



# Chatham County, NC

## Legislation Text

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**File #:** 22-4362, **Version:** 1

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Vote on a request to approve the First Amendment to Declaration of Covenants, Conditions and Restrictions for Central Carolina Business Campus and to authorize the County Manager to execute the amendment and execute a waiver of repurchasing rights set forth in the Declaration of Covenants for Lot 9 of Central Carolina Business Campus, also known as the Wallick Communities / Oak View at Siler City Lot.

Action Requested: Vote on a request to approve the First Amendment to Declaration of Covenants, Conditions and Restrictions for Central Carolina Business Campus and to authorize the County Manager to execute the amendment and execute a waiver of repurchasing rights set forth in the Declaration of Covenants for Lot 9 of Central Carolina Business Campus, also known as the Wallick Communities / Oak View at Siler City Lot.

Introduction & Background: Chatham County is partnering with Wallick Communities, a low-income tax credit housing developer (LIHTC), to establish an affordable housing multifamily residential development within the Central Carolina Business Campus (CCBC) in Siler City. The intended location of this 72 residential unit development is 226 Campus Drive, which is a 15-acre tract of land east of Chatham Hospital near the end of Campus Drive. This location has been identified as being particularly desirable for this project on account of its proximity to health care services, job centers, and essential goods and services.

A Declaration of Covenants, recorded in 2006, governs the development and uses allowed within the CCBC. The Covenants, as currently written, contains restrictions and other requirements inhibiting the noted housing development project to take place at the identified location. The requested Covenants amendment seeks to address these several restrictions, which will enable this project to move forward.

According to the Covenants, three-fourths of the CCBC property owners must agree to any such amendments. The county is in communication and working with CCBC property owners on this set of amendments.

In addition to the Chatham County Board of Commissioners considering the request to amend the CCBC Covenants, the Board is requested to authorize the County Manager to execute a waiver of repurchasing rights set forth in the in the Declaration of Covenants for Lot 9 within the business campus. This is the lot that Wallick Communities will be building the multifamily residential LIHTC project known as Oak View at Siler City.

Specifically, Section 3.31 of the CCBC Covenants reserves the county's right to repurchase any parcel for the same purchase price paid for the parcel if within two years that parcel is not developed.

According to Wallick Communities, the waiver is an important component of the closing in that the Federal LIHTC program has the expectation and requirement to the public that the LIHTC funding will

contribute to the affordable housing need in North Carolina, specifically to the tax credit award recipient and its partners and must be unencumbered by any possible divergence from the intention of the award, including the risk of a repurchase by the county. It is anticipated that the land was conveyed for the purpose of this development for the tax credit award and the affordable housing development.

Discussion & Analysis: In working with Wallick Communities through this LIHTC project process, staff has identified provisions within the CCBC Covenants that will need to be removed or amended in order for this project to take shape at this location. Long-term, additional amendments will likely come before the Board to ensure the business campus has the opportunity to be properly developed and remain vibrant and relevant. What is presented to the Board at this time are amendments that focus specifically on issues aligned with this one project. This approach is being employed to keep this particular process relatively simple and timely. The nature of the proposed amendment primarily addresses development standards such as setbacks, height limits, building materials, and parking.

The other request associated with this item is the waiver of repurchasing rights. The waving of this right does not preclude the County's ability to ensure this property will be put to its intended use. NC G.S. 160A-279 requires the county to attach to any such conveyance covenants or conditions which assure that the property will be put to a public use by the recipient entity. The covenants/conditions, as prescribed by state law, is intended to protect the public interest in this regard. Approving this request will place the Wallick project on the same footing that the County had with Third Wave with respect to the Henry Siler School project.

How does this relate to the Comprehensive Plan: Promoting compact growth patterns in and near existing towns and communities as well as providing equitable access to housing and community options are two identified goals of Plan Chatham. Approving the two requests made in this item will support this project's ability to move forward. This project promotes access to health care, job centers, and other critical goods and services. In some instances, this project provides walkable access to one or more of these amenities. Additionally, this project is located within the incorporated limits of Siler City, with connections to existing infrastructure, including water, wastewater, and roads.

Budgetary Impact: There is no anticipated budgetary impact associated with the Board's approval of the amendments requested to be made to the CCBC Covenants. A positive budgetary impact may be expected with the improvement of property within the county that will contribute to the county's tax base. There is no anticipated budgetary impact associated with the Board's authorization of the County Manager to execute the requested waiver.

Recommendation: Motion to approve the First Amendment to Declaration of Covenants, Conditions and Restrictions for Central Carolina Business Campus and to authorize the County Manager to execute the amendment and execute a waiver of repurchasing rights set forth in the Declaration of Covenants for Lot 9 of Central Carolina Business Campus, also known as the Wallick Communities / Oak View at Siler City Lot.