

MANDATORY REFERRAL REPORT NO. 17-34

Proposed Disposition of Property at 4th and Graham for Mixed Use Development, to Include Affordable Housing

PROJECT PROPOSAL AND LOCATION:

The County is proposing to sell surplus County-owned parcels to support their real estate strategy and Mecklenburg County Board of Commissioners' policy on affordable housing. The parcel Identification Number(s) are 073-16-201, 073-16-202, 073-16-101, 073-16-103, and 073-16-106, together totaling 1.073 acres near the corner of West 4th and South Graham Streets, at a site currently used as surface parking, located in Charlotte Center City. The property is also known as 212, 224, & 505 South Graham Street; 526 West 3rd Street; and 515 West 4th Street.

Mecklenburg County was approached by a private developer seeking to acquire and redevelop the subject parcels in a manner consistent with existing zoning while also addressing County goals associated with affordable housing. The property is currently zoned UMUD, according to the Charlotte Zoning Ordinance and intended for a mixed-use development consisting of a mix of residential and ground floor retail (or other active space).

The proposed project would include a minimum of 40 affordable housing units or 35% of the total development, whichever is greater, serving households earning 60% of Average Median Income. Fifty percent of the total affordable units would be restricted to families and the other 50% for seniors (age-restricted 55+) for a period of 30 years after completion.

PROJECT JUSTIFICATION:

Mecklenburg County's Board of Commissioners ("Board") has supported a strategy to generate "first-dollar" and long term property tax revenue through the disposition of appropriate parcels where and when possible. Furthermore, the Board has adopted an affordable housing policy whereby the County may elect to use its private-sale authority to support the generation of affordable housing units in appropriate redevelopments of Mecklenburg County land.

CONSISTENCY WITH ADOPTED PUBLIC POLICIES:

Mecklenburg County's Real Estate Strategy, endorsed by the Board, and the Mecklenburg County Affordable Housing Policy, adopted by the Board, both guide this opportunity.

CONSISTENCY WITH ADOPTED LAND USE PLANS:

The *Charlotte Center City 2020 Vision Plan* does not make specific land use recommendations for the subject site. The plan includes a goal of providing "housing and amenities for people and families of all cultures, ages, and incomes." To accomplish this goal, the plan recommends a number of actions including the following:

- Provide a mix of housing options to residents in Center City;
- Stimulate redevelopment of surface parking; and
- Encourage active uses at the ground floor of buildings.

The plan also includes a goal of being "the hub of local and regional multi-modal transportation." To accomplish this goal the plan recommends construction of "a new multi-modal regional Gateway Station so that it can grow with the increasing demands for transit, offices, and retail."

PROJECT IMPACT:

The proposed development could serve as a catalyst for other future development nearby. It is to be expected that the developer would petition for the abandonment of the connector which bisects the site currently.

RELATIONSHIP TO OTHER PUBLIC OR PRIVATE PROJECTS:

As noted, this site is intended to see a mix of uses. Adjacency to the proposed Gateway Station means this development could catalyze or complement the planned station development. Additional residential, and specifically additional affordable residential, will contribute positively to this portion of the City.

Potential exists for the incorporation of Charlotte Area Transit System/NC Department of Transportation goals for the station area. County staff looks forward to discussion around other joint use opportunities.

ESTIMATED PROJECT COMPLETION DATE:

The contract has not yet been executed and the upset bid of price as well as affordable housing components to follow.

JOINT USE TASK FORCE REVIEW COMMENTS:

This matter was discussed at the December 6, 2017 and January 3, 2018 Joint Use Task Force meetings and the following comments were offered:

CATS noted in December that they have been in discussions with the County to purchase property so it can be leveraged with other property in the area being compiled for development of the Charlotte Gateway Station and redevelopment of the surrounding area. This is consistent with the *Charlotte Gateway Station: Multimodal Station Area Plan* recently completed in July 2017 and CATS intends to develop an RFP for the project by spring of 2018. Additionally, the plan recommends the entire block be master planned for redevelopment to accommodate multiple modes of transportation,

including a new Greyhound station and CATS bus facility to be located at the subject site. It was agreed by both parties to defer this Mandatory Referral until January to allow time for more discussion to occur.

At the January 3rd, 2018 JUTF meeting, CATS requested another deferral as it considers the County's request to include the affordable housing provisions and meet the real estate appraisal proposed by an interested private developer. CATS indicated they will also need to do an appraisal to purchase the property since this is a requirement should they need to use federal funding as part of the project. Additionally, Neighborhood & Housing Services suggested that the affordable housing component could be located anywhere within the larger development, as well as in this general location. CATS staff preferred this approach over limiting the affordable units to the subject site because it would provide more flexibility to a prospective developer making the RFP more marketable. Follow-up discussions with the County, since they were not in attendance at the January meeting, resulted in their agreeing that greater flexibility in the location of affordable units was appropriate so long as the provision of affordable housing units was included in the RFP. Both parties are still committed to working together and CATS has subsequently withdrawn their request for a second deferral of the Mandatory Referral.

Agencies Represented (December 6, 2017 meeting): Charlotte Neighborhood & Housing Services, Charlotte Fire Department, Charlotte Department of Transportation, Charlotte Area Transit System, Charlotte Engineering and Property Management (Engineering, Real Estate & StormWater Services), Charlotte Water Department, Charlotte Attorney's Office, Charlotte Mecklenburg Planning Department, Charlotte Mecklenburg Police Department, Charlotte Mecklenburg Schools, County Park & Recreation, County Manager's Office, County Health Department, County Asset Management, Central Piedmont Community College, Carolina Health System, Town of Matthews, Centralina Council of Governments

Agencies Represented (January 3, 2018 meeting): Charlotte Neighborhood & Housing Services, Charlotte Fire Department, Charlotte Department of Transportation, Charlotte Area Transit System, Charlotte Engineering and Property Management (Engineering, Real Estate & StormWater Services), Charlotte Water Department, Charlotte Mecklenburg Planning Department, Charlotte Regional Transportation Planning Organization, Charlotte Mecklenburg Police Department, Charlotte Mecklenburg Schools, County Park & Recreation, County Manager's Office, County Health Department, County Asset Management, Central Piedmont Community College, Carolina Health System, Town of Matthews

PLANNING STAFF REVIEW:

Planning staff has reviewed the proposed disposition and below are the key findings:

Conclusions:

- The proposed development is consistent with the intent of the Uptown Mixed Use Development District.
- The proposed development will include a minimum of 40 affordable housing units. This is consistent with the *Charlotte Center City 2020 Vision Plan* goal of providing housing and amenities for people and families of all cultures, ages, and incomes by providing a mix of housing options, redeveloping surface parking lots, and providing active ground floor uses. This is also consistent with Mecklenburg County's Affordable Housing Policy.
- The *Charlotte Gateway Station: Multimodal Station Area Plan* Final Report (completed by NCDOT in partnership with the City of Charlotte, July 2017) recommends that the subject sites are needed for the construction of the Charlotte Gateway Station, specifically for both the Greyhound and CATS bus facilities, and therefore, the proposed development is inconsistent with the *Charlotte Center City 2020 Vision Plan* goal of being the hub of local and regional multi-modal transportation by constructing a new multi-modal regional Gateway Station.
- The proposed development would require the abandonment of the W. 3rd-4th Connector Street, which is contingent upon:
 - Consent from all abutting property owners, which includes NCDOT and Mecklenburg County;
 - Determination that abandonment is in the best interest of the general public; and
 - Approval by Charlotte City Council.
- CATS and the County should continue to work together to meet their mutual priorities to increase the supply of affordable housing near transit and support the Gateway Station being the hub of local and regional multi-modal transportation.

Adopted Goals and Policies:

- The *Charlotte Center City 2020 Vision Plan* does not make specific land use recommendations for the site.
- The *Charlotte Center City 2020 Vision Plan* has a goal of providing housing and amenities for people and families of all cultures, ages, and incomes by providing a mix of housing options, redeveloping surface parking lots, and providing active ground floor uses.
- The *Charlotte Center City 2020 Vision Plan* has a goal of being the hub of local and regional multi-modal transportation by constructing a new multi-modal regional Gateway Station.
- Both the City and Mecklenburg County have Affordable Housing Policies.

CMPC PLANNING COMMITTEE REVIEW:

The Planning Committee reviewed Mandatory Referral 2017-34 at their January 16, 2018 meeting and voted 7-0 to make the following comment to Mecklenburg County and Charlotte Area Transit System (CATS): It is appropriate to dispose of

these parcels in either of two fashions; either to the developer that has asked to build affordable housing, as outlined in the mandatory referral, as a part of their complex or more importantly to the CATS Station Project. If the property is sold to CATS Gateway Station Project, the commitment to build units of affordable housing will remain.

