

Housing Support Grant Funding Recommendations

AUGUST 28, 2023

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Agenda

- **Background and program summary**
- **Overview of RFP responses**
- **Staff funding recommendations**



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Background: Housing Support Grant Program

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|---|--|
| Total Planned Funding <i>(shared with Council on 5/22/23)</i> | \$5M - \$6.5M ARPA funding source |
| Min/Max Funding Per Recipient | Grant range: \$250K - \$2.5M Expect to award 3 – 7 grants |
| Eligible Uses | Projects or programming in support of housing security and stability for low-income residents |
| Eligible Organizations | 501(c)3 non-profit organizations At least one full-time staff member, and an operating board of directors Total annual revenue less than \$7.5M, and/or were founded less than ten years ago |
| Program Intent | Support medium sized / emerging non-profits, with an emphasis on organizations that have not historically received significant funding from the City of Charlotte |

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Housing Support Grant Program Summary

Funding prioritized based on the following criteria:

1. Organization has a **track record of delivering programming in underserved communities**
2. Project or programming request **focuses on Corridors of Opportunity area(s) of influence**
3. Use of **funds will focus on populations facing housing instability** such as justice-involved residents, homeless families, and/or households with rental subsidies
4. Organization has **secured other funding sources** to support the project/program
5. Organization has a **credible plan to sustain the project/program** (as applicable) beyond the expiration of the Housing Support Grant funding
6. Organization has **community support for the project/programming**

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RFP Response Summary

Proposals received from 15 eligible non-profit organizations

| Proposal Type | # of Proposals | Aggregate Request |
|---|----------------|-------------------|
| Affordable Homeownership | 3 | \$5.3M |
| Emergency Housing or Non-Congregate Shelter | 3 | \$4.0M |
| Supportive Services | 4 | \$3.9M |
| Affordable Multifamily Rental Housing | 1 | \$2.3M |
| Comprehensive Home Rehabilitation | 3 | \$3.8M |
| Supportive Housing Development | <u>1</u> | <u>\$100K</u> |
| Total | 15 | \$19.4M |

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Funding Recommendations

| Non-Profit Organizations | Proposal Type | ARPA Funding | CDBG Funding |
|---------------------------------------|-----------------------------|---------------|---------------|
| Heal Charlotte | Temporary Emergency Housing | \$2.25M | - |
| Freedom Fighting Missionaries | Multifamily Rental Housing | \$2M | - |
| West Side Community Land Trust | Homeownership | \$1.75M | - |
| Rebuilding Together | Comprehensive Home Rehab | - | \$1.1M |
| Charlotte Family Housing | Supportive Services | \$400K | - |
| TOTAL | | \$6.4M | \$1.1M |

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Funding Recommendations: Project Summaries

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Heal Charlotte

Project Name: Heal a Home

Project Summary

Master lease of Baymont by Wyndham hotel at I-85 / Sugar Creek, securing 60 rooms for emergency and transient housing for families in or at risk of homelessness, complemented with case management and supportive services

Key Features

- ✓ Serves a compelling need for short-term (90-120 days) emergency housing
- ✓ Expands on existing small-scale successful program with an engaged hotel owner
- ✓ Supports the broader vision to catalyze positive change in a challenged area within the I-85 / Sugar Creek Corridor
- ✓ Hotel room allocation model supports program sustainability
- ✓ Supportive services provided to better position households for permanent housing
- ✓ Three-year program commitment



Recommended
Funding

\$2.25M

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Freedom Fighting Missionaries

Project Name: Second Chance Housing

Project Summary

Two new construction, for-rent townhome projects (Missionary Grove = 16 units, and Sardony Lane = 21 units), providing affordable housing to families in the 30% - 80% AMI range

Key Features

- ✓ Freedom Fighting Missionaries (FFM) exists to provide services and resources to criminal justice involved persons, including access to emergency and permanent housing as a key aspect of achieving self-sufficiency
- ✓ Both townhome projects will serve criminal justice involved families
- ✓ Residents must maintain employment, attend financial literacy workshops and participate in homeownership counseling
- ✓ Other funders supporting FFM’s housing work include Mecklenburg County, LISC, The Grove Church, and various private sector entities
- ✓ Thirty-year affordability commitment for both townhome projects



Recommended Funding
\$2M

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West Side Community Land Trust

Project Name: West Side Perpetually Affordable

Project Summary

Seed funding for a revolving development fund to enable permanently affordable homeownership units (a combination of new construction and acquisition/renovation of existing units) for families in the 60% - 80% AMI range

Key Features

- ✓ West Side Community Land Trust model aligns with the city’s desire to advance permanently affordable homeownership and shared equity models
- ✓ Funding will be recycled and reinvested as homes are sold
- ✓ Emphasis on underserved communities in West Charlotte (zip codes 28208, 28214, 28216, and 28217), with a recent expansion into zip code 28205
- ✓ Pipeline of buyers largely comprised of families that are currently displaced or facing imminent threat of displacement, or receiving rental subsidies



Recommended Funding
\$1.75M

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Rebuilding Together of Charlotte

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|---|
| Project Name: Preventing Displacement through Critical Home Repair |
| <p style="text-align: center;">Project Summary</p> <p>Provide critical repairs to make homes safer and healthier, preventing displacement, to families at 80% AMI or below (with most households in the 30% - 50% AMI range)</p> |
| <p style="text-align: center;">Key Features</p> <ul style="list-style-type: none"> ✓ Funding will support extensive, critical home repair for 20+ families ✓ Improves aging in place outcomes for lower-income older adults and people living with disabilities ✓ Building a Healthy Neighborhood program reflects a multi-year commitment to a target neighborhood (currently in Hidden Valley, with plans to expand into another Corridor of Opportunity in the coming years) |



Recommended Funding
\$1.1M

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Charlotte Family Housing

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| Project Name: Supportive Services at Hawthorne Place |
| <p style="text-align: center;">Project Summary</p> <p>Support the reopening of Hawthorne Place, a 6-room dormitory style transitional shelter for working families experiencing homelessness, serving households below 80% AMI (with average household AMI at 43%)</p> |
| <p style="text-align: center;">Key Features</p> <ul style="list-style-type: none"> ✓ Hawthorne Place reopened in July, allowing Charlotte Family Housing to serve 25 more families (100 individuals) per year ✓ Families spend 90-100 days at the shelter (concentrating on short-term goals), then transition into time-limited subsidized housing for up to two years, then ultimately into unsubsidized housing ✓ Access to social workers and housing coordinators provided throughout the shelter stay and during the subsidized housing phase ✓ Adults in the program must be employed, working at least 30 hours per week |



Recommended Funding
\$400K

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Nonprofit Capacity Building Program

Capacity Building Background

- Many of the non-profits that applied for funding under the Housing Support Grant program and the Community Resilience Fund are small-medium sized, young organizations with small staffs and limited experience associated with federal funding
- City staff plan to engage a third-party service provider to deliver capacity building services to a cohort of 25-30 non-profit organizations
- Housing & Neighborhood Services conducted an informal solicitation in July/August to assess the credentials of three organizations that provide non-profit capacity building services

Partner Selection

- Based on the results of the informal solicitation, staff selected Next Stage Consulting to provide non-profit capacity building services, over a 12-month period, at a contracted price not to exceed \$99,000 (ARPA funded)

Summary and Next Steps

| Topic | Recommendations | Proposed Next Steps |
|-------------------------------------|--|--|
| Housing Support Grants | Fund the five recommended projects: <ul style="list-style-type: none"> • \$6.4M (ARPA funded) supporting four projects • \$1.1M (CDBG funded) supporting one project | Advance an RCA at an upcoming Business Meeting |
| Non-Profit Capacity Building | Execute a ARPA-funded contract with Next Stage to provide non-profit capacity building services to all Housing Support Grant awardees and certain Community Resilience Fund awardees | |