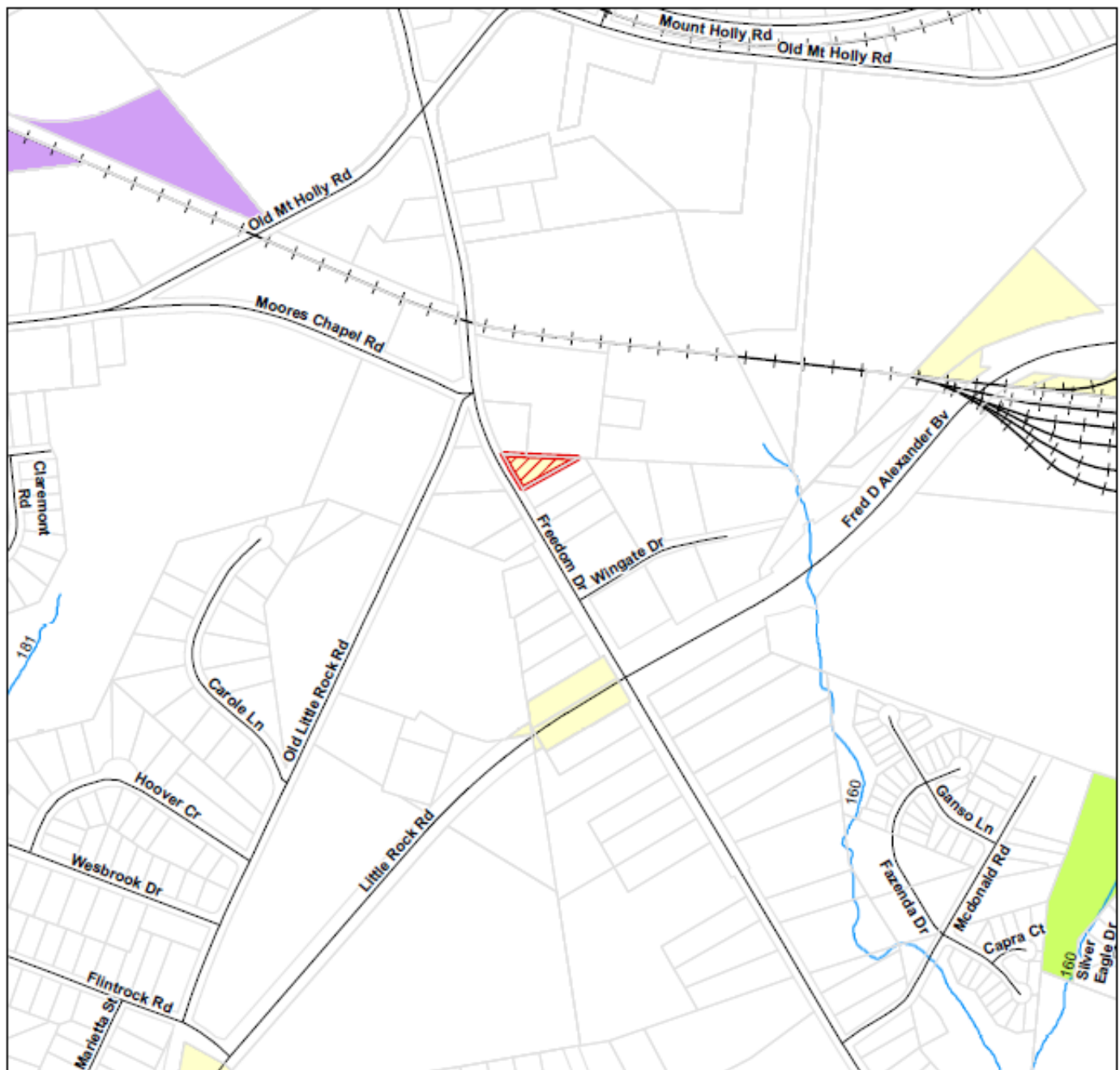
 Blue Line Extension Station

 Blue Line Extension



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Site 3: 6514 Freedom Drive



Mandatory Referral 17-25

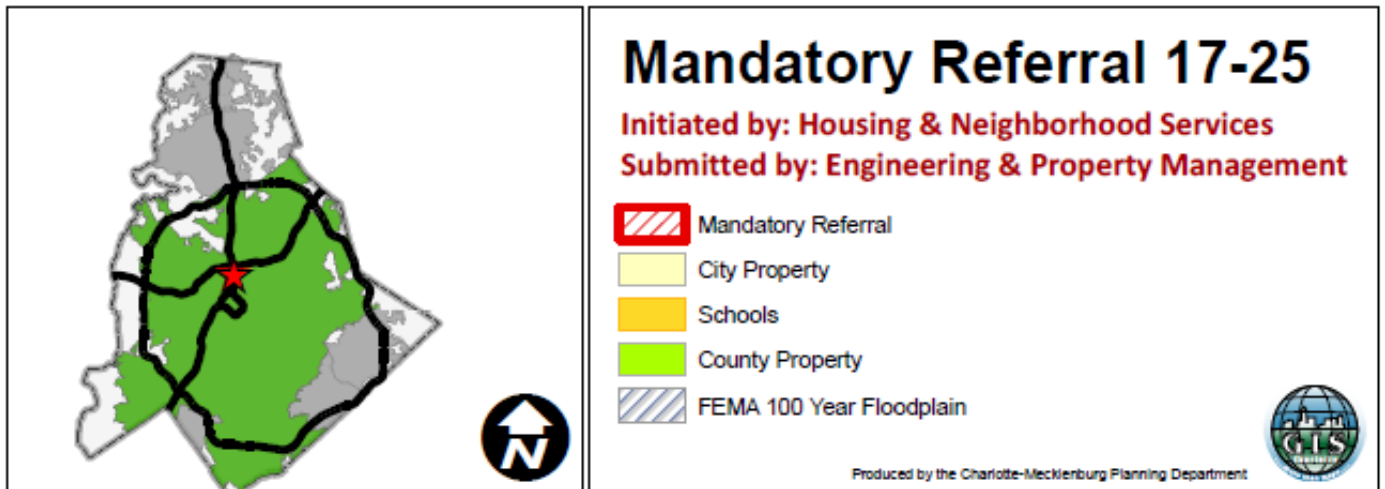
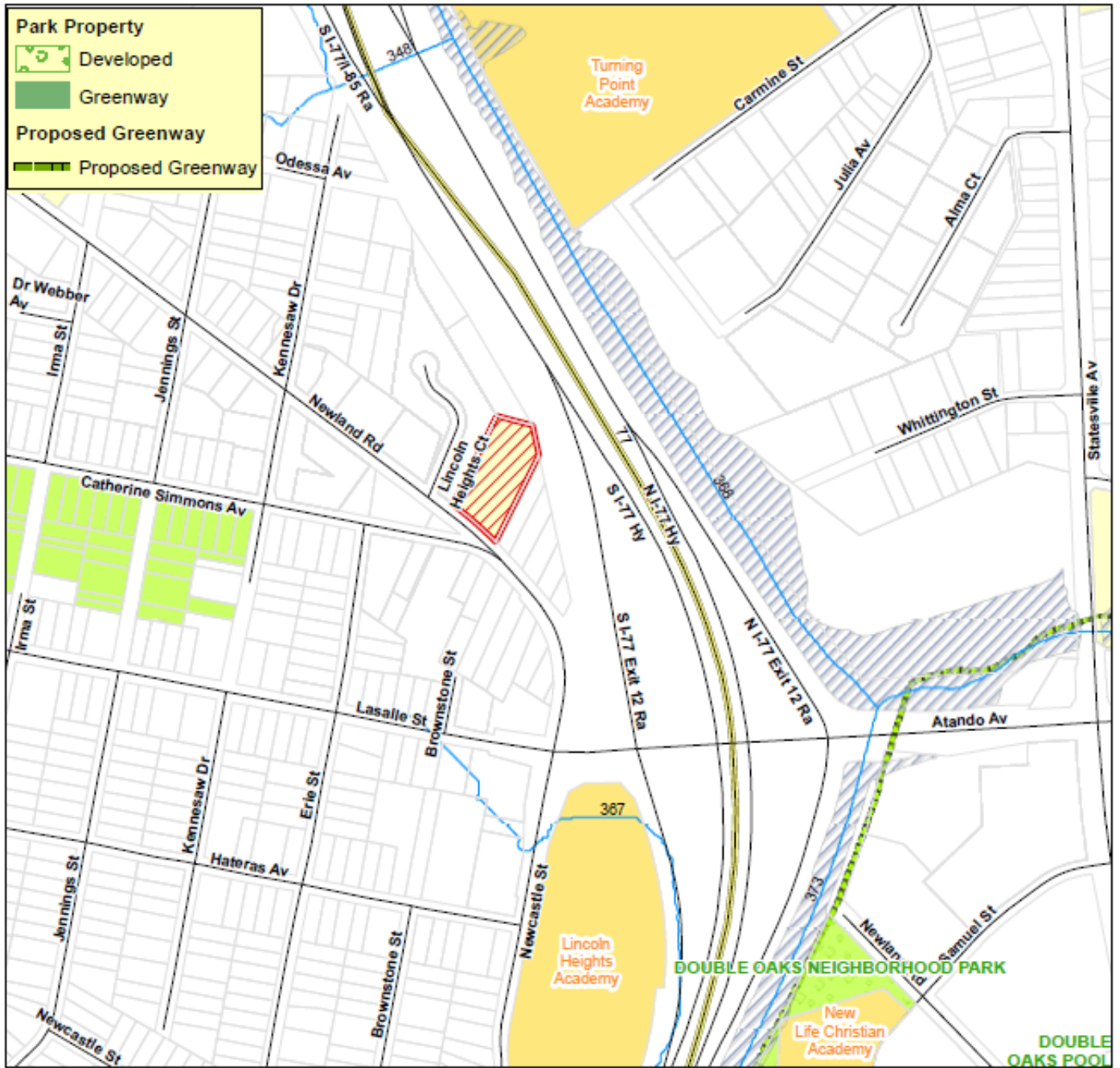
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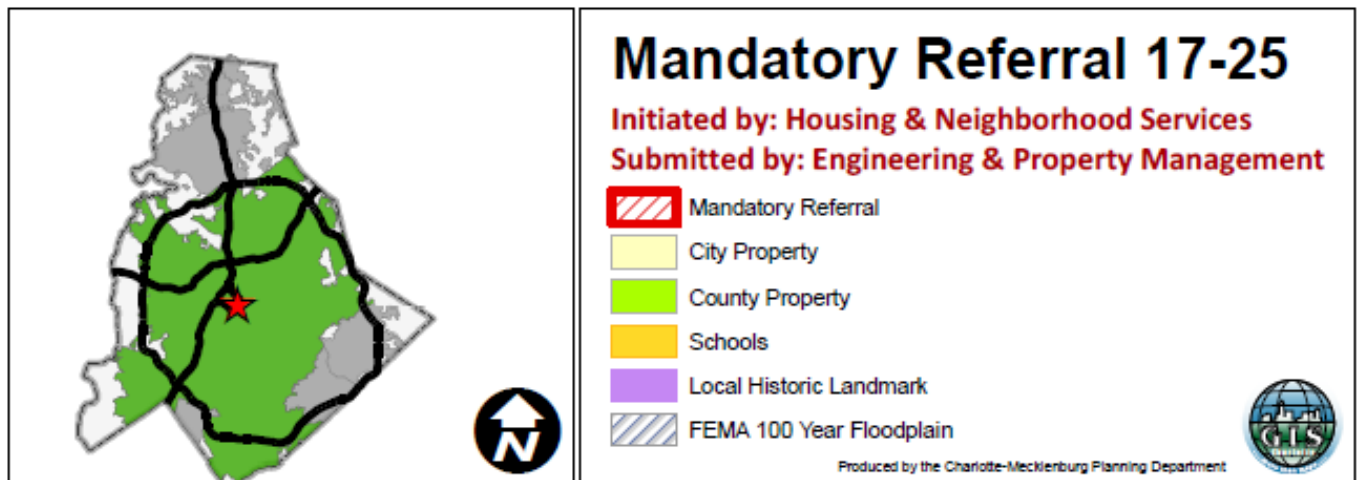
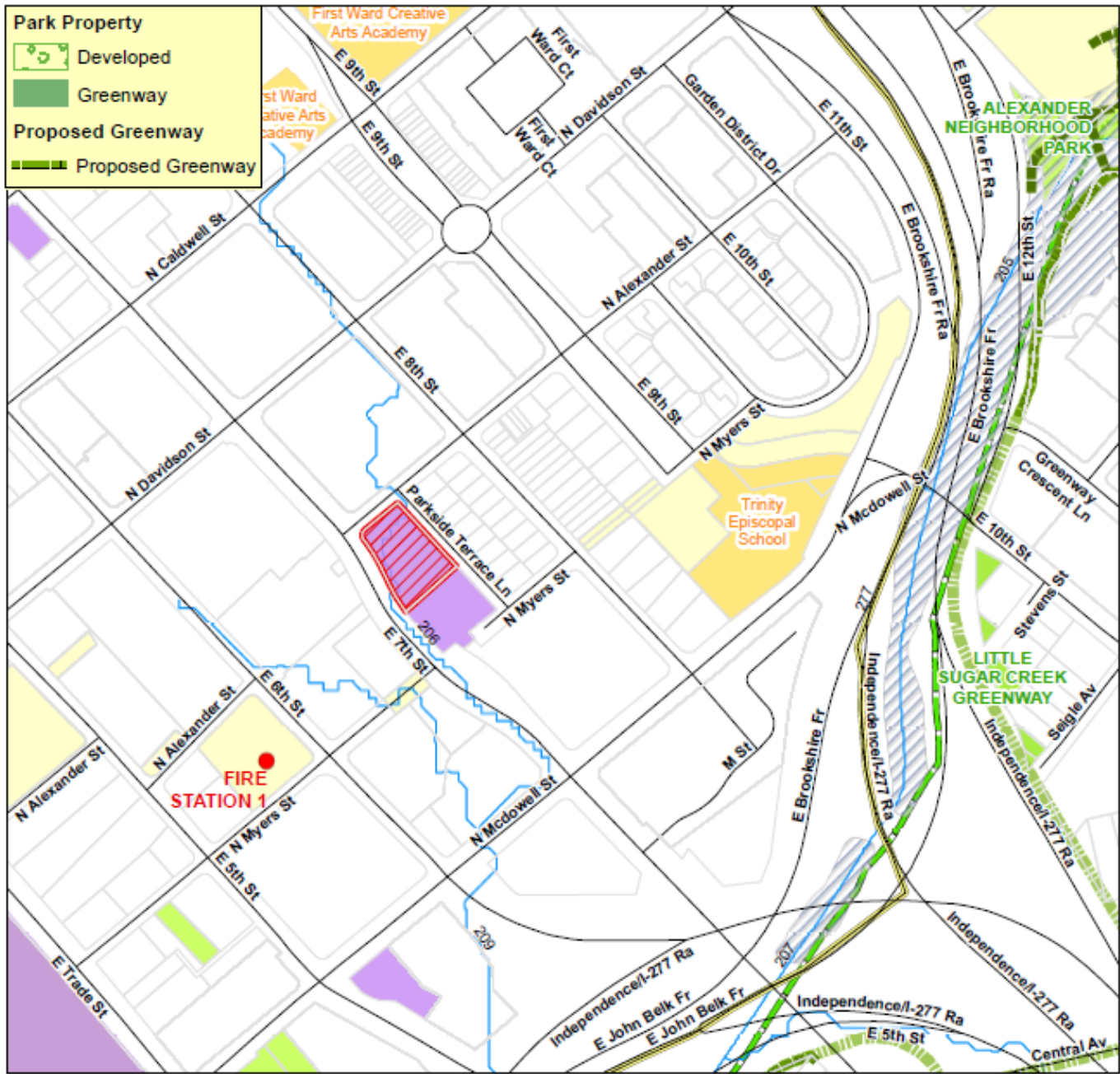
-  Mandatory Referral
-  City Property
-  County Property
-  Local Historic Landmark



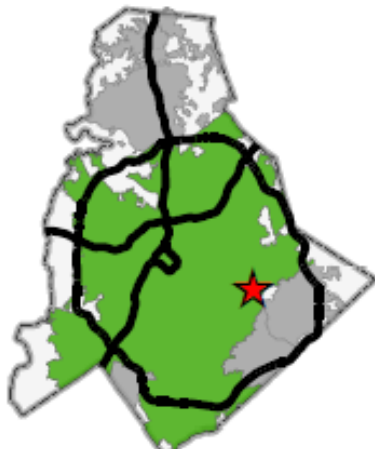
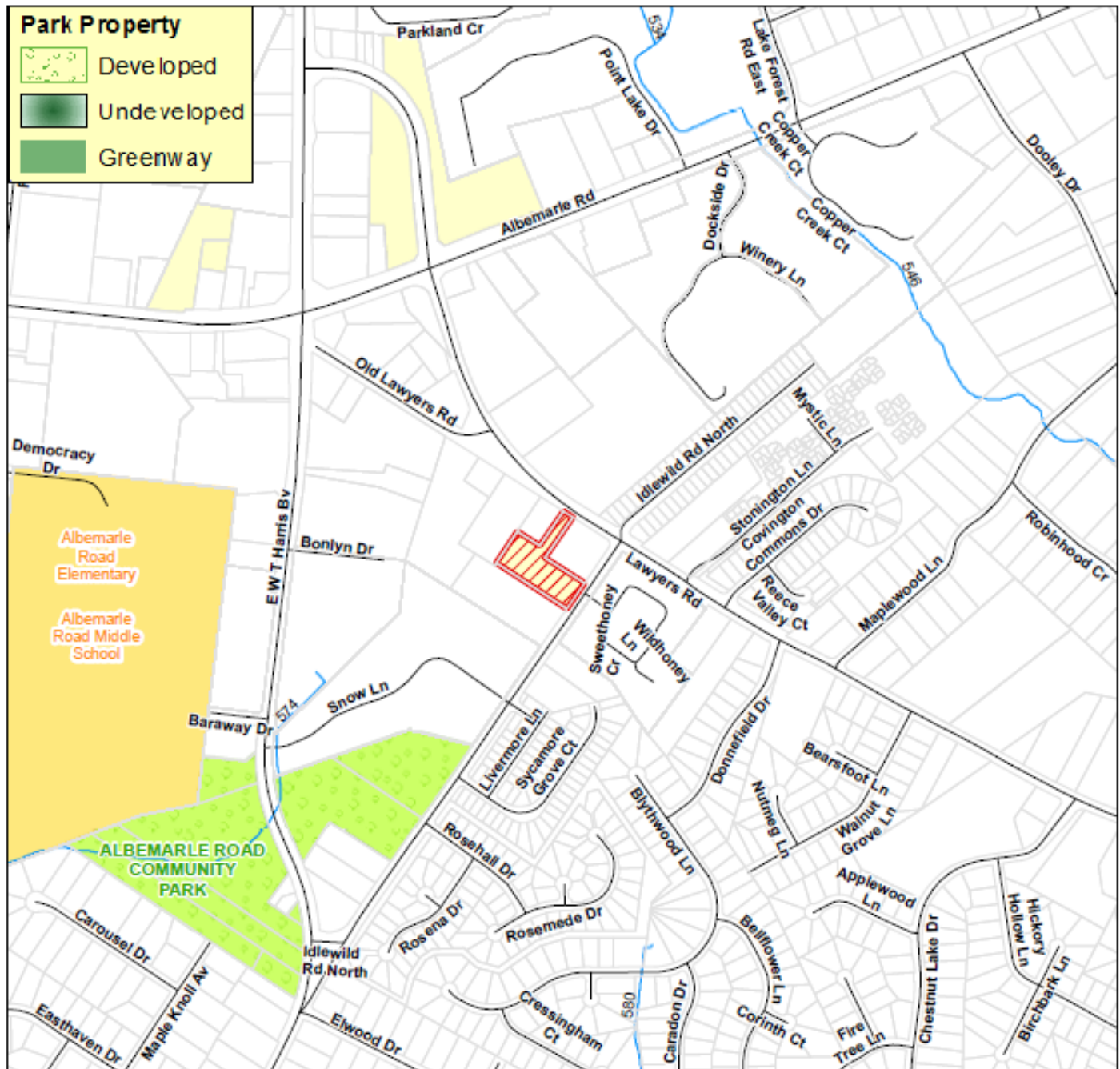
Site 4: 1654 Newland Road



Site 5: 705 E. 7th Street



Site 6: Idlewild Road North



Mandatory Referral 17-25

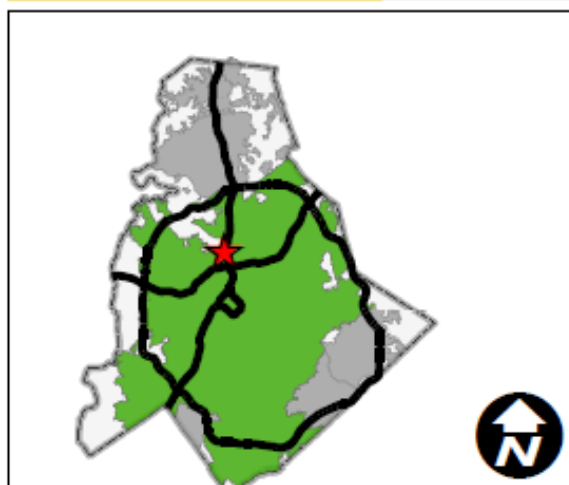
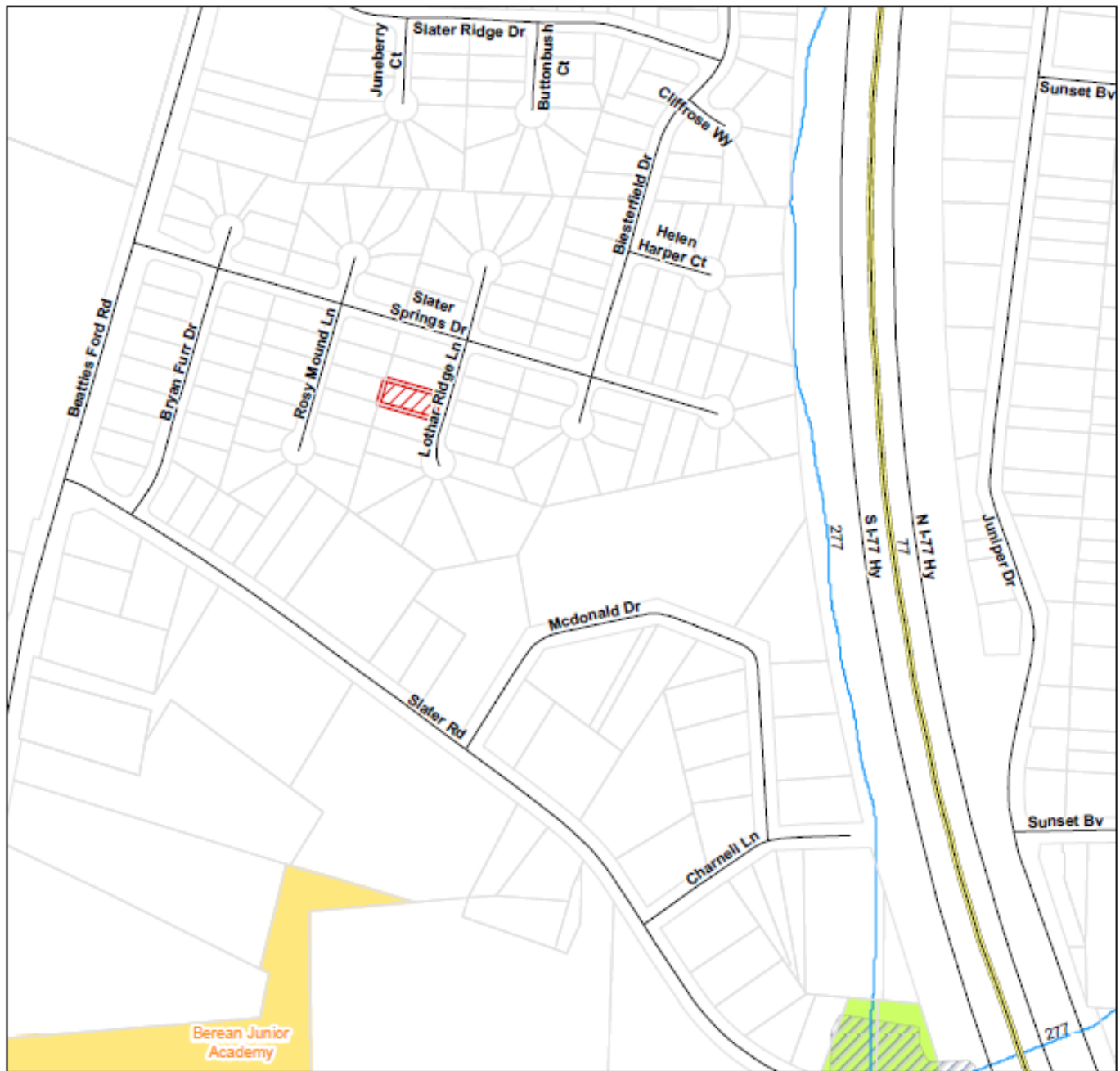
Initiated by: Housing & Neighborhood Services

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- Mandatory Referral
- City Property
- County Property



Site 7: 4319 Lothar Ridge Lane



Mandatory Referral 17-25

Initiated by: Housing & Neighborhood Services

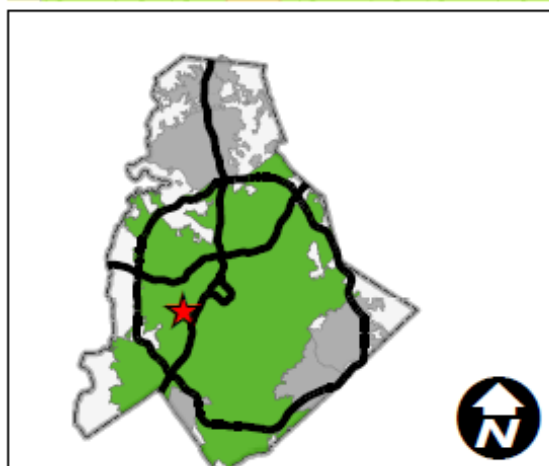
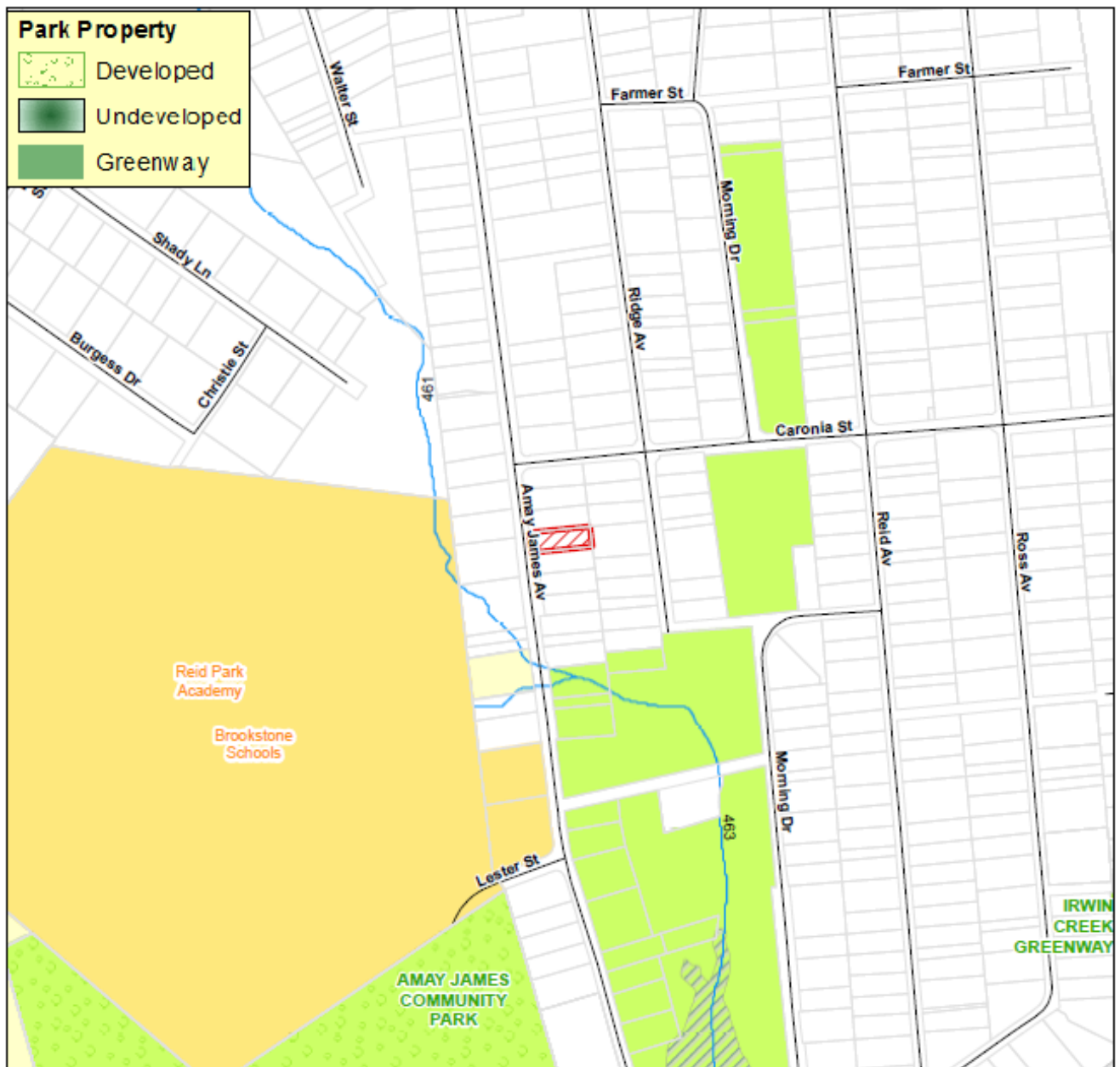
Submitted by: Engineering & Property Management

-  Mandatory Referral
-  City Property
-  County Property
-  Schools
-  FEMA 100 Year Floodplain



Produced by the Charlotte-Mecklenburg Planning Department

Site 8: 3115 Amay James Avenue



Mandatory Referral 17-25

Initiated by: Housing & Neighborhood Services

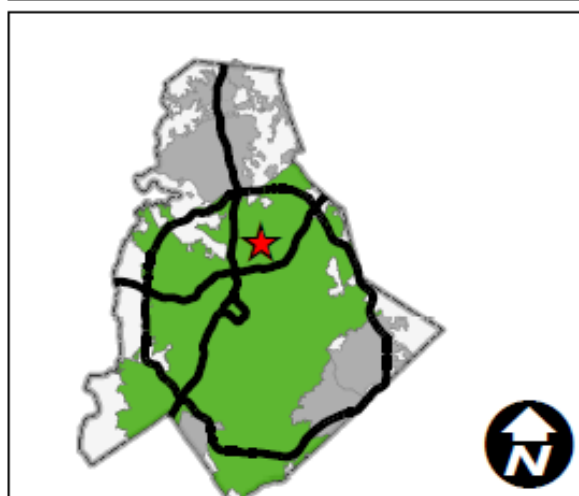
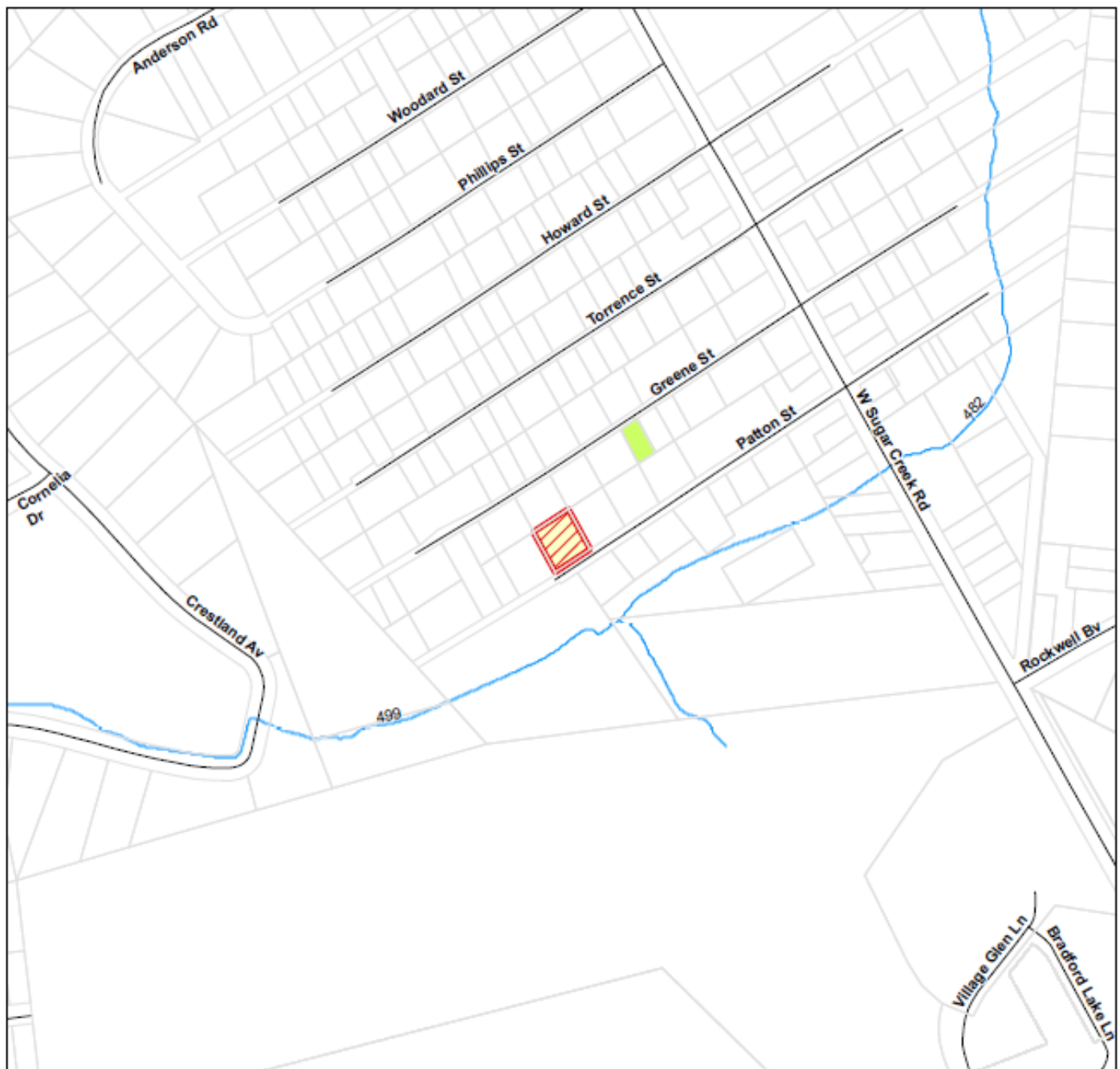
Submitted by: Engineering & Property Management

-  Mandatory Referral
-  City Property
-  County Property
-  Schools
-  FEMA 100 Year Floodplain

Produced by the Charlotte-Mecklenburg Planning Department



Site 9: 5521 Patton Street



Mandatory Referral 17-25

Initiated by: Housing & Neighborhood Services

Submitted by: Engineering & Property Management

-  Mandatory Referral
-  City Property
-  County Property

