

Charlotte Woods NOAH Investment Opportunity

MAY 22, 2023

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City of Charlotte NOAH Investment Criteria

NOAH Investment Guidelines Adopted by City Council in 2019	
✓	In a location at risk of conversion to higher rents and the threat of displacement of low-and-moderate income residents
✓	Affordability period of at least 15 years
✓	Funding prioritized for 60% AMI and below households, and at least 10% of units set-aside for 30% AMI households
✓	In an area with close proximity to quality jobs, schools and transportation infrastructure
✓	City investment per unit up to \$35K, with leverage ratio of at least 1:3

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City of Charlotte's NOAH Track Record

◀ Eight successful NOAH investments since 2019

- Aggregate city support of \$28million, with a leverage ratio of 1:6
- Enabled preservation and long-term affordability for 1,335 units

◀ Layered Programming

- NOAH rental subsidy program
- Supportive service model

◀ Public-Private Partnership

- Housing Impact Fund
- Co-investments with Mecklenburg County



Charlotte Woods NOAH Proposal

◀ Developer = Ascent Housing / Housing Impact Fund

◀ Location = District 1 [at Woodlawn / Scaleybark]

◀ 266 Units

- 155 One Bedroom Units
- 111 Two Bedroom Units

◀ Current Market Rents

- Average 1-BR - \$1,195 - \$1,324/month
- Average 2-BR - \$1,465 - \$1,546/month

◀ Estimated Proposed Rents

- \$360 to \$535* for 30% AMI & Below
- \$1,000 to \$1,175 for 60% AMI & Below
- \$1,050 to \$1,215 for 80% AMI & Below

◀ Proposed AMI Mix

- 30% AMI or less: 80 units
- 31% - 60% AMI: 133 units
- 61% - 80% AMI: 53 units



* Rent range for 30% AMI households based on participants in rental subsidy program [see slide 12]

Charlotte Woods: Surrounding Area

Apartments proximate to:

- Convenient access to Uptown and other major employment and service hubs
- Close to Park Road Shopping Center, and zoned for AG Middle and Myers Park High
- Close to:
 - pharmacies
 - grocery/shopping
 - bank branches
 - CATS bus route
 - Blue line



3-MILE RADIUS

\$139,602
AVERAGE
HOUSEHOLD INCOME

\$583,745
AVERAGE
HOME VALUE

80.7%
% COLLEGE +
EDUCATED

Charlotte Woods: Proposed Sources of Funds

Funding Sources	Amount
Senior Debt	\$18,000,000
Housing Impact Fund II	\$14,075,000
City of Charlotte	\$8,000,000
Mecklenburg County	\$4,000,000
Total	\$44,075,000

← First investment of "round two" of the Housing Impact Fund

← Funding source = Housing Trust Fund

City Cost Per Unit	Leverage Ratio
\$30,075	1:5

City of Charlotte and Mecklenburg County funding contingent on actions by Council and Board of Commissioners, respectively

NOAH Proposal (Rental Subsidy Program)

- ◁ Collaborative city / county program
- ◁ Creates new long-term rent subsidies for 30% AMI households that do not have existing vouchers
- ◁ Yearly aggregate subsidy amount funded by the city not to exceed the amount of city taxes paid on the property
- ◁ Subsidy administered by a third-party and paid after verifying household eligibility



Charlotte Woods Subsidy Proposal

New Subsidies	40 units (15% of total)
AMI Served	30% and below
City Property Tax (2022)	\$112,929
Affordability / Subsidy Period	20-years
Estimated Present Value of 20-year City Subsidy	\$1.8M

Charlotte Woods: Key Takeaways

- ◁ Large NOAH preservation opportunity in an area experiencing substantial rent growth
- ◁ Meets or beats all city NOAH-related guidelines/goals
- ◁ Public/private sector funding collaboration with Housing Impact Fund and Mecklenburg County
- ◁ Emphasis on city priorities related to:
 - Affordable housing and anti-displacement
 - Near-term access to 30% AMI units
 - Expansion of rental subsidies for 30% AMI households
 - Exceed MWSBE goals (i.e., > 90% of rehab work to be minority-led)
 - Supportive services and economic mobility

Next Steps

◀Charlotte Woods

- Council vote on June 12th [contingent on Action Review feedback]
- Board of County Commissioners expected to consider the funding request in June

◀NOAH Rolling RFP

- RFP posted May 19, 2023
- RFP parameters consistent with Housing Trust Fund “Tune Up”
- Funding recommendations will be presented to Council as opportunities emerge