

# Annual Report: July 1999 – June 2000

In 1999/2000, DHIC managed its most ambitious development program ever with 207 homes under construction with a development value in excess of \$17 million. Another 164 homes are planned for construction in the upcoming year. DHIC's success is largely attributed to effective partnerships with private lenders and investors, the City of Raleigh, Wake County and the North Carolina Housing Finance Agency.

## Perseverance to Undertake Difficult Projects

### Prairie Building, Raleigh NC

DHIC's patience and persistence paid off with the completion of the historic Prairie Building renovation. After four years of seeking financing, construction delays, and other complications, the renovation of the Prairie Building was completed in May 2000. Located on South Wilmington Street one block from the State Capitol, the Prairie Building is DHIC's first mixed-use project in downtown Raleigh. The renovation of this historic building combines convenient downtown office space with affordable rental housing under the same roof. This development offers 8 one- and 3 two-bedroom apartments to those seeking affordable rental housing in a downtown location. The first floor houses DHIC's office. Loans from Wachovia and the City of Raleigh and equity from Carolina Power and Light and DHIC made this project possible.

### Madison Glen Apartments, Raleigh, NC

DHIC's largest development to date is the 120-unit Madison Glen Apartment complex in Northwest Raleigh. Rising interest rates and high off-site development costs made the project exceptionally challenging to get underway.

Madison Glen is located in one of Raleigh's strongest housing markets and illustrates DHIC's commitment to providing affordable housing in all areas of the City. Madison Glen is a mixed-income community where 50 of the apartments will be rented to families with incomes less than 50 percent of the area median income. The remaining apartments will be rented at market rents. All residents will enjoy a full amenity package including a swimming pool, sport court, clubhouse with a community room, laundry facilities, business center and fitness center. The complex is in the final stages of construction and will begin occupancy in the fall of 2000.

This \$9.9 million development is a result of the commitment of multiple financing partners including BancOne, Fannie Mae, First Union National Bank, the City of Raleigh, the NC Housing Finance Agency, the Enterprise Social Investment Corporation and Wake County.

## Building on Success

### Beechridge, Apex, NC

The success of Beechridge in 1998 opened the door for DHIC to develop a second phase of the development consisting of 32 apartments. Completed in June 2000, all 32 units were leased within 45 days of opening. Financing partners for this development included Wake County, First Union, BB&T and the Town of Apex.

## Expanding Homeownership Opportunities

### MeadowCreek, Raleigh, NC

DHIC contracted to purchase a 51-acre site in Southeast Raleigh at Raleigh Boulevard and Rock Quarry Road. DHIC plans to develop a 68 home subdivision on the site. Much of this site will be left in its natural state so that the residents will enjoy via the Walnut Creek Greenway that is adjacent to the property.

MeadowCreek will include a mix of starter homes in the \$100,000 to \$120,000 range and homes in the \$120,000 to \$150,000 range. Construction of the first homes should begin in early 2001. Wake County has committed \$140,000 to DHIC for infrastructure costs and downpayment assistance to first time homebuyers. This \$8 million development will be the single largest residential development in a downtown neighborhood in Southeast Raleigh.

### Hunter Street, Cary, NC

The Town of Cary has expanded its efforts to encourage affordable housing in this fast-growing community. DHIC has been selected by the Town to build four "in-fill" homes on Hunter Street. Previously the site of substandard rental housing, Wake County acquired the property and cleared the old apartment complex from this neighborhood which is part of "old Cary". Construction is planned to start in early 2001.

### Urban Design Project, Raleigh, NC

DHIC was selected by the North Carolina Manufactured Housing Institute to join with a manufactured home dealer and builder to test out a new ordinance in Raleigh that allows for HUD-code manufactured homes to be built in certain zoning districts. DHIC provided guidance with design features for both the interior and exterior to help ensure that the home would be comparable to other affordable stick built single family homes designed for first time buyers. The home was completed in summer 2000.

## Collaboration and Partnerships Expand DHIC Impact

### Bay River Apartments, Bayboro, NC

It is not easy to develop affordable housing in coastal North Carolina. This development came about through collaboration with the Coastal Community Development Corp. in New Bern, NC. Coastal wanted to build affordable rental units in Bayboro but did not

have the development experience to undertake the project. Coastal asked DHIC to serve as a development partner.

Bay River offers residents of Bayboro and Pamlico County 12 two-bedroom and 8 three-bedroom apartments that continue DHIC's commitment to quality design and construction for affordable housing. Construction will be completed in the fall of 2000. Financing partners for this project include NC Housing Finance Agency, Enterprise Social Investment Corporation, Federal Home Loan Bank of Atlanta, and First Citizens Bank.

#### Santree Commons, Williamston, NC

Similar to Bay River, Santree Commons represents a collaboration with a Community Development Corporation (CDC) that did not have the development experience to qualify for the tax credits necessary to gain financing for the affordable apartment project. DHIC partnered with Bertie, Martin & Washington CDC out of Jamesville, NC to develop a 24-unit complex in Martin County. Construction was completed in August 1999 and is fully occupied. Financing partners for Santree Commons include USDA Rural Development, NC Housing Finance Agency, Federal Home Loan Bank of Atlanta, Enterprise Social Investment Corporation and BB&T.

#### Creston Commons, Southern Pines, NC

DHIC knows that affordable housing needs to be attractive and well built. Recently DHIC staff was invited to lead a workshop in Southern Pines at the Summer Institute of the North Carolina Chapter of the American Institute of Architects regarding design standards for affordable housing. After the workshop, DHIC was approached by Southern Pines town officials and asked to bring its development expertise to Southern Pines.

Through an early partnership with Carolina Power and Light Company, DHIC secured funding for this 48-unit apartment complex. Other financing partners include the NC Housing Finance Agency, the Federal Home Loan Bank of Atlanta and Wachovia Bank. DHIC is collaborating with the Sandhills Community Action program to provide supportive services to the residents of Creston Commons. Construction of this development will start in August 2000.

#### MacGregor Village, Greenville, NC

Responding to the damage done by Hurricane Floyd, DHIC joined in the development efforts to re-establish affordable housing in the Greenville area. MacGregor Village will be a 48-unit affordable rental complex in Greenville, NC. The land for this site was purchased and the complex design has been completed with construction expected to begin in August 2000. The NC Housing Finance Agency, Bank of America, the Catholic Diocese of Raleigh, NC Community Development Initiative and Enterprise Social Investment Corporation will provide financing for this development.

### Community Planning and Services

Currently DHIC owns over 558 rental homes and has another 236 under development. DHIC recognizes that residents of these complexes are customers and is committed to

providing appropriate support services to ensure the success of each resident. DHIC contracts with Resources for Seniors to provide friendly visits, advocacy and education to the 199 residents living in our elderly communities. This year DHIC will be hiring a Community Services Coordinator to work with families living in our other communities that are not age restricted. DHIC continues to provide summer camp scholarships to residents and offers downpayment assistance and homeownership counseling to residents of our rental communities. The number of potential homeowners continued to rise throughout the year. This increase resulted in scheduled classes on homeownership on Saturdays as well as workshops held at DHIC rental communities.

## The Year Ahead

### NeighborWorks® Network

DHIC went through the Charter Review Process of the Neighborhood Reinvestment Corporation (NRC) during the year, which concluded with a successful performance audit in July. By joining the NeighborWorks® Network of NRC, DHIC will bring valuable training resources to Wake County's neighborhood leaders and public officials as well as funding for DHIC's development projects. DHIC expects this to be an extremely beneficial relationship because of the network of information and expertise that we will be able to tap into from affordable housing agencies across the country.

### HomeOwnership Center

DHIC is among several groups invited to become a partner in the Wake County Housing Resource Center being sponsored by Wake County. Following the NeighborWorks® model, DHIC will establish a "one-stop" shop for potential homebuyers of all incomes. The Center will provide all the services and training that customers need to finance, purchase, insure, maintain and manage a home all in one physical location. As a partner in the Wake County Housing Resource Center, DHIC will provide staff time and expertise to the Center's operation, which is expected to begin in the spring of 2001.

### Continuing to Forge Partnerships

DHIC will aggressively seek to partner with larger scale developers who may wish to include an affordable housing component within an overall development plan. DHIC will also seek to identify downtown Raleigh development opportunities that follow the success of the Prairie Building and the mixed income model demonstrated with the Madison Glen project.



### Rental Housing for Seniors

Club Plaza	32 units	Raleigh	1984
Roanoke Commons	33 units	Raleigh	1989
Murphey School	52 units	Raleigh	1990
Chadwick	41 units	Garner	1994
Turnberry	41 units	Wake Forest	1998
<b>Total</b>	<b>199 units</b>		

### Rental Housing for Families

Jeffries Ridge	32 units	Raleigh	1989
Tryon Grove	48 units	Raleigh	1992
Avonlea	44 units	Raleigh	1993
Sedgebrook	32 units	Cary	1994
Ripley Station	48 units	Raleigh	1997
Beechridge	40 units	Apex	1998
Weston Trace	48 units	Garner	1998
Santree Commons	24 units	Williamston	1999
Beechridge II	32 units	Apex	2000
Prairie Building	11 units	Raleigh	2000
Madison Glen	120 units	Raleigh	2000
Bay River	20 units	Bayboro	2000
Creston Commons	48 units	Southern Pines	2001
MacGregor Village	48 units	Greenville	2001
<b>Total</b>	<b>595 units</b>		

### Homeownership Programs and Developments

Top Greene Lane	8 units	Raleigh	1991
Wheeler Crossing	46 units	Raleigh	1992
Parkworth	24 units	Raleigh	1996
Hope for Homeownership	50 units	Wake County	1999
Homes at Joe Louis Park	17 units	Raleigh	1998
Weston Trace	16 units	Garner	1999
Meadowcreek	68 units	Raleigh	2001
Hunter Street	4 units	Cary	2001
<b>Total</b>	<b>233 units</b>		

