

**Housing Initiatives: 2022 Look-Ahead and Recommendations for City-Owned
Land for Affordable Housing**
*Follow-Up from the February 7, 2022
Council Strategy Session*

1. Question: Are LIHTC dollars available for homeownership? (Watlington)

- No, Low Income Housing Tax Credit (LIHTC) dollars are not available for homeownership. Federal rules require that LIHTC financing can only be used to develop or rehabilitate affordable rental housing for low-income households.

2. Question: What's the standard formula (AMI mix) for a LIHTC project? If these are City land conveyances, I think the percentages should be greater/different to allow the City to leverage our land to get what we need for the most vulnerable, because the developer is saving money. (Johnson)

- While there is no standard Area Median Income (AMI) mix for LIHTC projects, there are requirements that LIHTC developments must meet:
 - To qualify for a 9% tax credit through LIHTC, developments must target 25% of the units to households at 30% AMI, with an eligible income cap of 80% AMI.
 - To qualify for a 4% tax credit through LIHTC, the average AMI for the entire development must be at 60% or below.
- For City-supported developments, a minimum of 20% of the units must be available to households at 30% AMI or below.
- While there is an opportunity to explore deeper AMI targeting for developments utilizing City-Owned land, such deeper targeting would result in lower rental income for developments. Consequently, developments would likely need a higher Housing Trust Fund (HTF) request to offset this lower income and make the construction and operation costs of the developments financially feasible.

3. Question: What have we spent in MWSBE on Housing Trust Fund projects? (Watlington)

- Each HTF development has established MWSBE goals that the developer is required to meet. The Charlotte Business Inclusion (CBI) office is assembling the performance data on these goals – a follow-up report will be provided.

4. Question: Why is Providence Road W the only one listed as affordable in perpetuity, and specifically considering this is city-owned land that we would be leasing to the development? (Watlington)

- The Providence Road W site was the only project where the developer proposed affordability in perpetuity. For all other projects, staff recommends that conveyance of the land for each of the proposed rental developments be via a long-term ground lease. By using long-term ground leases, the City can ensure affordability for each of the projects for as long as the City owns the land.

5. Question: For the South Boulevard parcel, was there discussion about a density bonus considering the NRP proposal looks like it is only four floors? (Watlington)

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- This will be part of staff discussions with the developer that will take place over the coming weeks as the development plans are refined. As staff works with the developer, the developer will be encouraged to take advantage of a Transit-Oriented Development (TOD) density bonus and other TOD zoning conditions to maximize density.
- 6. Question: Is the Westside Community Land Trust at the table? They recently completed a land purchase with Keith McVean's group. (Watlington)**
- The Westside Community Land Trust was made aware of the City-owned Land Request for Proposal (RFP) invited to the RFP Developer Information Session that staff hosted. While they did not choose to respond to the RFP for the City-owned land parcels, the City is currently partnering with them on other affordable housing development projects.
- 7. Question: How does City land impact the capital stack on these projects? (Watlington)**
- The use of City-owned land reduces the total development costs, thus reducing the overall financing needs for the capital stack. Depending on the type of project, this may reduce the need for gap financing (e.g. HTF and Charlotte Housing Opportunity Investment Fund) and/or enable the developer to optimize affordability (e.g., increase the number of affordable units or include deeper AMI targeting).
- 8. Question: How is infrastructure planning incorporated in some of these? (Watlington)**
- All City-supported developments include infrastructure and sitework as part of the site development plan. The Planning, Design & Development department will review the overall plan to make sure it is compliant with regulatory requirements. Parking and infrastructure investment needs for the proposed developments will be covered by the funding sources reflected in the developments' budgets.
- 9. Question: How did the Crosland development originally arrive at 98 proposed units with less than 2 acres zoned R22MF, even considering that proposals are preliminary? (Driggs)**
- Last year, this property went through a City-initiated rezoning to enable the development of multi-family residential homes on this property. Specifically, in November 2021, Council approved the rezoning as R-22MF, enabling a maximum density of 22 units/acre. At the time that the development proposal was submitted, the developer assumed a greater portion of the site was available for development than the 2.74 acres. Staff will work with the developer to ensure that the final proposal for this property adheres to the density cap associated with the existing R-22MF zoning designation.
- 10. What is the city doing to expedite rezoning petitions when a parcel needs to be rezoned for an affordable housing project? (Ajmera)**
- Staff works with affordable projects that may be time sensitive on a case-by-case basis to prioritize these projects and make other time sensitive adjustments. This has allowed staff to be responsive to meeting these special needs.

COVID-19 Federal Stimulus Update
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11. Does the Hoskins Road (local food production site) fall in a federal opportunity zone (Winston)?

- No. Hoskins Road is not in an Opportunity Zone. The zones do not extend beyond I-85.