



Mock Road Purchase Budget Amendment for Affordable Housing Preservation

To: Davidson Board of Commissioners

From: Jamie Justice, Town Manager

Date: February 12, 2019

Re: Mock Road Purchase Budget Amendment for Affordable Housing Preservation

1. OVERVIEW

The mayor and commissioners have been discussing the preservation of affordable housing in Davidson through the use of the payment in lieu funds the town has collected. Recently, a house located on two lots at 153/155 Mock Road, has come available. The Davidson Housing Coalition has agreed to purchase this home so that it can be preserved and maintained as an affordable housing unit in town. The town and Davidson Housing Coalition have a history of partnering together on affordable housing units for the Davidson Housing Coalition to maintain and manage as an extension of the town's affordable housing program. Acquiring this property ensures that the home can remain affordable.

The request is for the board is to amend the budget to appropriate up to \$210,000 for the acquisition of these properties and any related costs. The funds would come from the town's payment in lieu program. Any funds up to the \$210,000 that go unused would revert back to the affordable housing payment in lieu fund. An agreement would be consummated between the town and Davidson Housing Coalition regarding this transaction.

2. RELATED TOWN GOALS

Strategic plan:

Affordable Housing Goal:

The Town of Davidson will preserve existing affordable housing,*and other indicia of inclusion, and work with a variety of partners to create new available, affordable workforce and elderly housing.

*Affordable housing for the town of Davidson is defined as incomes between 50% and 120% AMI.

Partnerships Goal:

The town of Davidson will build on existing relationships to strengthen partnerships with strategic organizations and institutions.

Historic Preservation Goal:

The Town of Davidson will preserve our historically significant structures to retain our authenticity as a historic, small college town.

Core value(s):

Davidson's historic mix of people in all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

Constituents served:

All citizens

Affordable Housing program participants

3. OPTIONS/PROS & CONS

Option 1: Approve the budget amendment for the Mock Road purchase for affordable housing preservation.

Pros:

Supports the town board's interest in affordable housing.

Supports the town board's interest in the preservation of existing affordable housing.

Cons:

Appropriates monies from the limited funds in the payment in lieu program.

Option 2: Do not approve the budget amendment for the Mock Road purchase for affordable housing preservation.

Pros:

Saves the payment in lieu funds for other needs.

Cons:

Does not support the town board's interest in affordable housing.

Does not support the town board's interest in the preservation of existing affordable housing.

4. FYI or RECOMMENDED ACTION

It is recommended that the town board approve the budget amendment of \$210,000 (option 1) at the February 12th meeting in order to facilitate the transaction occurring in February.

5. NEXT STEPS

If the board approves the budget amendment, town staff will work with the Davidson Housing Coalition on the purchase and the agreement regarding this transaction.