



COUNTY COMMISSIONERS

Diana Hales, Chair
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COUNTY MANAGER: Renee Paschal

January 16, 2018

Mr. Richard C. Angino, Member
THIRD WAVE HOUSING
463 ½ Carolina Circle,
Winston-Salem, NC 27104

Dear Mr. Angino,

On January 16, 2018, the Chatham County Board of Commissioners ("County") approved donating 2.36 acres bounded on the south by West Third Street, on the west by North Fir Avenue, on the north by West Fourth Street, and on the east by North Evergreen Avenue and being designated on the Chatham County tax map as Parcel ID Number 62694 ("Property") to Third Wave Housing, LLC ("Purchaser"). The donation and sale of this property is subject to the Purchaser obtaining an allocation of Low Income Housing Tax Credits ("LIHTC") from the North Carolina Housing Finance Agency ("NCHFA") that will finance the development of a 34-66-unit affordable housing project ("Project").

The Purchaser has informed the Town that it intends to apply for LIHTC as a Redevelopment Project as defined in Section 11.B.2 of the 2017 QAP for LIHTC prepared by NCHFA. The requirements to qualify for designation as a Redevelopment Project are as follows:

- 1) The site contained at least one structure used for commercial, residential, educational, or governmental purposes.

Verification: The site is composed of one parcel owned by the county. The parcel includes one structure, the former Henry Siler School, an elementary school in Siler City built in 1931. The school is located near the home of Henry Siler and was named in his honor. Mr. Siler was an outstanding teacher around the turn of the century. (Source: Chatham History 1771-1971, page 295). The school remains a prominent structure just a quarter of a mile from downtown Siler City. Central Carolina Community College provided educational programming in the building from 1984 to 2010. The County acquired the property in 2012 when Central Carolina Community College moved into a new building.

- 2) Any required demolition has been completed or will be completed in 2017.

Verification: N/A. The County is requesting that the building envelope be maintained and reused in the new project.

- 3) A unit of local government initiated the project.

Verification: Since the County obtained ownership in 2012, Chatham County and the Town of Siler City have been working to redevelop the school site with the goal of saving the historic school structure. In 2013, the Town hired UNC's Development Finance Initiative (DFI) team to conduct a study to determine the highest and best use of the

building and site, including identifying finance tools and potential development partners. DFI conducted a highest and best use analysis for the school, evaluating the market for redevelopment potential pertaining to low-income housing, assisted living, and market-rate rental apartments. DFI found that because of the current floor plan, the classroom layout lends itself for residential reuse. With regard to low-income housing, DFI research suggests a current need and demand for additional affordable housing options in Siler City. 49% of the current renting population pay more than 30% of their income in rent and most affordable housing complexes have no vacancy. There have not been any new affordable housing developments in the Town in recent years and the percentage of mobile homes in relation to total affordable options continues to grow (currently over 80%).(Source: DFI study)

In order to improve the viability of the site and ready it for redevelopment, the County has taken actions to repair the roof, has conducted an asbestos and lead study, has removed an underground storage tank and has requested rezoning of the site to accommodate a higher number of multi-family units. The town approved the rezoning on December 19, 2016, which allows up to 66 residential units to be built.

The County issued an RFP for the site to be redeveloped into affordable housing on December 6, 2017. A link to the webpage which contains the RFP is <http://www.chathamnc.org/Home/Components/RFP/RFP/38/2207>.

- 4) A unit of local government has invested community development resources within a half mile of the Property within the last ten years.

Utilizing Town and Grant funds, the Town of Siler City has invested in the following community development resource, all located within a ½-mile of the site:

- a) North Carolina Arts Incubator - CDBG Economic Development Grant - \$350,000
- b) Upgrade approximately 17 downtown intersections to ADA compliance (all within ½-mile of the site) – \$162,000
- c) Boling Lane Park playground renovations - \$54,215
- d) Boling Lane Park 319 grant for water quality/stormwater improvements and riparian buffer in the Loves Creek Watershed - \$250,000
- e) Downtown Façade Grant Program (all within ½-mile of the site) – \$50,000
- f) Park Shopping Center Clean Water Management Trust Fund grant application for stream restoration study - \$100,000
- g) Downtown Park Environmental Enhancement Grant for floodplain/ecological restoration to improve water quality of the Loves Creek Watershed - \$270,000
- h) Wayfinding signage - \$15,000 within ½-mile of site
- i) Bike racks at City Hall - \$500
- j) National Night Out - \$15,000 estimated that was spent within ½-mile of the site
- k) CAM Site Readiness Annual Litter Sweep - \$250 spent within ½-mile of the site
- l) Downtown Community Garden - \$6,859
- m) Downtown Master Plan - \$10,000
- n) Pedestrian Master Plan - \$24,600

- 5) A unit of local government formally adopted a plan to address the deterioration in the Half Mile area.

Verification: There is no deterioration in the ½ mile area.

- 6) A unit of local government approved the donation of at least one parcel of land to the project.

Verification: On January 16, 2018, the Chatham County Board of Commissioners approved the donation of 2.36 acres of land to the Project. The donation of land is contingent upon the Project receiving an award of LIHTC to finance development.

In addition to the county's commitments shown above, the Board of Commissioners have agreed to provide a \$120,000 loan to Third Wave (terms to be determined), if awarded LIHTC funding.

Should additional documentation of any of these items be required, please contact Renee Paschal, County Manager , at renee.paschal@chathamnc.org or phone 919-54-.8300.

Sincerely,

Renee F. Paschal
County Manager
Chatham County