THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: October 27, 2020

Subject: Urban Renewal Property owned by the City of Asheville

Staff Resource(s): Sam Powers, Community and Economic Development Director
Nikki Reid, Economic Development Program Director

Action Requested: Approval of a resolution directing the City Manager to suspend the sale or change in zoning or use of any City property acquired through urban renewal until further policy direction has been reviewed.

Background:

- On July 14, 2020, the Asheville City Council adopted a resolution supporting community reparations for Black Asheville.
- The resolution set forth the need to establish a new commission empowered to make recommendations that will make significant progress toward repairing the damage caused by public and private systemic racism.
- Additionally, the resolution cites increasing Black home ownership and access to affordable housing as prospective priorities in this work.
- The resolution acknowledges and seeks to make amends for the City's role in the urban renewal programs carried out in Asheville.
- Related to the resolution, the urban renewal programs that had most impact on communities of color were:
    - The East Riverside Urban Renewal Project, which impacted the historic African American neighborhood and business district known as Southside.
    - East End / Valley Street Community Improvement Project, which impacted the historic African American neighborhood and business district of East End.
    - The Montford Community Redevelopment Project, which impacted the historic African American neighborhoods of Hill Street and Stumptown.
    - Staff is currently researching the other urban renewal programs that occurred in Asheville and the impacts on communities of color (including the Civic Redevelopment Project and the South Pack Square / Pack Plaza projects, both focused on Downtown Asheville; and the Head of Montford Redevelopment Project.)
- The City is now reviewing its property inventory to identify what land and property it still owns that is tied to these urban renewal programs. A map is being developed and will be published on the City's website.
- For those properties that the City may want to sell or change the zoning and use, further policy direction is needed to align actions with the recent reparations resolution that was passed by City Council.
- Staff will work on a policy proposal to be reviewed for Council consideration regarding these properties.
- Until such time, the attached resolution authorizes the City Manager to suspend the sale or change of zoning and use of any City property acquired through the aforementioned urban renewal programs unless a property is specifically exempted by City Council.
- These exemptions include property located at 172 & 174 S. Charlotte Street, which is currently under contract to be sold to White Labs, Inc. and
- Property located at Asheland Avenue, which is currently being reviewed for use as affordable housing in partnership with Haywood Street Congregation.

- Surveys and deed research indicates that the property at 172 and 174 S. Charlotte Street includes both land that the City purchased in the 1970's and land that was part of Urban Renewal of East End.
- Since a portion of the property was associated with Urban Renewal, federal restrictions require that the proceeds from sale benefit the City's Community Development Block Grant (CDBG) Program as Program Income.
- Based on the total purchase price of $3.7M for the properties, approximately $1.6M will go to CDBG, which will be available to the next funding cycle for eligible CDBG activities.
- The remainder of the purchase price, approximately $2.1M, will benefit the City's General Fund.
- For more information,there is a link to the staff report, resolution and maps for White Labs here.
- The real estate transaction is scheduled to take place in December 2020.
- If for any reason these transactions do not materialize with the specifically stated partners, then the referenced properties will be subject to the suspension of sale as defined by the attached resolution.

Council Goal(s):
- An Equitable and Diverse Community
- Thriving Local Economy

Committee(s) and Commission(s):
- Planning and Economic Development Committee - Recommended approval at the October 12, 2020 meeting.

Pro(s):
- Demonstrates Asheville's commitment to reducing racial disparities.

Con(s):
- None noted.

Fiscal Impact:
- None noted at this time.

Suggested Motion:
- Motion to approve a resolution directing the City Manager to suspend the sale or change of zoning and use of any City property acquired through urban renewal until further policy direction has been reviewed.

Attachment(s):
- Resolution

RESOLUTION NO. 20-_____

RESOLUTION DIRECTING THE CITY MANAGER TO SUSPEND THE SALE OR CHANGE OF ZONING USE OF ANY CITY PROPERTY ACQUIRED THROUGH URBAN RENEWAL UNTIL FURTHER POLICY DIRECTION HAS BEEN REVIEWED

WHEREAS, on July 14, 2020, the Asheville City Council adopted a resolution supporting community reparations for Black Asheville that acknowledges and seeks to make amends for the City's role in the urban renewal programs carried out in Asheville; and

WHEREAS, the City of Asheville owns certain real properties that were acquired as part of urban renewal programs in Asheville and the City may wish to sell or change the zoning use of one or more of these properties in the future; and

WHEREAS, the City of Asheville seeks to establish a policy for any sale or reuse of these properties that is informed by the Reparations Commission; and

WHEREAS, the City of Asheville wishes to suspend the sale or change in zoning use of any such property until further policy direction has been developed for these parcels, except for parcels expressly exempted by Council, which at this time includes properties at 172 & 174 S. Charlotte Street (PINs 964858284300000 and 964858160500000) to White Labs, Inc. and on Asheland Avenue (PIN 964827746000000) to Haywood Street Congregation; and

WHEREAS, if for any reason these transactions do not materialize with the stated partners, then the referenced properties will be subject to the suspension of sale as defined herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby directed to suspend the sale of any parcel of real property owned by the City of Asheville that was at one time previously affiliated with any urban renewal program carried out in the City of Asheville, with the exception of the properties specifically noted herein, until such time a policy is enacted that has been reviewed. The City Manager hereby is authorized to execute any and all documents necessary to give effect to this resolution, subject to approval by the City Attorney, and compliance with applicable North Carolina law.

Read, approved and adopted this 27th day of October, 2020.

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City Clerk Mayor

Approved as to form:

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City Attorney