

Policy Referral: Affordable Housing Funding Policy

HOUSING, SAFETY & COMMUNITY COMMITTEE RECOMMENDATION

SEPTEMBER 3, 2024

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Today's Discussion

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

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Policy Referral Overview

► 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?

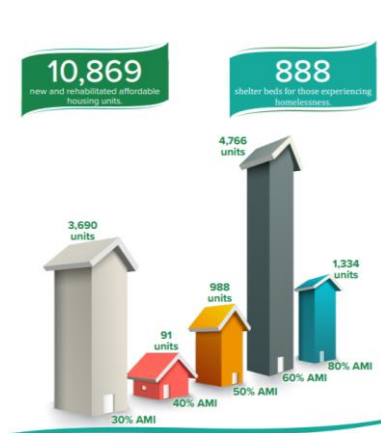
► Committee Charge

- 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

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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

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 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

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

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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

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Location Priorities

Incentivize locations where investment increases housing choice and 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
- ▶ **Sites with high housing location scores**
 - Proximity to services and amenities, access to jobs, degree of neighborhood change, and diverse housing options
 - High location scores are prioritized over financial leverage

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**

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

Innovation

Activate bold ideas with potential to scale

- ▶ Priority will be given to proposals that reflect innovative approaches to affordability or test new ideas to address emerging and unique community needs
- ▶ Focus on new ideas that may be repeatable and scalable, and serve to advance other city priorities
- ▶ 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

Draft Bond Investment Categories

Investment Category	Allocation Goal
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

- Initial survey response

Next Steps

▶ **September 3rd**

- Full Council Discussion at Committee Review

▶ **Council Vote on Funding Policy**

▶ **November Bond Referendum**