

Policy Referral: Affordable Housing Funding Policy

HOUSING, SAFETY AND COMMUNITY COMMITTEE

AUGUST 14, 2024

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Today's Discussion

- ▶ **Policy Referral Summary**
- ▶ **Housing Funding Policy Recommendation**
 - Housing Goals and Outcomes
 - Investment Priorities
 - Investment Categories and Proposed Allocation
- ▶ **Community Input**
- ▶ **Next Steps**

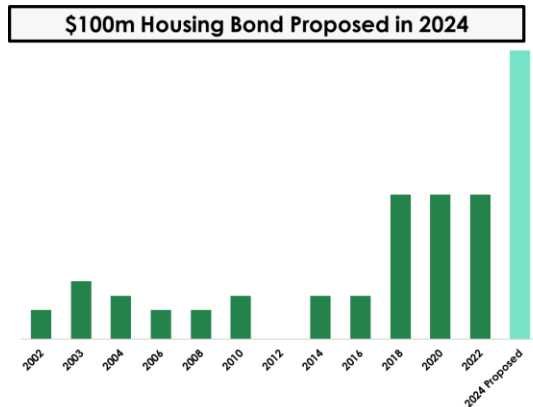
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Generational Housing Investment

► Increased housing bond investment enables:

- Support more households
- Keep up with escalating costs
- Scale pilot models to meet demand
- Test innovations
- Expand homeownership
- Maximize impact for residents



Referral Summary

► Policy Question

- Are there opportunities to balance multiple priorities surrounding the city's affordable housing activities and investments to more strategically align community needs to available city resources?

► Committee Charge

- Examine best practices to guide affordable housing investments across various housing types and activities
- Engage stakeholders to help inform prioritizing investments to support affordable housing activities to meet community needs
- Evaluate best practices, housing innovations and public-private partnership models that have potential to maximize and leverage the impact of the city's investment for the community
- Develop recommendations for creating investment goals across affordable housing categories to help direct city housing investments through local funding sources, for consideration by full City Council

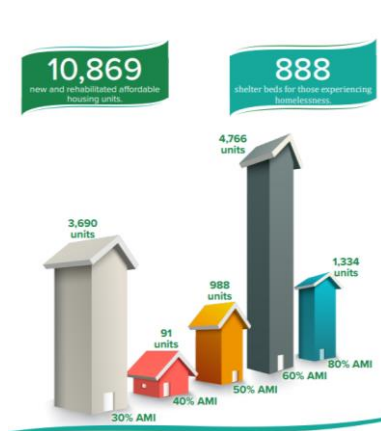
Recommendation: So, what's different?

- ▶ Housing activities aligned with new funding policy goals, with an investment in evaluation and outcomes
- ▶ Significant increased investment in homeownership
- ▶ Investments in new anti-displacement programs
- ▶ Requirement to link housing and resident services, with an emphasis on workforce development and economic mobility
- ▶ Focus on partnerships and innovative models of delivery
- ▶ Allocation plan for bond programming

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HOUSING: STORY

Traditional Focus on Housing Unit Production



More Holistic Focus on Resident Outcomes



Economic Mobility



Neighborhood Affordability



Residential Stability

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Draft Housing 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

Example Outcomes

► Measuring impact of investments is an integral component of the funding policy

Economic Mobility	Neighborhood Affordability	Resident Stability
<ul style="list-style-type: none"> • Increased homeownership rates • Increased earnings • Increased savings • Increased participation in resident services and programs • Reduced years in supported housing 	<ul style="list-style-type: none"> • Increased homeownership rates • Increased affordability-restricted housing units • Lower resident cost burden • Predictable and lower rent increases • Increased connectivity to transit and jobs • Increased access to amenities and services 	<ul style="list-style-type: none"> • Reduced unsafe conditions • Years housed after service • Reductions in lead paint and asbestos exposure, improved health outcomes • Referral to workforce, financial literacy, and education services • Displacement/evictions prevented • New participating landlords

Draft 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 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

Affordable Housing for Everyone

Neighbors who help us every day



Childcare Worker
Annual Salary: \$23,320



Construction
Annual Salary: \$49,525



Non-Profit Manager
Annual Salary: \$60,000



Janitors & Cleaners
Annual Salary: \$24,600



Healthcare Social Worker
Annual Salary: \$52,416



Teachers and Education Support
Annual Salary: \$49,712



Cashiers
Annual Salary: \$21,890



Passenger Vehicle Driver
Annual Salary: \$29,980



Fixed Income
Veterans, Seniors, Disabled
Various AMI levels

*Source(s): U.S. Census, National Housing Conference, Paycheck to Paycheck Data Base, Indeed

Priority Populations

Focus on homebuyers, lower-wage workers, households at-risk for displacement and vulnerable populations

- ▶ **Homebuyers up to 120% AMI, with a focus on 60-80% AMI**
- ▶ **Workers in lower-wage occupations with a focus on 40-60% AMI, public sector workers, and households at-risk for displacement**
- ▶ **Develop a prioritization policy that requires set-aside units for vulnerable populations, which may include elderly/older adults, veterans, disabled persons, households that have experienced a displacement event in Charlotte, students experiencing homelessness, youth aging out of foster care, re-entry, and survivors of intimate partner violence**
- ▶ **Continue to provide 20% of units at 30% AMI within tax credit developments and large-scale NOAH preservation**

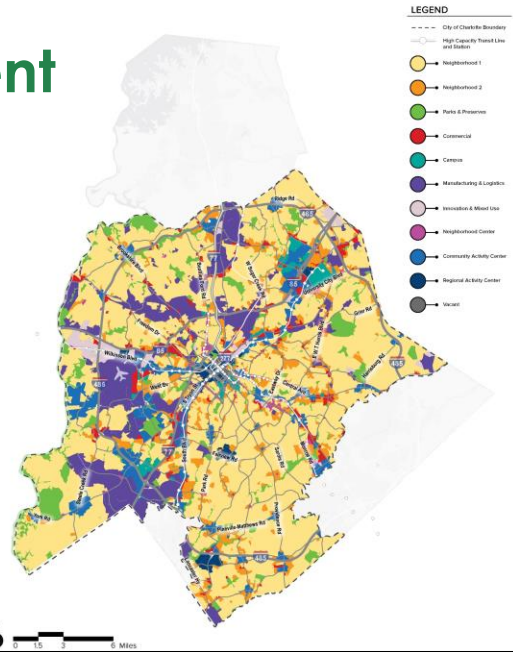
Location Priorities

Incentivize locations where investment creates the greatest impact

- ▶ **Align housing activities to Comprehensive Plan place types and policy map**
- ▶ **Areas vulnerable to displacement**, in alignment with equitable growth framework
- ▶ **Transit-Oriented Development areas**, in alignment with current and planned transportation investments
- ▶ **Qualified Census Tracts**, in alignment with requirements of Low-Income Housing Tax Credits
- ▶ **Sites with high housing location scores**
 - Proximity to services and amenities, access to jobs, degree of neighborhood change, and diverse housing options

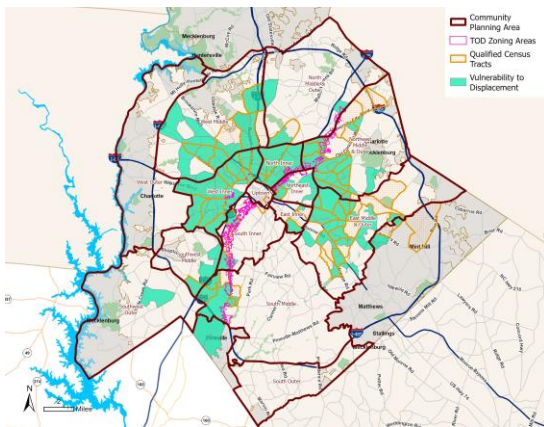
Charlotte Future – Funding Policy Alignment

- ▶ Funding recommendations provide a mix of programming that supports affordable housing across all residential place types
- ▶ Incentivize inclusion of affordable housing where growth is occurring/expected

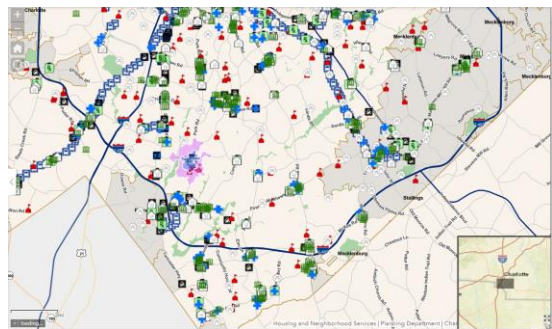


Location Priorities

Displacement, TOD, QCT



High Location Scores



Proximity	Access	Change	Diversity
5.0	3.0	4.8	9.8

Resident Services

Link housing and services to create stronger outcomes

- ▶ Developments receiving bond funding must incorporate relevant and meaningful resident services that support the housing funding goals of economic mobility, neighborhood affordability, and resident stability
- ▶ Example services may include workforce development and employment services, health and mental health care, childcare and education services, supportive services, and financial wellness

Example Resident Services Models

Place-Based Initiatives



Renaissance West

Supportive Housing



Rise on Clanton

Partnerships and Leverage

Build partnerships and leverage the market

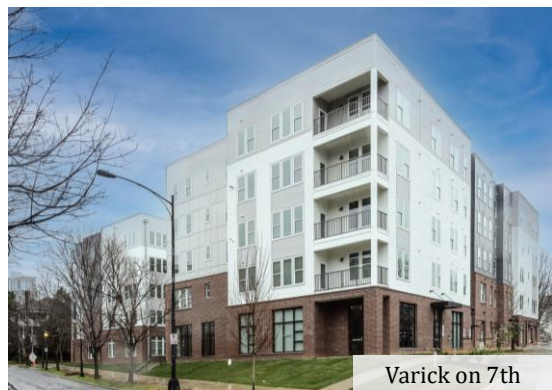
- ▶ Priority will be given to proposals that incorporate broad partnerships including leveraging a combination of public, private and philanthropic funding sources, partnerships to provide resident services, and investments that improve quality of life and access to opportunity (e.g., food access, transportation connectivity, park and recreation access, and infrastructure improvements)
- ▶ Priority will be given to proposals that utilize development allowances and incentives and leverage other investments to maximize affordability
- ▶ Example partnership models include faith-based partnerships, TeamForce housing and other employer-supported housing models, supportive housing, staying in place models, and comprehensive place-based initiatives
- ▶ Create incentives that activate private market participation in the provision of affordable housing

Example Partnership Models

TeamForce Housing



Faith in Housing Mixed-Income



Priority Approaches

Integrate Affordability, Workforce Development, and Employer Engagement for Sustainable Economic Mobility

- ▶ **Incentivize Housing And...** approaches that synergize affordability and supportive programming for housing stabilization and economic mobility
- ▶ **Support workforce development** that moves households to higher-paying work through executive development and job reskilling
- ▶ **Link the city's workforce development and housing investments**
- ▶ **Recruit large employers to invest in Teamforce housing models supporting employer recruitment**

Innovation

Activate bold ideas

- ▶ **Priority will be given to proposals that reflect innovative approaches to affordability or test new ideas to address emerging and unique community needs**
- ▶ **Example models may include innovative models of homeownership, new/underutilized housing typologies, development overlay options, new construction techniques, and building designs and strategies that lower costs of construction and/or maintenance costs for residents**

Innovation Examples

Community-Led Homeownership



Modular Construction + ADUs



Draft Bond Investment Categories

Investment Category	Proposed Allocation
Rental Housing Production New multi-family, including mixed-use and mixed-income, Accessory Dwelling Units, and missing middle production.	\$35 M
Homeownership New homeownership production, including single-family, ADUs and missing middle, homeownership and downpayment assistance, and Acquisition-Rehab-Resale Revolving Loan Fund.	\$25 M
Rental Housing Preservation and Anti-Displacement NOAH acquisition and rehabilitation, small/local landlord investments, and multi-family rehabilitation/redevelopment.	\$14 M
Supportive Housing and Shelter Capacity Single-use and scattered site permanent supportive housing, transitional housing, and emergency shelter capacity.	\$9 M
Housing Rehab and Emergency Repair	\$5 M
Innovation Pilot Fund	\$5 M
Site Acquisition – Current and Planned Transit Areas	\$5 M
Administration & Evaluation	\$2 M
Proposed Housing Bond	\$100 M

Community Input

▶ Synthesis of Previous Input

- Affordable Housing Goals in the Comprehensive Plan
- Budget Engagement Feedback
- People's Budget Proposal
- Anti-Displacement Community Workshop
- NEST Commission Recommendations

▶ Community Feedback on Bond Programming

- Deploy survey

Next Steps

▶ Deploy Community Survey

▶ September 3rd

- Continue Committee Discussion
- Full Council Discussion at Committee Review

▶ Council Vote on Funding Policy

▶ November Bond Referendum

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.

Resident and Neighborhood Outcomes

Measuring the impact of the city’s housing investments and services is an integral component of the funding policy. Affordable housing investments have historically been tracked by counts of housing unit production and/or preservation. Starting in this bond cycle, funding will be allocated to develop and track outcome measures for residents and households supported by city housing investments.

2024 Housing Bond Investment Priorities

1. Priority Populations.

Focus on homebuyers, lower-wage workers, households at-risk for displacement and vulnerable populations.

- Homebuyers, up to 120% AMI, with a focus on 60-80% AMI.
- Workers in lower-wage occupations with a focus on 40-60% AMI, public sector workers, and households at-risk for displacement.
- Develop a prioritization policy that requires set-aside units for vulnerable populations, which may include elderly/older adults, veterans, disabled persons, households that have experienced a displacement event in Charlotte, students experiencing homelessness, youth aging out of foster care, re-entry, and survivors of intimate partner violence.
- Provide 20% of units at 30% AMI within tax credit developments and large-scale NOAH preservation.

2. Location Priorities

Incentivize locations where investment creates the greatest impact.

- Align housing activities to the Comprehensive Plan place types and policy map
- Areas vulnerable to displacement, in alignment with the equitable growth framework
- Transit-Oriented Development areas, in alignment with planned transportation investments
- Qualified Census Tracts, in alignment with requirements of Low-Income Housing Tax Credits
- Locations with high housing location scores, based on proximity to services and amenities, access to jobs, degree of neighborhood change, and housing option diversity.

3. Resident Services

Link housing and services to create stronger outcomes.

DRAFT for HSC Committee – 8/12/2024

- Developments receiving bond funding must incorporate relevant and meaningful resident services that support the housing funding policy goals of residential stability, neighborhood affordability, and economic mobility.
- Example services may include workforce development and employment services, health and mental health care, childcare and education services, supportive services, and financial wellness.

4. Partnerships and Leverage

Build partnerships and leverage the market.

- Priority will be given to proposals that incorporate broad partnerships including leveraging a combination of public, private and philanthropic funding sources, partnerships to provide resident services, and investments that improve quality of life and access to opportunity (e.g., food access, transportation connectivity, park and recreation access, and infrastructure improvements).
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- Example partnership models include faith-based partnerships, TeamForce housing and other employer-supported housing models, supportive housing, staying in place models, and comprehensive place-based initiatives.
- Create incentives that activate private market participation in the provision of affordable housing.

5. Innovation

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Housing Bond Investment Categories and Goals

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