



Housing Funding Support Requests

City Council Action Review
September 13, 2021

City of Charlotte

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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**



City of Charlotte

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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



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HOUSING TRUST FUND ALLOCATIONS

Housing Trust Fund	
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
Total	\$210,000,000

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HOUSING TRUST FUND CURRENT BALANCE

Housing Trust Fund Balance		
2018 -2020 Bond Allocation / Carryover		\$51,387,400*
April 2021	4% LIHTC Developments	(\$12,000,000)
	Non-LIHTC Developments	(\$3,130,000)
	9% LIHTC Developments	(\$2,480,000)
July 2021 NOAH Development (Pines on Wendover)		(\$1,050,000)
Housing Trust Fund Beginning Balance		\$32,727,400

*Net \$3M set-aside for Brookhill

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2020 ENHANCEMENTS

- The Housing Trust Fund RFP Targets were updated as recommended by the Housing Task Force (2020)
- Encourage additional affordable Homeownership opportunities for low-to-moderate income households

Targets:

- New construction of affordable rental housing, including supportive housing
- New construction of affordable for-sale housing
- Preserve affordable housing, including NOAHs and supportive housing

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RECAP - HOUSING TRUST FUND RFP SCHEDULE

Joint HTF / CHOIF Request for Proposal (RFP) schedule:

Milestone	Dates
Release RFP	July 9, 2021
Proposal Submission Deadline	August 9, 2021
Sketch Plan Application Meeting	By August 20, 2021
Market Study Due Date	August 31, 2021
Final Planning Support Letter	September 6, 2021
City Council Briefing	September 13, 2021
City Council Approval*	September 27, 2021

*Council vote must occur prior to state's October 1st LIHTC application deadline

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

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COMMUNITY PARTICIPATION

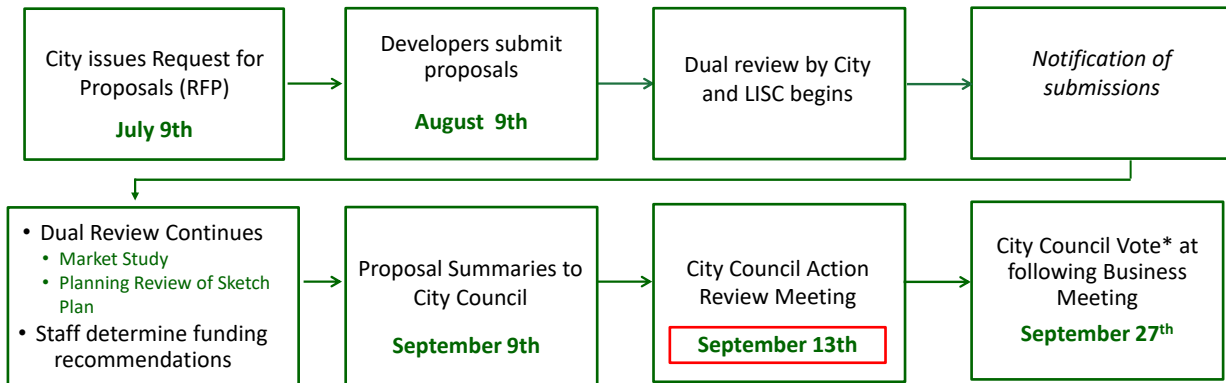
- To ensure community participation, the City requires developers seeking bond-funded housing support to inform and seek community input, specifically including those who advocate for or are personally impacted by displacement and homelessness.
 - **Developers must host community meetings to:**
 - Share 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

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HOUSING TRUST FUND PROCESS

Phase I



*Council vote must occur prior to state's October 1st LIHTC application deadline



HOUSING TRUST FUND PROCESS

Phase II

LISC
Investment Advisory
Committee Approval

Phase III

NC Housing
Finance Agency
Approval
January 2022

Phase IV

City / LISC Loan
Closings

Phase V

Construction and
Monitoring



HOUSING TRUST FUND EVALUATION CRITERIA

- I. City Policies**
 - Number of years affordable
 - Neighborhood displacement and revitalization
- II. Development Strength**
 - Number of affordable units
 - Income: 80% or less Area Median Income (\$66,800)
 - Use of Project Based Vouchers
- III. Developer Experience**
 - Developer track record
 - Property Management
- IV. Financial Strength**
 - Leverage of city funds
 - City investment per unit
- V. Market Study Review**
 - Proposed site
 - Impact in the community
 - Demand and capture rate
- VI. Community Engagement**
 - Convene at least two community meetings to address proposed development
- VII. Site Score**
 - Proximity
 - Access
 - Change
 - Diversity

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SUSTAINABILITY AND GREEN BUILDING ENERGY EFFICIENCY REQUIREMENTS

- All proposed developments utilizing LIHTCs must comply with Energy Star standards set forth by the North Carolina Housing Finance Agency's Qualified Allocation Plan
- Developments must incorporate green building techniques including but not limited to:
 - **Use of Energy Efficiency and Energy Star rated appliances**
 - **Sustainable site planning**
 - **Safeguarding water quality and water efficiency**
 - **Use of environmentally friendly materials and resources**
 - **Adherence to all Environmental Protection Agency guidelines and regulations**



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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



REVIEW TEAM

- Zelleka Biermann: City of Charlotte Housing & Neighborhood Services (underwriter)
- Ralphine Caldwell: Charlotte LISC Executive Director
- Tiffany Durr: LISC National Underwriter
- Albert Rusty Mills: Charlotte LISC Senior Program Officer (underwriter)
- Miles Vaughn: City of Charlotte Housing & Neighborhood Services (underwriter)
- Pamela Wideman: City of Charlotte Housing & Neighborhood Services Director



REVIEW APPROACH & GUIDING PRINCIPALS

Approach	<ul style="list-style-type: none">• Dual Review Process<ul style="list-style-type: none">• Housing & Neighborhood Services staff• LISC staff• Data Driven
Guiding Principals	<ul style="list-style-type: none">• Create mixed-income developments in areas of high opportunity• Achieve long-term affordability• Maximize leverage of available resources<ul style="list-style-type: none">• Housing Trust Fund• Charlotte Housing Opportunity Investment Fund• Public/Private Owned Land• Low-Cost Debt• Project-Based Housing Vouchers• State and federal resources

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HTF/CHOIF RECOMMENDATIONS

	Development	Type	Affordable Units	HTF Request	CHOIF Request
1	Aldersgate	4%	136	\$2,992,000	\$3,000,000
2	Ballantyne Seniors	4%	82	\$4,000,000	-
3	Galloway Crossing	4%	78	\$2,496,000	-
4	Eight and Tryon	4%	106	\$3,200,000	-
5	Historic Nathaniel Carr	4%	120	\$2,200,000	\$2,000,000
	TOTAL 4% PROPOSALS		522	\$14,888,000	\$5,000,000
1	Maple Way Apartments	NOAH	60	\$1,400,000	\$1,550,000
2	Shamrock Gardens Apartments	NOAH	265	\$6,000,000	\$6,400,000
3	Bishop Madison Homes	Ownership	10	\$320,000	-
4	Druid Legacy Homes	Ownership	22	\$704,000	-
	TOTAL PROPOSALS		357	\$8,424,000	\$7,950,000
	TOTAL ALL PROPOSALS		879	\$23,312,000	\$12,950,000

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HTF/CHOIF RECOMMENDATIONS - SUMMARY

#	Development Type	Units	HTF Request	Average City Per-Unit Investment	CHOIF Request
5	4% LIHTC	522	\$14,888,000	\$28,521	\$5,000,000
2	Homeownership	32	\$1,024,000	\$32,000	-
2	NOAH	325	\$7,400,000	\$22,769	\$7,950,000
TOTAL PROPOSALS		879	\$23,312,000	\$26,521	\$12,950,000

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AFFORDABLE UNIT SUMMARY – RECOMMENDED PROPOSALS

AMI	# Units	%
30%	226	26%
50%	104	12%
60%	321	36%
80%	228	26%
Total Units	879	100%

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RECOMMENDED DEVELOPMENT SUMMARY



Aldersgate Apartments
District 1
3900 Shamrock Drive
Laurel Street Residential, LLC
TYPE: 4% LIHTC / Senior & Family

FINANCIAL SUMMARY

HTF Request	\$2,992,000
CHOIF Request	\$3,000,000
City Investment Per Unit	\$22,000
Total Development Cost	\$27,106,636
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$415 - \$1,445

AMI	# UNITS
< 30%	39
31-50%	39
51-60%	33
61-80%	25
81 -120%	-
Total Units	136



RECOMMENDED DEVELOPMENT SUMMARY



Ballantyne Senior Apartments
District 7
15201 Ballancroft Parkway
Laurel Street Residential
TYPE: 4% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$4,000,000
CHOIF Request	- -
City Investment Per Unit	\$48,780
Total Development Cost	\$17,428,718
Project Based Voucher	No
Affordability Period	40
Leverage Ratio	1:3
Rent Range	\$420 - \$1,440

AMI	# UNITS
< 30%	17
31-50%	-
51-60%	48
61-80%	17
81 -120%	-
Total Units	82



RECOMMENDED DEVELOPMENT SUMMARY



**Eight and Tryon
District 1
426 North Tryon Street
Horizon Development Properties
(INLIVIAN)
TYPE: 4% LIHTC / Family**

FINANCIAL SUMMARY

HTF Request	\$3,200,000
CHOIF Request	- -
City Investment Per Unit	\$30,189
Total Development Cost	\$28,416,221
Project Based Voucher	Yes
Affordability Period	40
Leverage Ratio	1:8
Rent Range	\$1,078 - \$1,617

AMI

UNITS

< 30%	32
31-50%	-
51-60%	37
61-80%	37
81 -120%	-
Total Units	106

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RECOMMENDED DEVELOPMENT SUMMARY



**Galloway Crossing
District 5
8300 East W. T. Harris Boulevard
The Woda Group, Inc.
TYPE: 4% LIHTC / Senior**

FINANCIAL SUMMARY

HTF Request	\$2,496,000
CHOIF Request	- -
City Investment Per Unit	\$32,000
Total Development Cost	\$16,069,514
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:5
Rent Range	\$420 - \$1,075

AMI

UNITS

< 30%	16
31-50%	-
51-60%	39
61-80%	23
81 -120%	-
Total Units	78

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RECOMMENDED DEVELOPMENT SUMMARY



Historic Nathaniel Carr
District 3
2498 West Boulevard
The Paces Foundation, Inc.
TYPE: 4% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$2,200,000
CHOIF Request	\$2,000,000
City Investment Per Unit	\$18,333
Total Development Cost	\$28,160,665
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:12
Rent Range	\$404 - \$1,426

AMI	# UNITS
< 30%	24
31-50%	-
51-60%	66
61-80%	30
81 -120%	-
Total Units	120

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RECOMMENDED DEVELOPMENT SUMMARY



Current Conditions

Maple Way Apartments
District 1
1012 McAlway Road
Ascent Housing, LLC
Housing Impact Fund
TYPE: NOAH / Family

FINANCIAL SUMMARY

HTF Request	\$1,400,000
CHOIF Request	\$1,550,000
City Investment Per Unit	\$23,333
Total Development Cost	\$7,511,000
Project Based Voucher	Yes
Affordability Period	20
Leverage Ratio	1:4
Rent Range	\$675 - \$900



After Proposed Renovations

AMI	# UNITS
< 30%	18
31-50%	12
51-60%	18
61-80%	12
81 -120%	-
Total Units	60

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RECOMMENDED DEVELOPMENT SUMMARY



Shamrock Gardens Apartments
District 1
3779 Michigan Avenue
Ascent Housing, LLC
Housing Impact Fund
TYPE: NOAH / Family

FINANCIAL SUMMARY

HTF Request Acquisition	\$6,000,000
CHOIF Request	\$6,400,000
City Investment Per Unit	\$22,642
Total Development Cost	\$26,569,500
Project Based Voucher	No
Affordability Period	20
Leverage Ratio	1:3
Rent Range	\$450 - \$600

AMI	# UNITS
< 30%	80
31-50%	53
51-60%	80
61-80%	52
81 -120%	-
Total Units	265

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RECOMMENDED DEVELOPMENT SUMMARY



Bishop Madison Homeownership
District 2
1947 Bishop Madison Lane
Urban Trends Real Estate, Inc.
TYPE: Homeownership

FINANCIAL SUMMARY

HTF Request	\$320,000
CHOIF Request	- -
City Investment Per Unit	\$32,000
Total Development Cost	\$2,375,210
Project Based Voucher	No
Affordability Period	15
Leverage Ratio	1:6
Sales Price Range	\$260K - \$275K

AMI	# UNITS
< 30%	-
31-50%	-
51-60%	-
61-80%	10
81 -120%	-
Total Units	10

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RECOMMENDED DEVELOPMENT SUMMARY



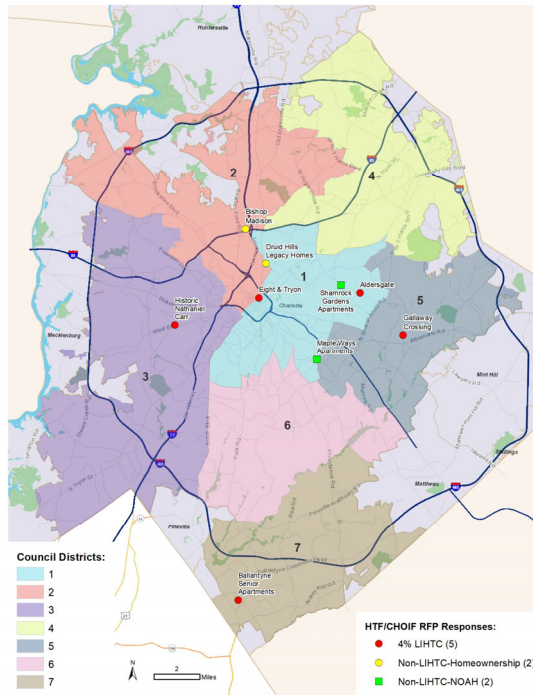
Druid Hills Legacy Duet Homes
District 2
Eleven parcels in the Druid Hills Neighborhood
DreamKey Partners, Inc.
TYPE: Homeownership

FINANCIAL SUMMARY

HTF Request	\$704,000
CHOIF Request	- -
City Investment Per Unit	\$32,000
Total Development Cost	\$4,983,870
Project Based Voucher	No
Affordability Period	15
Leverage Ratio	1:6
Sales Price Range	\$209K - \$250K

AMI	# UNITS
< 30%	-
31-50%	-
51-60%	-
61-80%	22
81 -120%	-
Total Units	22

RFP DEVELOPMENT REQUESTS





HOUSING TRUST FUND BALANCE – RECAP

Housing Trust Fund Balance	
Housing Trust Fund Beginning Balance	\$32,727,400
Less 4% LIHTC Developments	\$14,888,000
Less Non-LIHTC Developments	\$8,424,000
Housing Trust Fund Remaining Balance	\$9,415,400

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NEXT STEPS

HOUSING TRUST FUND



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