

HOUSING TRUST FUND RECOMMENDATIONS

OCTOBER 6, 2025 - CITY COUNCIL

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Affordable Housing Funding Recommendations

Council Priority Alignment

▶ Great Neighborhoods; Affordable Housing

<u>Purpose</u>

▶ 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

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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

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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

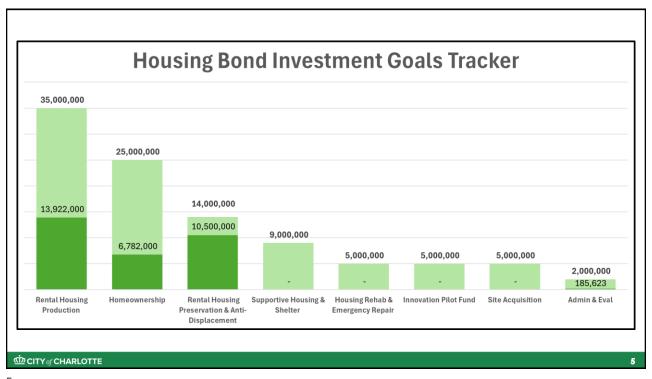
Residents of all incomes will have access to diverse housing options in thriving neighborhoods

► Residential Stability

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

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\$100 Million Housing Bond Activation Goal Balance **Investment Category Activation Plan** Rental Housing Production \$35 M Housing Trust Fund RFP \$21.1 M • 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 Rolling NOAH RFP Rental Housing Preservation \$14 M \$3.5 M • 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

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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

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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

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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.

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Housing Development Proposals

Investment Categories	Co	ouncil Allocation of \$100 M	Co	ommitted to Date	F	unding Available	Number of Proposals	Fu	nding 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

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Kendall Crossing

4% Tax Credit - Senior



Location Summary								
Proximity	Access	Change	Diversity	Total				
5.0	3.4	8.1	5.0	21.5				
III and A Address								

Unit M	ix						
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

Financal 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	-

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River District Apartments

Non-LIHTC - Family



ummary			
Access	Change	Diversity	Total
3.2	8.1	3.3	14.6
	Access	Access Change	Access Change Diversity

Unit M	ix						
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

Financal 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	-

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Weddington Road Apartments

4% Tax Credit - Family



Location S	ummary			
Proximity	Access	Change	Diversity	Total
3.5	1.8	3.0	10.0	18.3

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

DreamKey Partners, Inc.

District 7 | 3900 Weddington Road

Financal 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	-

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Aveline at Newell Town Homes

Homeownership



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

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



DreamKey Partners, Inc.

District 4 | 8049 Old Concord Road

Financal 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					

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Ellington Townhomes

Homeownership



Location Summary						
Proximity	Access	Change	Diversity	Total		
9.0	6.0	9.9	5.0	29.9		

Unit A	Λix						
30%	40%	50%	60%	70%	80%	Market	Total
0	0	0	0	35	0	0	35

DreamKey Partners, Inc.

District 1 | 3430 Wheatley Avenue

Financal 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

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Unity Oaks

Habitat for Humanity of the Charlotte Region, Inc.

Homeownership



Location Summary							
Proximity	Access	Change	Diversity	Total			
2.5	3.1	5.4	5.4	16.4			

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

*Total reflects only the affordable units.

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

Financal 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

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Dream Center Campus Transitional Housing



Charlotte Mecklenburg Dream Center

District 2 | 5612 Freedom Dr

Financal 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%

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Mecklenburg County Hotel Conversion

Mecklenburg County

Non-Congregate Shelter District 2 | 6309 Banner Elk Drive



Financal 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%

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Recommended Developments Summary

Development	Developer	Development Type	District	Affordable Units	Recommended Funding	Affordability Period	City Cost Per Unit	Per Ve
Rental Housing Production		272	\$ 9,865,00)				
Kendall Crossing	The Paces Foundation	4% - Seniors	3	100	\$ 4,975,00	99	\$ 49,750	\$ 50
River District*	Laurel Street	Non-LIHTC	3	87	\$ 900,00	99	\$ 77,011	\$ 7
Weddington Road Apartments**	DreamKey Partners	4% - Family	7	85	\$ 3,990,00	99	\$ 84,000	\$ 8

^{*}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					\$ 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

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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		

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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 (if all recommended projects are approved)	\$48,648,377						

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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

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Housing Development Fund Schedule

October 27 Council Approval Financial Closings

Design & Permitting Review / Approvals Construction & Units
Delivered

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Questions

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