ROCKY MOUNT-EDGECOMBE
COMMUNITY LAND TRUST
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HOMEOWNERSHIP AND ROCKY MOUNT

Benefits of homeownership:

- Increased well-being
- Safer neighborhoods
- Higher educational attainment for children
- Improves property values
- Greater financial stability

The city’s homeownership rate of 50.6% compared to North Carolina’s average of 65.2% highlights the need for increased accessibility to affordable housing in the city.

We recommend the City of Rocky Mount be supportive of the Community Land Trust, which will work to make homeownership accessible and affordable for all residents.
A Community Land Trust (CLT) is a non-profit, community-based housing program designed to promote housing affordability for low-income families.

A non-profit land trust owns and manages the land, permanently removing it from the housing market.

Land ownership stays separate from homeownership.

Minimizes the impact of housing price inflation and gentrification, maintaining long-term affordability.

Low-income residents can build equity and credit while avoiding foreclosure and frequent moves.
OUR DELIVERABLES

To prepare the City and its citizens for the CLT, we have provided recommendations in the following categories:

- **THREE-YEAR PLAN**
  to transfer properties to the CLT

- **FISCAL IMPACT**
  of the CLT on Rocky Mount

- **ORDINANCE REVIEW**
  for compatibility with the CLT
TRANSFERRING PROPERTIES: A THREE-YEAR PLAN
A THREE-YEAR PLAN
TIMELINE FOR GROWTH

- Fifteen properties currently held by Self-Help for transfer to the CLT, after the establishment of the non-profit.
- Three-year plan for transferring and rehabilitating properties: three in the first year, five in the second year, and seven in the third year.
A THREE-YEAR PLAN
EVALUATION CRITERIA

Proximity
HOW CLOSE PROPERTIES ARE TO EACH OTHER

Property Value
THE VALUE OF THE HOMES, RATHER THAN THE LAND
A THREE-YEAR PLAN

PROPERTY MAP

Self-Help Owned Properties
- Cluster 1
- Cluster 2
- Cluster 3
EXAmple Property CARD

402 Goldleaf St.

Net Value Estimate: $25,855
   Land: $4,650
   Property: $21,205
Zoning: R-6MFA
Lot Size: 50x100
Projected Net Tax Revenue
Post-Renovation: $336.99
COST BENEFIT ANALYSIS:

FISCAL IMPACT
FISCAL IMPACT

HOW DOES A CLT AFFECT THE CITY FISCALLY?

• When a CLT takes hold of a property, it permanently owns the land and manages it on behalf of the community
  ◦ Structural improvements belong to the owner
• The city loses tax revenue from the properties' land values
• The city gains tax revenue from higher property values

• Aside from its impact on property tax revenues, CLTs accrue other significant savings:
  ◦ Reduce maintenance costs for vacant properties
  ◦ Transform vacant lots into occupied homes
FISCAL IMPACT

COST BENEFIT ANALYSIS ESTIMATES:

Current land and property values | Projected land values | Estimated property values
FISCAL IMPACT

ON LAND VALUES

• Two North Carolina cities similar to Rocky Mount in both size and economic potential:
  ○ Wilson land value increase, 2012–2019: 9.43%
  ○ Jacksonville land value increase, 2012–2019: 72.58%
• We use the average of these rates (41%) to run a second analysis that considers the anticipated growth in Rocky Mount.

ON PROPERTY VALUES

• 3-bedroom, 2-bathroom, 1,300 square foot model home
• 609 Myrtle Avenue: current land value of $4,950 and property value of $75,050
FISCAL IMPACT

420 GOLDLEAF STREET EXAMPLE

1. CURRENT VALUES
   - Land: $3,750
   - Property: $0

2. PROJECTED VALUES
   - Land: $3,750
   - Land with Increase: $5,288
   - Property: $75,050

3. CHANGE IN TAXES
   - Tax Gain: $514
   - Tax Loss: $26
   - Tax Loss with Land Increase: $36

4. OVERALL CHANGE
   - With Constant Land Values: $488
   - With Land Value Increase: $478
Overall increase in tax revenue of $4,440 per year, assuming land and property values hold constant over time.

With our projected 41% increase in land value, a $4,150 increase in tax revenue per year.

Our analysis combines the loss in tax revenue from land values with the estimated increase in tax revenue from property renovations.

- Overall increase in tax revenue of $4,440 per year, assuming land and property values hold constant over time.
- With our projected 41% increase in land value, a $4,150 increase in tax revenue per year.

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\begin{align*}
\text{In property tax revenue gained} & : \$5,149 \\
\text{In land tax revenue lost} & : \$709 \\
\text{In total tax revenue change for the city per year*} & : \$4,440 \\
\end{align*}
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*in the case where land and property values hold constant
ENSURING COMPLIANCE:

ORDINANCE REVIEW
We reviewed current zoning and ordinances for compatibility and consistency with the goals and administration of the CLT.

NO ORDINANCES PROHIBITING CREATION OF A LAND TRUST

ALL CURRENT CLT PROPERTIES ARE ON LOTS ZONED R-10 OR R-6MFA

Although the CLT could proceed without any alterations to the current Code of Ordinances, we provide some further recommendations to promote secondary goals of wealth building and community engagement.
ORDINANCE REVIEW
ACCESSORY DWELLING UNIT BENEFITS

- Supplemental income for homeowners
- Increased housing affordability for tenants
- Wider range of housing options in the community
- Seniors able to stay with their family as they age
In December of 2020, the City Council voted to amend the zoning code, allowing for general renting of ADUs. This update has been enacted, but is not yet reflected in the online version of the Code of Ordinances. Ensure this change is reflected, so the public and developers are kept up to date. Otherwise, we recommend the encouragement of building ADUs on CLT properties.
ORDINANCE REVIEW
COMMUNITY GARDEN BENEFITS

- Increase access to nutritious foods
- Strengthen community ties
- Beautify neighborhoods
- Support the ecosystem
- Provide space for bee-friendly plants
Although Rocky Mount has a few community gardens, they are far away from the CLT properties.

The Rocky Mount Code of Ordinances does not currently explicitly allow for community gardens.

Our Recommendations:

- List community gardens as an acceptable use for, at least, R-10 and R-6MFA zoned areas, explicitly permitting community gardens.
- We also propose the creation of a new, local community garden on Goldleaf Street.
LOOKING FORWARD:

OUR KEY FINDINGS AND RECOMMENDATIONS
1. DEVELOP PROPERTIES UNDER OUR PROPOSED THREE YEAR PLAN

- Our three-year, 3-5-7 framework ensures that the CLT can quickly make dramatic changes to the properties that need it most and foster a close-knit community within the neighborhood.
- In the future, the CLT can expand and continue to increase affordable housing access Rocky Mount.
2. ALLOW THE CLT TO FISCALLY BENEFIT ROCKY MOUNT

- While financial gain is not the primary goal of the CLT, Rocky Mount city staff and residents can rest easy knowing that the CLT can actually increase tax revenue.
- Projected overall increase in tax revenue of over $4,000 per year, even if land values increase.
3. **ENSURE ADU ORDINANCES ALIGN TO THE CLT**

- ADUs provide a huge range of benefits, from providing supplemental income for homeowners to increasing access to affordable units.
- The city council voted to amend the current code on ADUs in December 2020, and the amendment aligns with the goals of the CLT, but we recommend that these changes be realized in the public facing ordinances.
4. **Include Community Garden Supports to Enhance the CLT**

- A community garden will enhance the CLT neighborhood.
- We recommend explicitly permitting community gardens in the zoning code for residential areas.
5. **FINANCIALLY SUPPORT THE COMMUNITY LAND TRUST**

We recommend that the City of Rocky Mount financially support the CLT in their on-going efforts to create affordable housing.
"COMMUNITY LAND TRUSTS] PROVIDE A FRAMEWORK FOR ORGANIZING EFFORTS TO REIMAGINE NEIGHBORHOODS AND CITIES AS MORE THAN JUST PLACES."

Oksana Mironova, Jacobin
Our team has greatly enjoyed working with the Rocky Mount City Government in supporting our mission of implementing a Community Land Trust. We hope that our research will allow Rocky Mount residents access to safe and affordable homes.