Executive Summary

Forsyth County is actively marketing/preparing to sell the former Hall of Justice (the historic Forsyth County courthouse building that housed courts from 1974 until operations moved into the new 250,000+ sq. ft. courthouse at 175 N Chestnut St. in October 2023). The Hall of Justice is ±171,750 sq. ft., 6+ floors, built in 1974 with renovations in the late 1990s.

Recent County discussions around disposition indicate an offer price of about **$2.6 million** for the Hall of Justice, described as consistent with expectations for large civic buildings in Winston-Salem's Central Business District, with interest already being courted through brokers.

ANCHOR proposes:

1. The County completes an arms-length sale of the existing Hall of Justice at current value (assume ~$2.6M).
2. The County immediately allocates the net proceeds on a formula basis:
    - **33%** → ANCHOR-administered *Forsyth County Community Land Trust (CLT) Fund* to permanently preserve affordability through below-market homeownership and limited-equity rental models.
    - **33%** → a *Rental Housing Stabilization Fund* dedicated to rental assistance, arrears, and shallow subsidy prevention for extremely low-income households, aligned with City with Dwelling existing programs and related local tools.
    - **33%** → a *County Home Repair and First-Time Home Buyer Initiative*, targeting rehab/repair for aging housing stock, first-time homebuyer down-payment assistance, and landlord incentive funds for rapid lease-up of low-income tenants.

Instead of physically converting the courthouse into housing, this proposal converts the courthouse's *value* into a permanent local housing engine with three coordinated tools: permanent affordability (CLT), immediate stabilization (rental assistance), and long-term wealth-building (homeownership access).

Asset Context and Disposition Value

The Property

- Forsyth County Hall of Justice (former courthouse), 171,750 sq. ft., 6 floors, opened in 1974 with 14 courtrooms.
- Functionally replaced by a new 6-story, 250,000 sq. ft. courthouse with 16+ courtrooms and modern security systems at 175 N Chestnut St., which opened for court operations October 23, 2023.
- Since courts relocated, Forsyth County began clearing out the old building, auctioning furniture, fixtures, and surplus equipment in May 2024 signaling that the County considers the old Hall of Justice a surplus real estate asset.
- By late 2024 into 2025, County staff and its broker have been publicly discussing sale options and actively marketing the property for adaptive reuse, with a stated *asking price of approximately $5.5 million*. The County has described that price as in line with other large-footprint civic/commercial properties in the Central Business District, while acknowledging that the building's precast 1970s concrete structure and major mechanical needs create redevelopment cost challenges for private buyers.

Why a Sale Makes Sense

- The County does not need two courthouses. The new facility on Chestnut was specifically designed to consolidate all court functions, improve security, and modernize circulation (defendants, judges, and public kept separate), and it accommodates current and projected caseload growth.
- Maintaining a mostly vacant 1970s justice complex downtown becomes a liability - security, insurance, utilities, maintenance, political optics - rather than an asset.
- The private market has signaled interest in courthouse-to-housing or courthouse-to-mixed-use conversions across the country, *but* those deals only work when acquisition cost is low enough to justify the heavy retrofit. Forsyth County's $5.5M expectation reflects a balancing act: not fire-sale cheap, but still a steep discount compared to ground-up Class A office development downtown.

For this proposal, we treat $2.6M as a plausible sale/valuation number and use that for downstream allocation modeling.

Proposed Structure of Proceeds

ANCHOR recommends a simple, policy-forward, highly defensible split of net sale proceeds from the Hall of Justice:

1. ### 33% → Forsyth County Community Land Trust (CLT) Fund
   Seed capital to acquire, hold, and steward permanently affordable land and housing units in Forsyth County under a CLT model.

2. ### 33% → Rental Housing Stabilization Fund
   A fund for direct rental assistance, arrears, emergency deposits, and shallow subsidy to keep residents housed and out of the shelter/eviction/ER cycle.

3. ### 33% → Home Repair and First-Time Home Buyer Initiative
   Flexible investment in:

   - Down payment assistance/shared equity homeownership for first-generation buyers.
   - Critical home repair/rehab to keep existing low-income homeowners in place (prevents displacement and preserves aging affordable stock).
   - Incentives to small landlords to lease to voucher holders/extremely low-income renters (sign-on bonus, minor code repairs).

This split is clean to communicate, easy to track, and aligns with County priorities:

- Permanent affordability (CLT).
- Crisis prevention (stabilization).
- Wealth-building and housing supply protection (homeownership + rehab).

Politically: each bucket benefits a visible constituency. That matters.

Community Land Trust: Model, Structure, Precedent

What a Community Land Trust (CLT) Is

A Community Land Trust is a nonprofit entity that acquires land and removes that land from the speculative market permanently. The CLT:

- Retains ownership of the land in perpetuity.

- Sells or rents the *improvements* (the house/unit) to an income-qualified household at below-market cost.
- Uses a long-term ground lease (often 99 years, renewable) that gives the household secure, inheritable rights, but caps resale price so the home stays affordable for the next income-qualified buyer.

This does two things:

1. It permanently locks affordability into the property - no 15-year or 30-year affordability "sunset" like traditional deed restrictions.
2. It allows lower-income households (often first-generation buyers) to access homeownership and build some equity, even if they couldn't afford full market price land the neighborhood of their choosing.

Why Counties Use CLTs

County and city governments across North Carolina and nationally are increasingly seeding CLTs with public dollars or public land for three reasons:

- ### Anti-Displacement / Racial Equity
  In cities like Durham, the Durham Community Land Trustees (DCLT) has operated for decades to keep long-term residents - often Black families in historically disinvested neighborhoods - from being priced out. DCLT both develops new affordable rental units and sells CLT homes to lower-income buyers while keeping land in trust. The result is that families who otherwise would have been forced out by rising land values can stay rooted in their neighborhoods for generations.
- ### Permanent Affordability vs. Time-Limited Affordability
  Traditional tools (LIHTC, standard down-payment assistance, etc.) often have 15 - 30 year compliance windows. After that, units can go market-rate. CLT affordability is structurally permanent because the land never re-enters full-price private speculation.
- ### Pathway to Ownership for Low- and Moderate-Income Buyers
  Community Land Trusts like the Raleigh Area Land Trust (RALT) have demonstrated that even extremely cost-burdened renters, including veterans and fixed-income buyers, can achieve affordable homeownership under a CLT model. One Raleigh-area CLT home was acquired by an Army veteran who moved into a fully rehabbed, modest single-family house in Southeast Raleigh; he pays a mortgage he can actually afford because the CLT retained ownership of the land and restricted resale for future buyers.
- ### Local Control and Accountability
  Many CLTs have governance boards that include residents, community stakeholders, and public-sector partners, which gives counties continuing visibility into affordability outcomes.

How Counties Seed CLTs

There are three common seeding mechanisms:

1. ### Direct Capitalization

   County provides startup funds (often \$1M–\$5M) so the CLT can acquire scattered-site homes or small multifamily buildings quickly before speculative investors buy them.

2. ### Land/Building Donation or Discounted Conveyance

   County conveys surplus parcels, tax-foreclosed homes, or old public buildings to the CLT at nominal cost. This instantly lowers development costs and makes affordable housing development costs possible.

3. ### Operating/Stewardship Support

   Counties sometimes fund the CLT's stewardship function - compliance monitoring, resale formula enforcement, education for buyers, etc. This is critical because CLTs are long-term stewards, not "one-and-done" builders.

In North Carolina today, we are seeing versions of all three. Durham's CLT (DCLT) is a long-standing nonprofit; the City of Durham has repeatedly partnered with and funded DCLT to preserve affordability for long-term residents. In Wake County/the Triangle, the Raleigh Area Land Trust has been capitalized and supported publicly to acquire and rehab homes specifically for income-limited buyers, including veterans, using the CLT ground lease structure. In September 2025, the Town of Apex (Wake County area) voted unanimously to establish a town-sponsored CLT to keep housing affordable as growth accelerates.

The pattern is consistent: local government steps in early with seed dollars or surplus property, the CLT locks in permanent affordability, and the housing stays affordable generation after generation, not just for the first buyer.

How a Forsyth County CLT Would Work

Under this proposal:

- Forsyth County dedicates ~33% of Hall of Justice sale proceeds to capitalize ANCHOR's "Forsyth County Community Land Trust."
- ANCHOR (which already develops and manages affordable rental housing across Forsyth County and the broader region) holds or spins up a CLT subsidiary / affiliate governed by:
  - 1/3 residents of CLT properties/community members/ANCHOR Board members
  - 1/3 public sector/County-appointed seats

- 1/3 ANCHOR/technical and financial experts
  This mirrors standard CLT tripartite governance models used nationally to ensure accountability to residents, public funders, and professional stewards.

- Initial deployment of CLT dollars in Forsyth County would focus on:
  - Acquiring single-family homes and small multifamily buildings in neighborhoods at risk of speculative acquisition and rent spikes.
  - Performing essential rehab/code work.
  - Selling those homes to income-qualified first-time buyers at below-market cost, with resale restrictions that keep them affordable permanently; OR renting them at stabilized, below-market rents managed by ANCHOR.
- Over time, as mortgages get repaid or units refinance, the CLT fund recycles capital and keeps growing.

Practical impact of initial seed:

- If average all-in acquisition + rehab per modest Forsyth County single-family home is ~$180,000–$200,000 (which is consistent with current rehabbed-affordable CLT deals in other NC markets serving low- to moderate-income buyers), then **we hope to lock 9 - 10 homes in *permanent* affordability in year one.**
- Those units never expire out of affordability — unlike standard subsidy models.

Rental Housing Stabilization Fund (33%)

Housing instability in Forsyth County shows up first as:

- Missed rent due to a one-time shock (medical bill, car repair).
- Inability to post deposit + first month's rent fast enough to take an available unit.
- Accumulated arrears that trigger eviction court.

Assistance through the fund can be deployed to do three things:

1. ### Emergency Rental Assistance/Arrears Payoff
   Pay off $1,000–$3,000 in back rent for extremely low-income tenants (≤30% AMI) to prevent eviction and homelessness. These are the same households City with Dwellings and ANCHOR targets in our 30% AMI work. Eviction prevention is cheaper than shelter or rapid rehousing.
2. ### Rapid Move-In/Shallow Subsidy
   Small, quickly deployed payments for deposits, application fees, and utility hook-ups to move people

from couch-surfing/motel living situations into stable housing fast - especially people exiting hospital stays, behavioral health treatment, substance use treatment, or County services. This mirrors national “housing first/diversion” best practice, which counties increasingly fund because it’s cheaper than downstream jail/ER usage.

3. ### Landlord Partnership/Incentive Pool

   Offer small landlords (1 - 10 units) a modest incentive plus repair dollars if they agree to lease to extremely low-income tenants and accept inspections/oversight. The County basically “buys down” perceived risk and creates new units of affordability out of existing stock, fast.

Home Repair and First-Time Home Buyer Initiative (33%)

The final ~33% goes to long-term affordability, wealth-building, and rehab across Forsyth County:

A. Down Payment/Closing Cost Assistance (Shared Equity)

- Offer forgivable or shared-equity down payment assistance to first-generation buyers at ≤80% AMI, with equity-share or resale cap provisions so homes remain affordable for the next buyer.
- This dove-tails with, not duplicates, the CLT: the CLT keeps land permanently affordable, while down payment support helps buyers purchase homes that might not be in the CLT but still need affordability protections.

B. Critical Home Repair/Accessibility Retrofits

- Fund code, systems, roof, HVAC, and accessibility upgrades for low-income, often elderly homeowners in aging housing stock.
- This keeps those homes habitable and prevents displacement into rental or institutional care. Counties frequently justify this as both anti-displacement and elder-stability policy.

C. Small Landlord Rehab-for-Affordability Program

- Provide forgivable mini-loans or grants to small landlords for essential rehab (electrical, roof, plumbing) in exchange for a recorded affordability covenant (for example: cap rent at a 60% AMI level for 10+ years).
- Result: prevents naturally affordable “Class C” units from being lost to vacancy, condemnation, or speculative flip.

Together, these tools expand supply and preserve existing affordable units without waiting on long permitting/construction cycles.

Timeline and Governance

County Action in Year 0

- County finalizes sale of the Hall of Justice
- County Board of Commissioners adopts a resolution allocating net sale proceeds into the three dedicated funds at 33/33/33.
- County and ANCHOR execute an agreement establishing:
  - The Forsyth County Community Land Trust Fund under ANCHOR stewardship.
  - Reporting requirements (annual unit count preserved/created; demographics served; AMI levels; resale formulas).
  - Guardrails for the *Rental Housing Stabilization Fund* and *Home Repair and First-Time Home Buyer Initiative.*

CLT Launch in Year 1

- ANCHOR forms or designates a CLT subsidiary with a three-party board structure (community residents, County/public seats, ANCHOR seats). This mirrors governance in long-standing North Carolina CLTs such as Durham Community Land Trustees, which operates as a mission-driven, permanently affordable housing steward with deep neighborhood accountability.)
- The CLT immediately begins acquiring 1 - 4 unit properties in neighborhoods at risk of investor buy-up, with priority given to census tracts showing rapid price appreciation.

Stabilization and Homeownership Funds in Year 1

- City with Dwellings deploys the Stabilization fund as flexible eviction-prevention, arrears, and landlord incentive dollars, with quarterly reporting to Commissioners on:
  - Number of households stabilized
  - Average cost per household
  - Estimated public cost avoided (shelter, jail bed, ER visit), assuming this data is readily available and accurate
- County's Affordable Housing and Homeownership Initiative opens applications for:
  - Down payment assistance for first-gen buyers
  - Critical repair grants for elderly/disabled homeowners
  - Rehab-for-affordability pilot for small landlords

This sequencing means residents see benefits in Year 1, not Year 4+, which is a major political strength compared to a 3 - 4 year adaptive reuse build timeline.

Policy Benefits & Outcomes for Forsyth County

Faster Impact

Adaptive reuse of the courthouse into housing (Proposal #1) is transformational but takes ±4 years from go-ahead to lease-up because it requires historic approvals, LIHTC cycles, heavy MEP work, and full construction.

This Proposal #2 model starts delivering tangible housing outcomes in Year 1:

- Families prevented from eviction today.
- First-time buyers (especially long-time Forsyth residents) in homes by next summer.
- Small landlords locking in affordability covenants in exchange for rehab dollars.

Permanent Affordability and Anti-Displacement

The CLT keeps land permanently affordable and under local control, using a model that has kept multi-generational, predominantly Black households in place in Durham neighborhoods that would otherwise have gentrified and displaced long-term residents.

Wake County-area models (e.g. Raleigh Area Land Trust) have already proven that CLTs can take rehabbed single-family homes and make them attainable for working-class and fixed-income buyers (including veterans) who would otherwise never enter ownership.

Forsyth County can replicate that outcome here.

Diversified Impact Across the Housing Spectrum

Instead of a single site and a single product type (primarily studios/1BR rentals as in Proposal #1), this model spreads benefit across:

- Extremely low-income renters in crisis (stabilization fund).
- First-generation and fixed-income buyers (CLT + down payment support).
- Aging homeowners who need rehab to remain safely housed.
- Small landlords who can keep “naturally occurring affordable housing” habitable and affordable.

Fiscal Responsibility and Public Narrative

Politically, this allows Forsyth County to say:

- “We sold an obsolete asset we no longer needed for justice operations for millions of dollars.”
- “We did not dump that money into general funds. We reinvested 100% into housing affordability through three buckets whose impact starts immediately and lasts permanently.”
- “One-third seeded a Community Land Trust that will *never* let those homes go market-rate. One-third stops evictions and homelessness at the front door. One-third builds wealth for Forsyth County residents and preserves existing affordable stock.”

That is a very strong story to taxpayers, to philanthropy, to hospital partners, and to the State.

Immediate Next Steps / Requested County Actions

1. ## Direct Staff to Finalize Sale and Lock Proceeds

   As Forsyth County continues to solicit buyers at or near the $2.6M sale price for the vacant Hall of Justice, the Board of Commissioners should adopt a resolution that dedicates net proceeds (after transaction costs) into the three funds at 33/33/33. This prevents “leakage” of dollars to unrelated priorities once the check clears.

2. ## Authorize ANCHOR to Launch the Forsyth County CLT Fund

   Empower ANCHOR to stand up a Community Land Trust structure modeled on successful NC precedents (Durham Community Land Trustees; Raleigh Area Land Trust), with three-way governance and permanent affordability covenants.

   - Deliverables in Year 1: # properties acquired into trust; # homes rehabbed and placed into permanently affordable ownership or stabilized affordable rental.

3. ## Stand Up the Rental Housing Stabilization Fund

   Use existing County human services/housing infrastructure to deploy fast-turnaround rental assistance, arrears payoffs, and landlord incentives targeting extremely low-income households who are at greatest risk of eviction or homelessness.

4. ## Launch Home Repair and First-Time Home Buyer Initiative Guidelines

   Publish clear eligibility rules for down payment support, critical repair grants, and landlord rehab-for-affordability tools. Prioritize households at ≤80% AMI and neighborhoods facing displacement pressure.

5. ## Track and Publicly Report Outcomes Quarterly

   Require transparent dashboards:

   - Households stabilized from eviction.

- Permanently affordable CLT homes created.
- Owner-occupants assisted into first-time homeownership.
- Units preserved through landlord rehab covenants.
This is how the County proves, quickly and in plain English, that the sale of a single surplus building translated directly into measurable housing stability for Forsyth County residents.

Closing Argument

Forsyth County has already solved the courts problem. The new 250,000+ sq. ft. courthouse at 175 N Chestnut St. is open, modern, and purpose-built for the next generation of justice services. The 1974 Hall of Justice, 171,750 sq. ft. of now-obsolete civic space downtown, is no longer mission-critical. The County is marketing that building at roughly $5.5M.

Proposal #1 says: keep the building and, over ~4 years, turn it into ~165–200 deeply affordable apartments plus a downtown grocery. That is transformational place-making.

Proposal #2 (this proposal) says: sell the building and turn the dollars into a permanent affordability machine.

By dedicating 33/33/33 of sale proceeds:

- You launch a Forsyth County Community Land Trust under ANCHOR stewardship that permanently removes land from speculation and keeps homes affordable for generations, following the proven Durham and Raleigh CLT models.
- You create an immediately deployable *Rental Housing Stabilization Fund* to keep extremely low-income renters from falling into eviction, homelessness, or jail/ER crisis cycles.
- You seed a County *Home Repair and First-Time Home Buyer Initiative* that repairs aging housing stock, supports first-time buyers, and partners with small landlords to preserve naturally affordable units.

This gives Forsyth County something incredibly rare in local housing policy:

Rapid impact, permanent affordability, and broad coverage across the rental, ownership, and preservation spectrum - all funded by a single legacy asset the County no longer needs.