



# HOUSING DEVELOPMENT FUND PROJECT FUNDING RECOMMENDATIONS

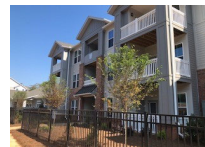
SEPTEMBER 11, 2023 – CITY COUNCIL ACTION REVIEW

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## HOUSING TRUST FUND OVERVIEW

- Provides gap financing for affordable housing throughout the City
- Always includes a long-term deed restriction to preserve affordability
- At least 20% of the units must be targeted to 30% AMI Households
- Housing Trust Fund replenished on biennial basis via bond referendum



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## HOUSING TRUST FUND RFP SCHEDULE

Milestone	Dates
Release RFP	June 30, 2023
Proposal Submission Deadline	July 28, 2023
City Council Briefing	September 11, 2023
City Council Approval	September 25, 2023

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## HOUSING TRUST FUND RFP GUIDELINES – WHAT’S NEW?

1. Minimum affordability period of 40 years required for new multi-family construction projects, with a preference for longer affordability periods
2. New evaluation criteria and preferences, including:
  - Cost per unit per year
  - Developer willingness to accept federal funds
  - Developer commitments to supportive services and/or economic mobility investments
3. Higher MWSBE utilization targets
4. Separate “rolling RFP” for NOAH funding requests

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## HOUSING DEVELOPMENT FUNDING RECOMMENDATIONS

Development	Type	Affordable Units	Recommended Award	Affordability Period	City Cost Per Unit	City Cost Per Unit Per Year
Arrowood Homes (D3) * **	4%	120	\$ 5,500,000	99	\$ 56,958	\$ 575
Central at Old Concord (D1)	4%	200	\$ 4,200,000	99	\$ 21,000	\$ 212
Sycamore Station II (D1) **	4%	168	\$ 1,700,000	50	\$ 10,119	\$ 202
<b>TOTAL 4% PROPOSALS</b>		<b>488</b>	<b>\$ 11,400,000</b>	<b>83</b>	<b>\$ 29,359</b>	<b>\$ 330</b>
Mount Moriah Seniors (County) **	9%	72	\$ 825,000	40	\$ 11,458	\$ 286
<b>TOTAL 9% PROPOSALS</b>		<b>72</b>	<b>\$ 825,000</b>	<b>40</b>	<b>\$ 11,458</b>	<b>\$ 286</b>
Kings on Lamar (D1)	Supportive Housing	64	\$ 2,432,000	50	\$ 38,000	\$ 760
<b>TOTAL SUPPORTIVE HOUSING</b>		<b>64</b>	<b>\$ 2,432,000</b>	<b>50</b>	<b>\$ 38,000</b>	<b>\$ 760</b>
Aveline Legacy Druid Hills Duets II (D1)	Homeownership	14	\$ 462,000	15	\$ 33,000	\$ 2,200
<b>TOTAL HOMEOWNERSHIP PROPOSALS</b>		<b>14</b>	<b>\$ 462,000</b>	<b>15</b>	<b>\$ 33,000</b>	<b>\$ 2,200</b>
Swan Run (D7)	NOAH	92	\$ 2,400,000	20	\$ 26,087	\$ 1,304
<b>TOTAL NOAH</b>		<b>92</b>	<b>\$ 2,400,000</b>	<b>20</b>	<b>\$ 26,087</b>	<b>\$ 1,304</b>
<b>Total/Avg</b>		<b>730</b>	<b>\$ 17,519,000</b>	<b>53</b>	<b>\$ 28,089</b>	<b>\$ 792</b>

\*This project also includes the use of city-owned lands, appraised at \$1.3m  
 \*\*Recommended award includes federal funds

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## AFFORDABLE UNIT SUMMARY FOR RECOMMENDED PROJECTS

AMI	# Units	%
30%	160	22%
50%	110	15%
60%	286	39%
80%	174	24%
<b>Total</b>	<b>730</b>	<b>100%</b>

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# Development Summaries for Recommended Projects

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## DEVELOPMENT SUMMARY



**Arrowood Homes**  
**District 3**  
**7202 South Boulevard (Charlotte 28217)**  
**NRP Group**  
**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

Funds Recommended	\$5,500,000
City-Owned Land Value	\$1,335,000
Investment Per Unit	\$56,958
Investment Per Unit Per Year	\$575
Total Development Cost	\$38,174,959
Affordability Period	99
Leverage Ratio	1:5

AMI	# UNITS
< 30%	25
31-50%	0
51-60%	61
61-80%	34
<b>Total Units</b>	<b>120</b>

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## DEVELOPMENT SUMMARY



**Central at Old Concord**  
**District 1**  
**5703 North Tryon Street (Charlotte 28213)**  
**The Annex Group**  
**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

Funds Recommended	\$4,200,000
Investment Per Unit	\$21,000
Investment Per Unit Per Year	\$212
Total Development Cost	\$47,901,758
Affordability Period	99
Leverage Ratio	1:10

AMI	# UNITS
< 30%	40
31-50%	72
51-60%	0
61-80%	88
<b>Total Units</b>	<b>200</b>

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## DEVELOPMENT SUMMARY



**Sycamore Station II**  
**District 1**  
**6010 Calle Lumina Way (Charlotte 28215)**  
**Winterwood Development**  
**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

Funds Recommended	\$1,700,000
Investment Per Unit	\$10,119
Investment Per Unit Per Year	\$202
Total Development Cost	\$36,398,358
Affordability Period	50
Leverage Ratio	1:20

AMI	# UNITS
< 30%	34
31-50%	0
51-60%	134
61-80%	0
<b>Total Units</b>	<b>168</b>

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## DEVELOPMENT SUMMARY



**Mount Moriah Seniors**  
**489 Crestdale Road (Matthews 28105)**  
**Laurel Street Residential, LLC**  
**TYPE: 9% LIHTC / Senior**

### FINANCIAL SUMMARY

Funds Recommended	\$825,000
Investment Per Unit	\$11,458
Investment Per Unit Per Year	\$286
Total Development Cost	\$22,229,100
Affordability Period	40
Leverage Ratio	1:26

AMI	# UNITS
< 30%	20
31-50%	12
51-60%	20
61-80%	20
<b>Total Units</b>	<b>72</b>

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## DEVELOPMENT SUMMARY



**Kings on Lamar**  
**District 1**  
**323 Lamar Avenue (Charlotte 28204)**  
**Roof Above**  
**TYPE: Non-LIHTC / Supportive Housing**

### FINANCIAL SUMMARY

Funds Recommended	\$2,432,000
Investment Per Unit	\$38,000
Investment Per Unit Per Year	\$760
Total Development Cost	\$10,690,162
Affordability Period	50
Leverage Ratio	1:3

AMI	# UNITS
< 30%	13
31-50%	26
51-60%	25
61-80%	0
<b>Total Units</b>	<b>64</b>

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## DEVELOPMENT SUMMARY



**Aveline Legacy Druid Hills Duets II**  
**District 1**  
**Scattered Sites in the Druid Hills neighborhood**  
**(Charlotte 28206)**  
**DreamKey Partners**  
**TYPE: Homeownership**

### FINANCIAL SUMMARY

Funds Recommended	\$462,000
Investment Per Unit	\$33,000
Investment Per Unit Per Year	\$2,200
Total Development Cost	\$4,095,018
Affordability Period	15
Leverage Ratio	1:8
Sales Price Range	\$260,000- \$285,000

AMI	# UNITS
< 30%	0
31-50%	0
51-60%	0
61-80%	14
<b>Total Units</b>	<b>14</b>

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## DEVELOPMENT SUMMARY



**Swan Run**  
**District 7**  
**4600 Swan Meadow Lane (Charlotte 28226)**  
**Ascent Housing**  
**TYPE: NOAH**

### FINANCIAL SUMMARY

Funds Recommended	\$2,400,000
Investment Per Unit	\$26,087
Investment Per Unit Per Year	\$1,304
Total Development Cost	\$18,000,000
Affordability Period	20
Leverage Ratio	1:7

AMI	# UNITS
< 30%	28
31-50%	0
51-60%	46
61-80%	18
<b>Total Units</b>	<b>92</b>

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**HOUSING TRUST FUND FORECAST [IF RECOMMENDATIONS ARE APPROVED]**

<b>Housing Trust Fund Balance</b>	
<b>Housing Trust Fund Current Balance</b>	<b>\$22,140,000</b>
<b>Less LIHTC Developments</b>	<b>(\$7,900,000)</b>
<b>Less Non-LIHTC Development</b>	<b>(\$2,432,000)</b>
<b>Less NOAH</b>	<b>(\$2,400,000)</b>
<b>Less Homeownership Developments</b>	<b>(\$462,000)</b>
<b>Housing Trust Fund Ending Balance <i>(if all recommended projects are approved)</i></b>	<b>\$8,946,000</b>

*Notes:*

- Federally funded projects (as shown on slide 4) are excluded from the above analysis (total of \$4,325,000)

# Development Summaries for Projects Not Recommended





## DEVELOPMENT SUMMARY



**West Boulevard Flats**  
**District 3**  
**3213 West Boulevard (Charlotte 28208)**  
**NRP Group**  
**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

Funds Requested	\$7,448,000
Investment Per Unit	\$38,000
Investment Per Unit Per Year	\$950
Total Development Cost	\$69,345,551
Affordability Period	40
Leverage Ratio	1:8

AMI	# UNITS
< 30%	40
31-50%	0
51-60%	102
61-80%	54
<b>Total Units</b>	<b>196</b>

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## NEXT STEPS

### HOUSING DEVELOPMENT FUND



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