

HOUSING TRUST FUND RECOMMENDATIONS

OCTOBER 6, 2025 – CITY COUNCIL

Affordable Housing Funding Recommendations

Council Priority Alignment

- ▶ Great Neighborhoods; Affordable Housing

Purpose

- ▶ To review and discuss staff recommendations for affordable housing development support requests received in response to recent Request for Proposals (RFP)

Key Takeaways

- ▶ This is the second funding cycle following the expansion of the housing bond and City Council's adoption of the Affordable Housing Funding Policy
- ▶ This round, we received a total of 8 proposals totaling \$19,962,000
- ▶ Proposals include a mixture of development types including multi-family development, homeownership and supportive housing
- ▶ Staff recommends approval of 8 Housing Trust Fund proposals

Affordable Housing Funding Recommendations

Previous Council Communication

- ▶ **September 2024: Council adopts Affordable Housing Funding Policy**
- ▶ **October 2, 2025: Memo and report summarizing the proposals received in response to RFPs distributed in Council's weekly packet**

Future Council Action

- ▶ **October 27, 2025: Recommended investments will be on the Council Business Agenda for consideration**

Housing Funding Policy Goals

▶ **Economic Mobility**

Residents will have access to services that increase employment, income, and wealth and reduce barriers to housing stability

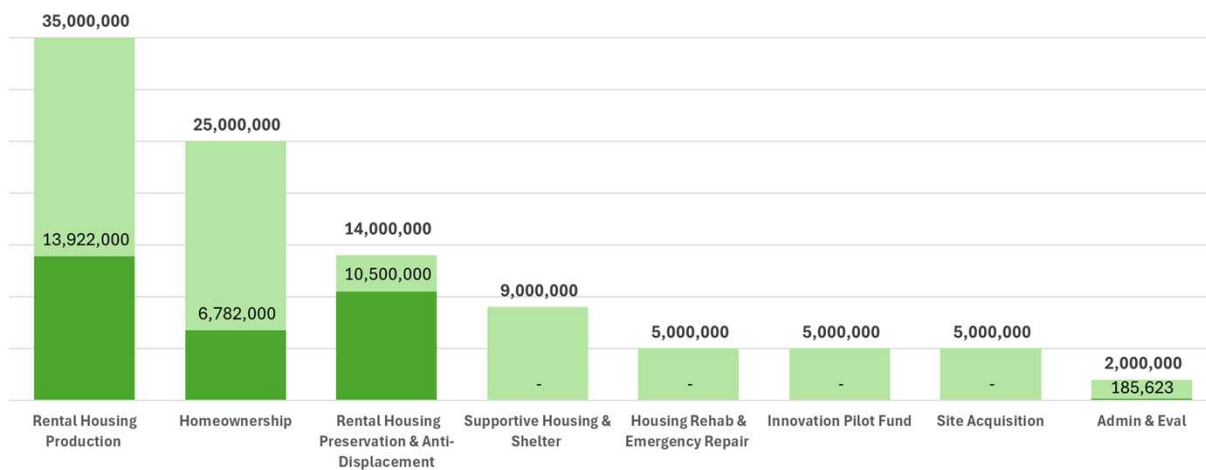
▶ **Neighborhood Affordability**

Residents of all incomes will have access to diverse housing options in thriving neighborhoods

▶ **Residential Stability**

Residents will have access to safe, quality, affordable housing and supports to help them maintain housing stability

Housing Bond Investment Goals Tracker



\$100 Million Housing Bond Activation

Investment Category	Goal	Balance	Activation Plan
Rental Housing Production	\$35 M	\$21.1 M	- Housing Trust Fund RFP - First round approvals April 28, 2025 - Second round recommendations October 13, 2025
Homeownership	\$25 M	\$18.2 M	- Housing Trust Fund RFP - Rolling Homeownership RFP - House Charlotte Program - Acquisition, Rehab, Resale Revolving Loan Fund
Rental Housing Preservation	\$14 M	\$3.5 M	- Rolling NOAH RFP - Small Landlord Retrofit Program/HVAC Pilot
Supportive Housing and Shelter Capacity	\$9 M	\$9 M	Housing Trust Fund RFP
Housing Rehab and Emergency Repair	\$5 M	\$5 M	- RFP for Partner Rehab, October 2025 awards - CiviForm application for Emergency Repair
Innovation Pilot Fund	\$5 M	\$5 M	HSC Committee provided guidance, staff cultivating opportunities to bring forward for consideration
Site Acquisition	\$5 M	\$5 M	TOD Land Acquisition RFP
Administration & Evaluation	\$2 M	\$1.8 M	Partner Contracts for Evaluation and Services
Total	\$100 M		

Housing Development Fund Overview

- ▶ Provides gap financing for affordable housing developments
- ▶ Fund replenished on biennial basis via bond referendum and federal allocations
- ▶ Winter Request For Proposals (RFP) aligns with state tax credit application deadlines
- ▶ Separate “rolling RFP” for NOAH, Homeownership and Land Acquisition funding requests
- ▶ Proposals evaluated for alignment with City Council's Affordable Housing Funding Policy

Housing Bond Investment Priorities

- ▶ **Priority Populations**
Focus on homebuyers, lower-wage workers, households at-risk for displacement, and vulnerable populations
- ▶ **Location Priorities**
Incentivize locations where investment increases housing choice and creates the greatest impact
- ▶ **Resident Services**
Link housing and services to create stronger outcomes
- ▶ **Partnerships and Leverage**
Build partnerships and leverage the market
- ▶ **Innovation**
Activate bold ideas with potential to scale

Housing Development Fund Schedule

Milestone	Dates
Release Request For Proposals	June 13, 2025
Proposal Submission Deadline	July 25, 2025
Council Committee Discussion	October 6, 2025
City Council Action Review	October 6, 2025
City Council Approval	October 27, 2025
Next RFP Cycle	November 2025 – April 2026

Note: NOAH, Homeownership and Land Acquisition are rolling RFPs that stay open until funds are depleted. Applications may come forward to Council outside this cycle.

Housing Development Proposals

Investment Categories	Council Allocation of \$100 M	Committed to Date	Funding Available	Number of Proposals	Funding Requested
Rental Housing Production	\$ 35,000,000	\$ 13,922,000	\$ 21,078,000	3	\$ 9,865,000
Homeownership	\$ 25,000,000	\$ 6,782,000	\$ 18,218,000	3	\$ 3,847,000
Supportive Housing	\$ 9,000,000	\$ -	\$ 9,000,000	2	\$ 6,250,000
Other	\$ 31,000,000	\$ 10,685,623	\$ 20,314,377	-	\$ -
Total	\$ 100,000,000	\$ 31,389,623	\$ 68,610,377	8	\$ 19,962,000



Recommended Developments: Rental Housing Production

Kendall Crossing

4% Tax Credit - Senior



Location Summary				
Proximity	Access	Change	Diversity	Total
5.0	3.4	8.1	5.0	21.5

Unit Mix							
30%	40%	50%	60%	70%	80%	Market	Total
20	0	0	37	43	0	0	100

The Paces Foundation, Inc.

District 3 | 9400 Kendall Drive

Financial Summary		
Funding Request	\$	4,975,000
Prev. City Funding	\$	-
Investment per Unit	\$	49,750
Investment per Unit per Year	\$	503
Total Development Cost (TDC)	\$	29,793,505
TDC per Unit	\$	297,935
CBI Commitment		15%
City Funding as % of Sources		17%

Key Indicators	
Affordability Period	99 years
% at 30%	20%
% >2BR	0%
Investment Realization Period	13 years
10-Year Rent Savings	\$ 3,783,906
HTF Within 0.5 Miles	-

River District Apartments

Non-LIHTC - Family



Location Summary

Proximity	Access	Change	Diversity	Total
0.0	3.2	8.1	3.3	14.6

Unit Mix

30%	40%	50%	60%	70%	80%	Market	Total
18	0	0	15	0	54	0	87

Laurel Street Residential, LLC

District 3 | 6998 Westrow Avenue

Financial Summary

Funding Request	\$	900,000
Prev. City Funding	\$	5,800,000
Investment per Unit	\$	77,011
Investment per Unit per Year	\$	778
Total Development Cost (TDC)	\$	23,820,000
TDC per Unit	\$	273,793
CBI Commitment		15%
City Funding as % of Sources		28%

Key Indicators

Affordability Period	99 years
% at 30%	21%
% >2BR	16%
Investment Realization Period	13 years
10-Year Rent Savings	\$ 5,158,608
HTF Within 0.5 Miles	-

Weddington Road Apartments

4% Tax Credit - Family



Location Summary

Proximity	Access	Change	Diversity	Total
3.5	1.8	3.0	10.0	18.3

Unit Mix

30%	40%	50%	60%	70%	80%	Market	Total
18	0	0	67	0	0	0	85

DreamKey Partners, Inc.

District 7 | 3900 Weddington Road

Financial Summary

Funding Request	\$	3,990,000
Prev. City Funding	\$	3,150,000
Investment per Unit	\$	84,000
Investment per Unit per Year	\$	848
Total Development Cost (TDC)	\$	25,619,120
TDC per Unit	\$	301,401
CBI Commitment		13%
City Funding as % of Sources		28%

Key Indicators

Affordability Period	99 years
% at 30%	21%
% >2BR	19%
Investment Realization Period	10 years
10-Year Rent Savings	\$ 7,515,398
HTF Within 0.5 Miles	-



Recommended Developments: Homeownership

Aveline at Newell Town Homes

Homeownership



Location Summary				
Proximity	Access	Change	Diversity	Total
1.0	5.7	9.3	2.0	18.0

Unit Mix							Total
30%	40%	50%	60%	70%	80%	Market	
0	0	0	0	0	54	0	54



DreamKey Partners, Inc.

District 4 | 8049 Old Concord Road

Financial Summary	
Funding Request	\$ 702,000
Prev. City Funding	\$ 2,430,000
Investment per Unit	\$ 58,000
Investment per Unit per Year	\$ 1,933
Total Development Cost (TDC)	\$ 17,738,955
TDC per Unit	\$ 328,499
CBI Commitment	13%
City Funding as % of Sources	18%
Years of Affordability	30 years

Sales Price & Additional Information	
Average First Mortgage	\$171,000
Sales Price Range	\$267k - \$281k

Ellington Townhomes

Homeownership



Location Summary

Proximity	Access	Change	Diversity	Total
9.0	6.0	9.9	5.0	29.9

Unit Mix

30%	40%	50%	60%	70%	80%	Market	Total
0	0	0	0	35	0	0	35

DreamKey Partners, Inc.

District 1 | 3430 Wheatley Avenue

Financial Summary

Funding Request	\$	1,750,000
Prev. City Funding	\$	-
Investment per Unit	\$	50,000
Investment per Unit per Year	\$	1,667
Total Development Cost (TDC)	\$	10,923,990
TDC per Unit	\$	312,114
CBI Commitment		13%
City Funding as % of Sources		16%
Years of Affordability		30 years

Sales Price & Additional Information

Average First Mortgage	\$169,000
Sales Price Range	\$255k - \$270k

Unity Oaks

Homeownership



Location Summary

Proximity	Access	Change	Diversity	Total
2.5	3.1	5.4	5.4	16.4

Unit Mix

30%	40%	50%	60%	70%	80%	Market	Total*
0	0	0	17	10	4	40	31

*Total reflects only the affordable units.

Habitat for Humanity of the Charlotte Region, Inc.

District 4 | Grier Road and W.T. Harris Blvd

Financial Summary

Funding Request	\$	1,395,000
Prev. City Funding	\$	-
Investment per Unit	\$	45,000
Investment per Unit per Year	\$	455
Total Development Cost (TDC)	\$	9,430,206
TDC per Unit	\$	304,200
CBI Commitment		13%
City Funding as % of Sources		15%
Years of Affordability		99 years

Sales Price & Additional Information

Average First Mortgage	\$198,646
Sales Price Range	\$265,000



Recommended Developments: Supportive Housing and Shelter Capacity

Dream Center Campus Transitional Housing



Charlotte Mecklenburg Dream Center District 2 | 5612 Freedom Dr

Financial Summary

Funding Request	\$	2,000,000
Prev. City Funding	\$	-
Investment per Unit/Room	\$	41,667
Investment per Unit/Room per Year	\$	421
Total Project Cost	\$	12,100,685
Cost per Bed	\$	682
City Funding as % of Sources		17%

Key Indicators

Units / Rooms	8 / 48
Affordability Period	99 years
HTF Within 0.5 Miles	-
CBI Commitment	13%

Mecklenburg County Hotel Conversion

Non-Congregate Shelter

Mecklenburg County

District 2 | 6309 Banner Elk Drive



Financial Summary

Funding Request	\$	4,250,000
Prev. City Funding	\$	-
Investment per Bed	\$	68,548
Investment per Bed per Year	\$	692
Total Project Cost	\$	8,500,000
Acquisition	\$	5,500,000
Renovation	\$	3,000,000
Cost per Bed	\$	137,097
City Funding as % of Sources		50%

Key Indicators

Beds	62
Affordability Period	99 years
HTF Within 0.5 Miles	2
CBI Commitment	13%



Housing Development Recommendations Summary

Recommended Developments Summary

Development	Developer	Development Type	District	Affordable Units	Recommended Funding	Negotiated Affordability Period	City Cost Per Unit	City Cost Per Unit Per Year
Rental Housing Production				272	\$ 9,865,000			
Kendall Crossing	The Paces Foundation	4% - Seniors	3	100	\$ 4,975,000	99	\$ 49,750	\$ 503
River District*	Laurel Street	Non-LIHTC	3	87	\$ 900,000	99	\$ 77,011	\$ 778
Weddington Road Apartments**	DreamKey Partners	4% - Family	7	85	\$ 3,990,000	99	\$ 84,000	\$ 848
*Note: Development previously awarded \$5.8 million in HTF								
**Note: Development previously awarded \$3.15 million in HTF								
Homeownership				120	\$ 3,847,000			
Aveline Newell Townhomes*	DreamKey Partners	Homeownership	4	54	\$ 702,000	30	\$ 58,000	\$ 1,933
Ellington Townhomes	DreamKey Partners	Homeownership	1	35	\$ 1,750,000	30	\$ 50,000	\$ 1,667
Unity Oaks	Habitat for Humanity	Homeownership	4	31	\$ 1,395,000	99	\$ 45,000	\$ 455
*Note: Development previously awarded \$2.43 million in HTF funding								
Supportive Housing & Shelter Capacity				70	\$ 6,250,000			
Dream Center Campus	Dream Center	Transitional Housing	2	8	\$ 2,000,000	99	\$ 20,202	\$ 2,525
Meck Co Hotel Conversion	Mecklenburg County	Non-Congregate Shelter	2	62	\$ 4,250,000	99	\$ 68,548	\$ 692

Recommended Developments: AMI Summary and Rent/Sales Price Range

	Number of Units	Rent Range Efficiency to 3BR	Sales Price Range
30% AMI	56	\$589 - \$875	
50% AMI	0	\$982 - \$1,458	
60% AMI	119	\$1,170 - \$1,750	
70% AMI	43	\$1,375 - \$2,042	
80% AMI	54	\$1,572 - \$2,334	
Homeownership	120		\$255k - \$281k
Supportive Housing	70		
Total	582		

Housing Trust Fund Forecast [If Recommendations Are Approved]

Housing Trust Fund Balance	
Housing Trust Fund Current Balance	\$68,610,377
Rental Housing Production Recommendations	\$9,865,000
Homeownership Recommendations	\$3,847,000
Supportive Housing Recommendations	\$6,250,000
Less Total Recommended Developments	(\$19,962,000)
Housing Trust Fund Ending Balance <i>(if all recommended projects are approved)</i>	\$48,648,377

Housing Trust Fund Forecast [If Recommendations Are Approved]

Investment Category	Goal	Committed To Date	Funding Available	Funding Recommended	Balance
Rental Housing Production	\$35 M	\$13,922,000	\$21,078,000	\$9,865,000	\$11,213,000
Homeownership	\$25 M	\$6,782,000	\$18,218,000	\$3,847,000	\$14,371,000
Rental Housing Preservation & Anti-Displacement	\$14 M	\$10,500,000	\$3,500,000	\$0	\$3,500,000
Supportive Housing and Shelter Capacity	\$9 M	\$0	\$9,000,000	\$6,250,000	\$2,750,000
Other	\$17 M	\$185,623	\$16,814,377	\$0	\$16,814,377

Housing Development Fund Schedule



Questions