

# HOUSING TRUST FUND RECOMMENDATIONS

APRIL 4, 2022 – CITY COUNCIL STRATEGY SESSION

1



## BRIEFING OBJECTIVES

---

- HOUSING TRUST FUND OVERVIEW
  - Bond Referendum History & Current Balance
- REQUEST FOR PROPOSALS
  - RFP Schedule & Community Participation
  - Evaluation & Approval Process
  - Development Proposals & Staff Recommendations
- NEXT STEPS



2



## HOUSING TRUST FUND OVERVIEW

- Provides gap financing to both non-profit and for-profit developers for affordable housing throughout the City
- Includes developer application for North Carolina Low Income Housing Tax Credits (LIHTC)
- At least 20% of the units must be targeted to 30% AMI Households
- Always includes a long-term deed restriction to preserve affordability



3



## HOUSING TRUST FUND ALLOCATIONS

Housing Bonds	
2002	\$10,000,000
2003	\$20,000,000
2004	\$15,000,000
2006	\$10,000,000
2008	\$10,000,000
2010	\$15,000,000
2014	\$15,000,000
2016	\$15,000,000
2018	\$50,000,000
2020	\$50,000,000
<b>Total</b>	<b>\$210,000,000</b>



Units Created & Preserved

**10,869**

**4,570**  
since 2018

Shelter Beds

**888**

**194**  
since 2018

4



## HOUSING TRUST FUND CURRENT BALANCE

Housing Trust Fund Balance	
2018 - 2020 Bond Allocation	\$100,000,000
Total Allocated and Committed	(\$90,584,600)
Remaining Balance, December 2021	\$9,415,000
Release Brookhill Set-aside	+ \$3,000,000
<b>Housing Trust Fund Balance</b>	<b>\$12,415,400</b>

5



## HOUSING TRUST FUND RFP SCHEDULE

Milestone	Dates
Release RFP	January 25, 2022
Proposal Submission Deadline	February 18, 2022
Sketch Plan Application Meeting	By March 21, 2022
Market Study Due Date	March 25, 2022
Final Planning Support Letter	April 1, 2022
City Council Briefing	April 4, 2022
City Council Approval*	April 11, 2022

\* Council vote must occur prior to state's May 13th LIHTC application deadline

- 9% & 4% LIHTC allocations are awarded in August 2022
- Projects involving state housing bonds will require subsequent Council action

6



## COMMUNITY PARTICIPATION

- To ensure community participation, the City requires developers seeking bond-funded housing support to inform and seek community input, specifically including those who advocate for or are personally impacted by displacement and homelessness.
  - **Developers must host community meetings to:**
    - Share information about proposed development
    - Address questions from residents who live in the immediate area
  - **Meeting invitations must include:**
    - Property owners within 300 feet
    - Neighborhood Organizations within one mile
    - Affordable housing stakeholders

7



## HOUSING TRUST FUND EVALUATION CRITERIA

- |   |  |
|---|--|
| <p><b>I. City Policies</b></p> <ul style="list-style-type: none"><li>• Number of years affordable</li><li>• Neighborhood displacement and revitalization</li></ul>  | <p><b>V. Market Study Review</b></p> <ul style="list-style-type: none"><li>• Proposed site</li><li>• Impact in the community</li><li>• Demand and capture rate</li></ul> |
| <p><b>II. Development Strength</b></p> <ul style="list-style-type: none"><li>• Number of affordable units</li><li>• Income: 80% or less Area Median Income (\$67,360)</li><li>• Use of Project Based Vouchers</li></ul> | <p><b>VI. Community Engagement</b></p> <ul style="list-style-type: none"><li>• Convene at least two community meetings to address proposed development</li></ul>         |
| <p><b>III. Developer Experience</b></p> <ul style="list-style-type: none"><li>• Developer track record</li><li>• Property Management</li></ul>  | <p><b>VII. Site Score</b></p> <ul style="list-style-type: none"><li>• Proximity</li><li>• Access</li><li>• Change</li><li>• Diversity</li></ul>                          |
| <p><b>IV. Financial Strength</b></p> <ul style="list-style-type: none"><li>• Leverage of city funds</li><li>• City investment per unit</li></ul>  |  |

8



## AFFORDABLE HOUSING LOCATION GUIDELINES

### Four Scoring Criteria:

1. **Proximity** – proximity of site to transit options and amenities
2. **Income Diversity** – to what extent does the development contribute to creating vibrant, mixed-income communities
3. **Access** – a measure of jobs easily accessed from the development site
4. **Change** – the level of displacement risk indicated by real estate market activity in historically lower income neighborhoods

### Location Guidelines apply to:

- All 4% LIHTC projects
- Multi-family developments with 24 or more units

### Exemptions:

- 9% LIHTC deals
- Senior and special needs developments
- Multi-family with less than 24 units
- Single-family
- Naturally Occurring Affordable Housing

9



## HOUSING TRUST FUND RECOMMENDATIONS

	Development	Type	Affordable Units	HTF Request
1	Forest Park Apartments	4%	200	\$2,500,000
	<b>TOTAL 4% PROPOSALS</b>		<b>200</b>	<b>\$2,500,000</b>
2	Northlake Center Apartments	9%*	78	\$500,000
3	Evoke Living at Eastland	9%	78	\$2,496,000
4	Mallard Creek Seniors	9%	102	\$2,950,000
5	Marvin Road Apartments	9%	70	\$2,240,000
6	Parkside at Long Creek	9%	57	\$1,487,700
	<b>TOTAL 9% PROPOSALS</b>		<b>385</b>	<b>\$9,673,700</b>
7	East Lane Townhomes	Homeownership	17	\$230,000
	<b>HOMEOWNERSHIP PROPOSALS</b>		<b>17</b>	<b>\$230,000</b>
	<b>RECOMMENDED PROPOSALS</b>		<b>602</b>	<b>\$12,403,700</b>

\* Awarded 9% LIHTC in 2020

10



## AFFORDABLE UNIT SUMMARY – RECOMMENDED PROPOSALS

AMI	# Units	%
30%	139	23%
50%	91	15%
60%	214	36%
80%	158	26%
<b>Total Units</b>	<b>602</b>	<b>100%</b>

11



## RECOMMENDED DEVELOPMENT SUMMARY



**Forest Park Apartments  
District 3  
7140 Forest Point Boulevard  
NRP Group  
TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$2,500,000
City Investment Per Unit	\$12,500
Total Development Cost	\$49,530,592
Affordability Period	30
Leverage Ratio	1:19
Rent Range	\$420 - \$1,075

AMI	# UNITS
< 30%	40
31-50%	0
51-60%	140
61-80%	20
81 -120%	0
<b>Total Units</b>	<b>200</b>

12



## RECOMMENDED DEVELOPMENT SUMMARY



**Northlake Center Apartments**  
**District 4**  
**10400 Northlake Centre Parkway**  
**WODA Cooper Companies**  
**TYPE: 9% LIHTC\* / Family**

\* Awarded 9% LIHTC in 2020

### FINANCIAL SUMMARY

HTF Request	\$500,000
City Investment Per Unit	\$6,410
Total Development Cost	\$16,606,326
Affordability Period	30
Leverage Ratio	1:32
Rent Range	\$339 - \$1,465

AMI	# UNITS
< 30%	20
31-50%	12
51-60%	12
61-80%	34
81 -120%	-
<b>Total Units</b>	<b>78</b>

13



## RECOMMENDED DEVELOPMENT SUMMARY



**Evoke Living at Eastland**  
**District 5**  
**5601 Central Avenue**  
**Crosland Southeast Communities, LLC /**  
**Opportunities South, LLC**  
**TYPE: 9% LIHTC / Senior**

### FINANCIAL SUMMARY

HTF Request	\$2,496,000
City Investment Per Unit	\$32,000
Total Development Cost	\$20,338,720
Affordability Period	30
Leverage Ratio	1:7
Rent Range	\$403 - \$1,238

AMI	# UNITS
< 30%	20
31-50%	31
51-60%	0
61-80%	27
81 -120%	-
<b>Total Units</b>	<b>78</b>

14



## RECOMMENDED DEVELOPMENT SUMMARY



**Mallard Creek Seniors  
District 2  
7123 Mallard Creek Road  
DreamKey Partners, Inc.  
TYPE: 9% LIHTC / Senior**

### FINANCIAL SUMMARY

HTF Request	\$2,950,000
City Investment Per Unit	\$28,922
Total Development Cost	\$25,568,203
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$404 - \$1,458

AMI	# UNITS
< 30%	26
31-50%	15
51-60%	30
61-80%	31
81 -120%	-
<b>Total Units</b>	<b>102</b>

15



## RECOMMENDED DEVELOPMENT SUMMARY



**Marvin Road Apartments  
District 1  
3712 Marvin Road  
DreamKey Partners, Inc.  
TYPE: 9% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$2,240,000
City Investment Per Unit	\$32,000
Total Development Cost	\$20,702,845
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$404 - \$1,542

AMI	# UNITS
< 30%	18
31-50%	11
51-60%	17
61-80%	24
81 -120%	-
<b>Total Units</b>	<b>70</b>

16





## RECOMMENDED DEVELOPMENT SUMMARY



**Parkside at Long Creek**  
**District 4**  
**8400 Mt. Holly-Huntersville Road**  
**SCG Development Partners, LLC**  
**TYPE: 9% LIHTC / Senior**

### FINANCIAL SUMMARY

HTF Request	\$1,487,700
City Investment Per Unit	\$26,100
Total Development Cost	\$13,102,215
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$400 - \$1,229

AMI	# UNITS
30%	15
31-50%	15
51-60%	11
61-80%	16
81 -120%	-
<b>Total Units</b>	<b>57</b>

17



## RECOMMENDED DEVELOPMENT SUMMARY



**East Lane Drive Townhomes**  
**District 5**  
**East Lane Drive**  
**Habitat for Humanity of Charlotte Region, Inc.**  
**TYPE: Homeownership**

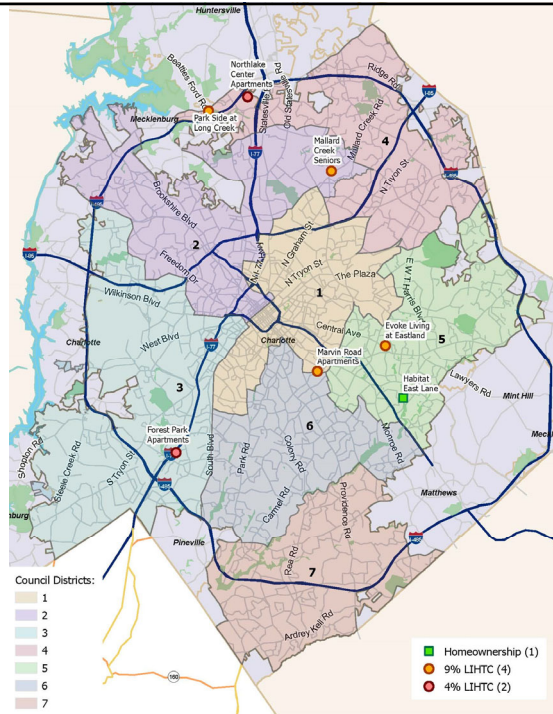
### FINANCIAL SUMMARY

HTF Request	\$230,000
<i>CDBG Request</i>	<i>\$894,000</i>
City Investment Per Unit	\$66,118
Total Development Cost	\$2,524,368
Affordability Period	15
Leverage Ratio	1:2
Sales Price	\$240,000

AMI	# UNITS
30%	-
31-50%	7
51-60%	4
61-80%	6
81 -120%	-
<b>Total Units</b>	<b>17</b>

18

## RECOMMENDED DEVELOPMENT REQUESTS



19



## HOUSING TRUST FUND BALANCE – RECOMMENDATIONS

Housing Trust Fund Balance	
Housing Trust Fund Beginning Balance	\$12,415,400
Less 4% LIHTC Developments	\$2,500,000
Less 9% LIHTC Developments*	\$9,673,700*
Less Homeownership Developments	\$230,000
<b>Housing Trust Fund Ending Balance</b>	<b>\$11,700</b>

\*Due to the competitive nature of 9% LIHTCs, this amount may be lower following NCHFA awards in August 2022

20



## NON-RECOMMENDED PROPOSALS

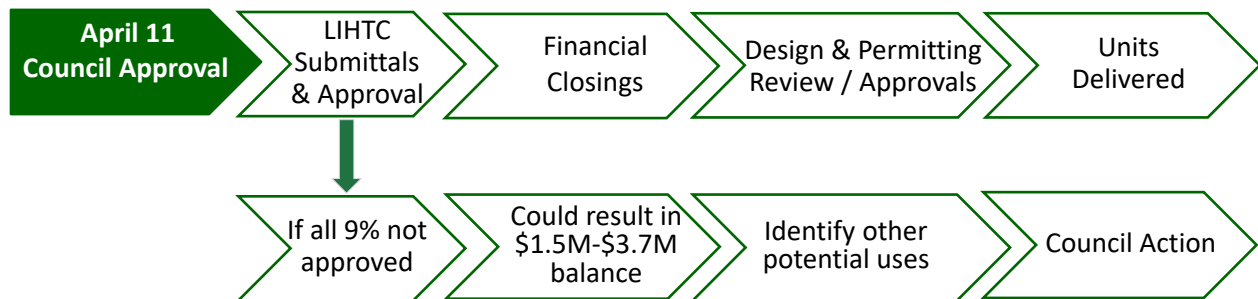
Development	Type	Affordable Units	HTF Request	Other City Investment	City Per Unit Investment	Total Development Cost	City Leverage Ratio
Habitat Peachtree	Homeownership	10	\$220,000	\$1,237,665	\$145,767	\$2,524,368	1:1
Fairhaven Park Apartments	New Construction / 4% LIHTC	156	\$2,700,000		\$17,308	\$34,844,856	1:12
The Vue at Honeywood Ave.	New Construction / 4% LIHTC	108	\$2,500,000		\$23,148	\$23,150,318	1:8
First Ward Place Phase II	Rehabilitation / 4% LIHTC	108	\$3,200,000		\$29,630	\$25,494,110	1:7
Oak at Cherry	Rehabilitation (Scattered Site) / 4% LIHTC	217	\$3,200,000		\$14,747	\$57,451,894	1:17
<b>Totals</b>		<b>599</b>	<b>\$11,820,000</b>			<b>\$143,465,546</b>	

21



## NEXT STEPS

### HOUSING TRUST FUND



22