

Affordable Housing Funding Policy: Partnerships & Priorities

HOUSING COMMITTEE

MARCH 5, 2026

1

Affordable Housing Funding Policy: Partnerships & Priorities

Council Priority Alignment

- ▶ Great Neighborhoods; Affordable Housing

Purpose

- ▶ Continue the Affordable Housing Funding Policy referral, with a discussion of location priorities, anti-displacement investments and the city's affordable housing partnership strategy.

Key Takeaways

- ▶ The Council's policy goals and investment priorities remain relevant and continue to guide City investments in affordable housing to address affordable housing needs
- ▶ The Policy prioritizes anti-displacement strategies and is aligned with the Mobility Plan
- ▶ Strong partnerships are essential to maximizing City investments and outcomes across the continuum of housing needs
- ▶ The City is committed to strengthening partnership capacity

2

Policy Referral Summary

Description

- ▶ City Council adopted the Affordable Housing Funding Policy (Policy) in September 2024 to guide the city's investment of the \$100 million affordable housing bond passed by voters in November 2024.
- ▶ Focused on the goals of residential stability, neighborhood affordability, and economic mobility, the Policy establishes priorities, investment categories, and allocation goals for each category.
- ▶ Within the current bond, \$49 Million has been allocated for anti-displacement activities across four categories – Homeownership, Rental Housing Preservation, Housing Rehabilitation, and Site Acquisition in Transit Areas.
- ▶ In 2025, Mecklenburg County voters approved a funding source for the Mobility Plan, estimated to generate \$19.4 Billion for transportation and transit projects over the next 30 years, intensifying concerns about potential displacement in transit corridors.

Policy Question

- ▶ What enhancements are needed to the Affordable Housing Funding Policy to integrate with the goals of the Mobility Plan and to mitigate displacement pressures now that the transit and transportation projects are funded?

Committee Charge

- ▶ Review the city's current Affordable Housing Funding Policy and ways it is integrated with mobility and anti-displacement goals
- ▶ Evaluate potential changes to the bond allocation categories and location priorities
- ▶ Review the city's current affordable housing partnership strategy to ensure effective use of public-private partnerships in housing investments
- ▶ Propose any recommended enhancements to the Policy for consideration by full Council

\$100 Million Affordable Housing Bond

Investment Category	Allocation Goal	Balance
Rental Housing Production New multi-family including mixed use and mixed-income, Accessory Dwelling Units, and missing middle production.	\$35 M	\$11.2 M
Homeownership* New homeownership production (including single-family, townhomes, ADUs and missing middle), homeownership and downpayment assistance, and Acquisition-Rehab-Resale Revolving Loan Fund.	\$25 M	\$12.3 M
Rental Housing Preservation NOAH Acquisition and Rehabilitation, small/local landlord investments, and multi-family rehabilitation/redevelopment.	\$14 M	\$3.5 M
Supportive Housing and Shelter Capacity	\$9 M	\$2.75 M
Housing Rehab and Emergency Repair*	\$5 M	\$5 M
Innovation Pilot Fund	\$5 M	\$5 M
Site Acquisition* - Current and Planned Transit Areas	\$5 M	\$2.6 M
Administration & Evaluation	\$2 M	\$1.8 M
Total	\$100 M	\$44.2 M

*Note: There are other funding sources for these activities, in addition to the bond investment.

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

Policy prioritizes Anti-Displacement and integrates with Mobility Plan

► \$49 million of the bond dedicated to anti-displacement

► Population Priorities

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

► Location Priorities

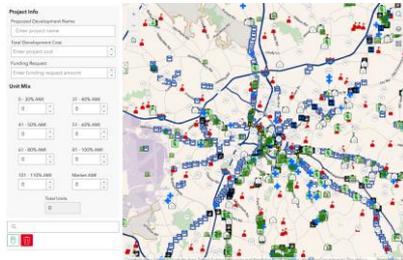
- **Areas vulnerable to displacement**, in alignment with the equitable growth framework
- **Transit-Oriented Development areas**, in alignment with planned transportation investments
- Locations with **high housing location scores**, prioritized over financial leverage

► Site Acquisition – **Current and Planned Transit Areas**

Housing Location Score prioritizes transit proximity and access

CLT Community Home / Housing Locational Tool (HLT)

Housing Locational Tool (HLT)



AFFORDABLE HOUSING LOCATION SCORE				
Proximity	Access	Change	Diversity	Total
8.0	6.1	9.1	3.0	26.2

► Proximity:

- This measure looks at the amenities near the proposed site, including grocery stores, pharmacies, parks, schools, shopping centers and **high frequency transit stops**.

► Access:

- Access is a measure of the number of jobs within commuting distance to a proposed site. The site is assessed for both a **public transit** and auto **commute**.

Location Priorities vs. Targets

- **Site acquisition is the only category currently targeted to a specific geography (rather than prioritized)**
 - Current and planned transit areas
- **Some advocates have called for a portion of the bond to be dedicated to a specific geography around the Silver Line**
 - These areas are already prioritized in the adopted policy
 - Geographic targets create trade-offs with other areas of need
 - May slow creation of housing units if funds are reserved for an area where development projects are not yet ready
- **Alternate strategies for consideration:**
 - Affordable Housing Concierge (pilot underway)
 - Strengthen prioritization of new transit lines (rail and bus) in the location tool
 - Explore direct acquisition of land in planned transit areas for affordable housing

Investment Priority: Partnerships & 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.
- Priority will be given to proposals that utilize development allowances and incentives and leverage other investments to maximize affordability. **[related to: Affordable Housing Concierge]**
- 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. **[related to: Faith in Housing Initiative]**
- Create incentives that activate private market participation in the provision of affordable housing. **[related to: TRESI Property Tax Grant Model]**

Partnership Strategy

- Advance City Council's housing priorities through funding public-private partnerships with defined outcomes
- Ensure partners have clear pathways to funding opportunities
- Deliver data-based funding recommendations with high value propositions
- Support capacity-building for emerging partners and developers
- Ensure compliance, accountability, and successful delivery of outcomes

Partnerships by Services

► Affordable Housing Development

- Single-family and multi-family development
- Supportive housing development
- NOAH Acquisition, Rehab and Subsidy
- Land Acquisition

► Single-Family Housing Preservation and Homeownership

► Homelessness and Rental Assistance

► Services for persons living with HIV/AIDS

► Services for Program-Specific Activities

- E.g., Faith in Housing, Displacement Services

Our Partners – A Sampling

DreamKey Partners	Crisis Assistance Ministry	Mecklenburg County	Hearts for the Invisible	Friendship CDC
INLIVIAN	Housing Collaborative	Charlotte Family Housing	LISC Charlotte	Enterprise Community Partners
Laurel Street	United Way	Roof Above	The Relatives	Jasper Environmental Services
Crosland Southeast	For the Struggle	Hope Haven	Salvation Army	Ada Jenkins Center
Ascent Housing	Rebuilding Together	RAO Community Health	Freedom Fighting Missionaries	Pride Property Inspections
Habitat for Humanity	Safe Alliance	Supportive Housing Communities	Westside Community Land Trust	Char-Meck Hospital Authority

Building Partnership Capacity

- ▶ **Real Estate Developer Incubator (REDi) Training Program (LISC Charlotte)**
 - For emerging developers to expand capacity and access to projects in affordable housing and commercial real estate development
 - Cohort-based training combines coaching, technical assistance, and access to resources
- ▶ **Contractor Assistance Program**
 - For local small business contractors that work with community-funded housing rehabilitation and emergency repair programs
 - Funding available for purchase of equipment, new hire wage subsidy, and existing employee training/upskilling
- ▶ **Nonprofit Capacity Building [ARPA-funded, not currently active]**
 - 9-month, cohort-based training program included monthly workshops on topics such as business fundamentals, fundraising, operations, and program design

Effective Partners

- ▶ **Provides new or enhanced capacity for Council's housing priorities**
- ▶ **Subject matter expertise**
- ▶ **Proven track record**
- ▶ **Deep community relationships**
- ▶ **Financially sustainable and strong fiscal management**
- ▶ **Meet city risk management requirements**
- ▶ **Produce timely deliverables and successful outcomes**

Gaps & Opportunities

- ▶ **Affordable Housing Funding Policy, and related contract requirements, only apply to communities approved under this policy (January 2025)**
- ▶ **Rising Area Median Income (AMI) leads to higher rents, without adjustments for individual household income**
 - Challenge is difficult to solve with this funding source
 - NC General Statutes allow for housing bonds to support capital investment and associated costs - **No rental subsidy allowed**
 - Currently addressed with resource/referral services through partners
- ▶ **Limitations of the larger market**
 - The city's gap funding requirements must remain compatible with other financing sources
- ▶ **Concerns around property management practices**
 - Greater emphasis in staff evaluation that look at the quality and track record of proposed management companies

Next Steps

- ▶ **Current Bond (2024)**
 - April 6th – Housing Committee Previews Housing Trust Fund recommendations
 - April 13th – Staff presents recommendations at City Council Action Preview
 - April 27th – Council considers recommendations at Business Meeting
- ▶ **Next Bond (2026)**
 - May 4th – Manager presents Recommended FY 2027 Budget
 - June 8th – City Council Budget Adoption
- ▶ **Affordable Housing Funding Policy**
 - Committee discuss investment categories and allocation goals
 - Staff provide draft recommendations based on Committee feedback, for Committee consideration and deliberation
 - City Council considers policy recommendations advanced by Committee



Discussion

 CITY of CHARLOTTE

17