

BEST PRACTICES – USAGE OF PUBLIC PROPERTY FOR AFFORDABLE HOUSING

Nationwide local governments have utilized their own real property, vacant land, and buildings, as resources to encourage the development of affordable housing. By conveying the property to a nonprofit, or by selling the property to a private developer at deep discount, local governments eliminate or reduce the cost of land for developers, which may be one barrier for the creation of affordable housing. However, it is important to note that even with a donation of land, building affordable housing still may not be financially feasible for a developer due to high infrastructure costs or additional funding requirements and timelines from lenders or federal programs.¹

Best practices can be determined by a review of existing national and regional strategies for using public land to create affordable housing. Although the research gathered for this document reflect significantly larger municipalities, with larger land inventories, many best practices are applicable to smaller municipalities. Five practices were consistently present in established national and regional strategies and are listed below. Staff has also included how Carrboro plans to incorporate these practices into the proposed strategy (Attachment E).

Clearly defined process: A clearly defined, consistent and efficient request for proposals (RFP) and step by step development process are hallmarks of a successful strategy, saving local governments as well as developers time and money. Municipal expectations such as design preferences, green building techniques and features, etc. should also be made clear at the start of the RFP process.

- Carrboro Proposed Strategy: If adopted, the overall strategy for the use of Town-owned land to create affordable housing, as well as the RFP itself, will outline a step-by-step process and timeline, and communicate the Town's goals regarding affordability, equity, climate action, and other expectations at the beginning of the process.

Community engagement: Engaging the community, especially neighbors adjacent to the public property, at the optimal time in the process is critical in assessing support or opposition to a proposed use and creates the opportunity for the community to provide feedback on proposed designs.

- Carrboro Proposed Strategy: Using a design centered approach and the One Orange Racial Equity Plan outreach strategy, the Town will develop the vision and goals for the project with the community. The Town will contract to conduct pre-development work so that there is clear understanding at the outset of the property's potential and its limitations, and to assist the community with developing the project's vision.

Outreach to developers: Successful strategies also employ outreach and relationship building between local government (usually housing department) staff and regional developers before public property becomes available. Existing relationships improve the quality and clarity of communication and understanding and set clear expectations prior to an RFP release.

- Carrboro Proposed Strategy: Develop existing relationships and seek out networking opportunities with new developers and firms, prioritizing innovation and women-owned and minority-owned businesses.

Housing staff as intermediary: Housing staff can facilitate a project's progression by assisting in internal communication, project management, troubleshooting potential issues, and moving the project along.

- Carrboro Proposed Strategy: Housing staff will serve as a point of contact for the developer and assist as needed to move the project forward.

Expedited review: A streamlined review and permitting process for affordable housing projects can help reduce development expense and timeline.

- Carrboro Proposed Strategy: Also listed as a strategy in the draft Comprehensive Plan, an expedited review process is an incentive to potential developers as it saves them time and money. Staff will work with the Planning Department to streamline the development review process for affordable housing projects; monitor the progress of Chapel Hill's pilot expedited review process.

In addition to these practices, examination of national strategies can provide an indication of the human and funding resources a local government would require, depending on the role or level of involvement the local government plays in the development process. For example, some governments lead the planning and design process, including site analysis, community engagement and visioning before requesting proposals from developers. This provides the government control over the project, but also requires upfront funding and sufficient staff capacity and expertise.

The Hill St. parcel is providing the opportunity for Town staff to shepherd an affordable housing project through the process of using Town-owned land, from the initial query regarding the use of the parcel to the project's forthcoming completion. First-hand experience and lessons learned along the way are providing support for these best practices in using public land for affordable housing.

Resources:

[Conveyance of Local Government Property for Affordable Housing - Coates' Canons Coates' Canons \(UNC - SOG\)](#)

[Use of publicly Owned Property for Affordable Housing \(Local Housing Solutions\)](#)

[Public Land & Affordable Housing in the DC Region: Best Practices and Recommendations \(Urban Land Institute & National Housing Conference\)](#)

[Downtown Land Disposition Strategy - Raleigh, HR&A Advisors, Inc. \(localhousingsolutions.org\)](#)

[Leveraging Public Land for Affordable Housing in Northern Virginia \(Northern Virginia Affordable Housing Alliance\)](#)

[Prioritizing Public Lands for Affordable Housing and other Public Benefits \(Family Housing Fund\)](#)¹

¹ Whitus, Anna. (2020) Utilizing Public Land for Infill Development of Affordable Housing: Applications for Carrboro, NC, Master's project, UNC-DCRP