

# HOUSING TRUST FUND PROJECT FUNDING RECOMMENDATIONS

APRIL 10, 2023 – CITY COUNCIL BUSINESS MEETING

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## HOUSING TRUST FUND OVERVIEW

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



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## HOUSING TRUST FUND ALLOCATIONS

Housing Bonds	
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
2022	\$50,000,000
<b>Total</b>	<b>\$260,000,000</b>

**Since 2002,  
over 11,000 units  
have been created or  
preserved**

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## HOUSING TRUST FUND RFP SCHEDULE

Milestone	Dates
Release RFP	January 13, 2023
Proposal Submission Deadline	February 10, 2023
City Council Briefing	April 10, 2023
City Council Approval*	April 24, 2023

\* Council vote must occur prior to the NCHFA's May 12th LIHTC application deadline (9% & 4% LIHTC allocations will be awarded by the NCHFA in August 2023)

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## HOUSING DEVELOPMENT FUNDING REQUESTS

	Development	Type	Affordable Units	HTF Request	City Cost Per Unit
1	Sycamore Station I	4%	168	\$2,800,000	\$16,667
2	Union at Tryon	4%	200	\$3,800,000	\$19,000
3	The Vue at Honeywood	4%	108	\$3,456,000	\$32,000
4	Evoke Living at Ballantyne	4%	60	\$3,100,000	\$51,667
<b>TOTAL 4% PROPOSALS</b>			<b>536</b>	<b>\$13,156,000</b>	
5	The Merit	9%	76	\$2,600,000	\$34,211
6	Long Creek Senior Apartments	9%	57	\$2,250,000	\$39,474
7	Marvin Road Apartments	9%	70	\$3,479,000	\$49,700
<b>TOTAL 9% PROPOSALS</b>			<b>203</b>	<b>\$8,329,000</b>	
8	River District Apartments	Non-LIHTC	87	\$5,800,000	\$66,667
<b>TOTAL NON-LIHTC PROPOSAL</b>			<b>87</b>	<b>\$5,800,000</b>	
9	Aveline at Orange Street	Homeownership	18	\$630,000	\$35,000
10	Hope Springs Subdivision	Homeownership	25	\$1,125,000	\$45,000
11	Henderson Manor	Homeownership	39	\$2,997,000	\$76,846
<b>TOTAL HOMEOWNERSHIP PROPOSALS</b>			<b>82</b>	<b>\$4,752,000</b>	
<b>TOTAL PROPOSALS</b>			<b>908</b>	<b>\$32,037,000</b>	

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## HOUSING DEVELOPMENT FUNDING RECOMMENDATIONS

	Development	Type	Affordable Units	HTF Request	City Cost Per Unit	City Owned Land Value	CHOIF Request
1	Union at Tryon	4%	200	\$3,800,000	\$19,000	--	\$3,000,000
2	The Vue at Honeywood	4%	108	\$3,456,000	\$32,000	--	\$3,000,000
3	Evoke Living at Ballantyne	4%	60	\$3,100,000	\$51,667	\$1,350,000	\$3,000,000
<b>TOTAL 4% PROPOSALS</b>			<b>368</b>	<b>\$10,356,000</b>		<b>\$1,350,000</b>	<b>\$9,000,000</b>
4	The Merit	9%	76	\$2,600,000	\$34,211	\$1,360,000	-
5	Long Creek Senior Apartments*	9%	57	\$2,250,000	\$39,474	--	-
6	Marvin Road Apartments	9%	70	\$3,479,000	\$49,700	--	-
<b>TOTAL 9% PROPOSALS</b>			<b>203</b>	<b>\$8,329,000</b>		<b>\$1,360,000</b>	<b>n/a</b>
7	River District Apartments	Non-LIHTC	87	\$5,800,000	\$66,667	--	\$3,000,000
<b>TOTAL NON-LIHTC PROPOSALS</b>			<b>87</b>	<b>\$5,800,000</b>		<b>n/a</b>	<b>\$3,000,000</b>
8	Aveline at Orange Street	Homeownership	18	\$630,000	\$35,000	--	-
9	Hope Springs Subdivision*	Homeownership	25	\$1,125,000	\$45,000	--	-
<b>TOTAL HOMEOWNERSHIP PROPOSALS</b>			<b>43</b>	<b>\$1,755,000</b>		<b>n/a</b>	<b>n/a</b>
<b>TOTAL RECOMMENDED PROPOSALS</b>			<b>701</b>	<b>\$26,240,000</b>	<b>\$37,432</b>	<b>\$2,710,000</b>	<b>\$12,000,000</b>

\*This project is recommended to be funded with available HOME funds (federal source), rather than Housing Trust Fund (local source)

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## AFFORDABLE UNIT SUMMARY FOR RECOMMENDED PROJECTS

AMI	# Units	%
30%	151	21%
50%	103	14%
60%	174	25%
80%	273	40%
<b>Total Units</b>	<b>701</b>	<b>100%</b>

## Development Summaries for Recommended Projects



## DEVELOPMENT SUMMARY



**Union at Tryon**  
**District 4**  
**723 Copper Run Lane**  
**The Annex Group**

**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$3,800,000
HTF Investment Per Unit	\$19,000
CHOIF/LISC Request	\$3,000,000
Total Development Cost	\$45,524,531
Project Based Voucher	No
Affordability Period	40
Leverage Ratio	1:11
Rent Range	\$437 - \$1,860

AMI	# UNITS
< 30%	50
31-50%	50
51-60%	0
61-80%	100
<b>Total Units</b>	<b>200</b>



## DEVELOPMENT SUMMARY



**The Vue at Honeywood**  
**District 2**  
**Honeywood Avenue**  
**Halcon Development, LLC and**  
**Trinity Housing Development, LLC**

**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$3,456,000
HTF Investment Per Unit	\$32,000
CHOIF/LISC Request	\$3,000,000
Total Development Cost	\$27,256,364
Project Based Voucher	No
Affordability Period	40
Leverage Ratio	1:7
Rent Range	\$399 - \$1,776

AMI	# UNITS
< 30%	22
31-50%	0
51-60%	58
61-80%	28
<b>Total Units</b>	<b>108</b>



## DEVELOPMENT SUMMARY



**Evoke Living at Ballantyne**  
**District 7**  
**15024 Ballancroft Parkway**  
**CSE Communities and Freedom Communities**  
**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$3,100,000
HTF Investment Per Unit	\$51,667
City Owned Land	\$1,350,000
CHOIF/LISC Request	\$3,000,000
Total Development Cost	\$22,800,000
Project Based Voucher	Yes
Affordability Period	40
HTF Leverage Ratio	1:6
Rent Range	\$453 - \$1,843

AMI	# UNITS
< 30%	12
31-50%	0
51-60%	32
61-80%	16
<b>Total Units</b>	<b>60</b>

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## DEVELOPMENT SUMMARY



**The Merit**  
**District 4**  
**7605 University City Boulevard**  
**Conifer, LLC & DreamKey Partners**  
**TYPE: 9% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$2,600,000
HTF Investment Per Unit	\$34,211
City Owned Land	\$1,360,000
CHOIF/LISC Request	-
Total Development Cost	\$20,389,094
Project Based Voucher	Yes
Affordability Period	40
HTF Leverage Ratio	1:7
Rent Range	\$460 - \$1,850

AMI	# UNITS
< 30%	16
31-50%	21
51-60%	23
61-80%	16
<b>Total Units</b>	<b>76</b>

See Slide 13 for project update

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## DEVELOPMENT SUMMARY

**The Merit  
District 4  
7605 University City Boulevard  
Conifer, LLC & DreamKey Partners  
TYPE: 9% LIHTC / Family**

**Development Update:** The developer notified city staff after the Action Review (April 11, 2023) that the North Carolina Housing Finance Agency (NCHFA) determined that the development will not advance in the 9% LIHTC application process due to an inadvertent documentation error reflected in the LIHTC application. Due to the competitive nature of 9% applications, the NCHFA does not accept changes of any kind to 9% applications after the application period has closed. City staff will work with the developer to determine next steps for this location, including the possibility of a 9% LIHTC application in 2024.



## DEVELOPMENT SUMMARY



**Long Creek Senior Apartments  
District 4  
8400 Mt. Holly-Huntersville Road  
Graycliff Capital Affordable Housing, LLC  
TYPE: 9% LIHTC / Senior**

### FINANCIAL SUMMARY

HOME Request	\$2,250,000
HOME Investment Per Unit	\$39,474
CHOIF/LISC Request	-
Total Development Cost	\$17,253,000
Project Based Voucher	No
Affordability Period	40
Leverage Ratio	1:7
Rent Range	\$469 - \$1,222

### AMI

### # UNITS

< 30%	15
31-50%	12
51-60%	20
61-80%	10
<b>Total Units</b>	<b>57</b>



## DEVELOPMENT SUMMARY



**Marvin Road Apartments**  
**District 1**  
**738 Billingsley Road**  
**DreamKey Partners**  
**TYPE: 9% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$3,479,000
HTF Investment Per Unit	\$49,700
CHOIF/LISC Request	-
Total Development Cost	\$22,343,578
Project Based Voucher	No
Affordability Period	40
Leverage Ratio	1:5
Rent Range	\$459 - \$1,850

### AMI

### # UNITS

< 30%	18
31-50%	11
51-60%	16
61-80%	25
<b>Total Units</b>	<b>70</b>



## DEVELOPMENT SUMMARY



**River District Apartments**  
**District 3**  
**8325 Dixie River Road**  
**Laurel Street Residential**  
**TYPE: Non-LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$5,800,000
HTF Investment Per Unit	\$66,667
CHOIF/LISC Request	\$3,000,000
Total Development Cost	\$24,894,046
Project Based Voucher	Yes
Affordability Period	40
Leverage Ratio	1:3
Rent Range	\$455 - \$1,850

### AMI

### # UNITS

< 30%	18
31-50%	0
51-60%	15
61-80%	54
<b>Total Units</b>	<b>87</b>





## DEVELOPMENT SUMMARY



**Aveline Townhomes at Orange Street**  
**District 1**  
**2923 Sam Drenan Drive**  
**DreamKey Partners**  
**TYPE: Homeownership**

### FINANCIAL SUMMARY

HTF Request	\$630,000
HTF Investment Per Unit	\$35,000
Total Development Cost	\$7,451,000
Affordability Period	30
Leverage Ratio	1:11
Sales Price Range	\$275,000- \$315,000

### AMI

### # UNITS

< 30%	0
31-50%	0
51-60%	0
61-80%	18
<b>Total Units</b>	<b>18</b>



## DEVELOPMENT SUMMARY



**Hope Springs Subdivision**  
**District 2**  
**1029 Peachtree Road**  
**Habitat for Humanity**  
**TYPE: Homeownership**

### FINANCIAL SUMMARY

HOME Request	\$1,125,000
HOME Investment Per Unit	\$45,000
Total Development Cost	\$9,275,483
Affordability Period	15
Leverage Ratio	1:7
Sale Price Range	\$68,000 - \$292,000

### AMI

### # UNITS

< 30%	0
31-50%	9
51-60%	10
61-80%	6
<b>Total Units</b>	<b>25</b>

# Development Summaries for Projects Not Recommended



## DEVELOPMENT SUMMARY



**Sycamore Station I**  
**District 1**  
**6055 Calle Lumina Way**  
**Winterwood Development, LLC**  
**TYPE: 4% LIHTC / Family**

### FINANCIAL SUMMARY

HTF Request	\$2,800,000
HTF Investment Per Unit	\$16,667
CHOIF/LISC Request	-
Total Development Cost	\$32,178,468
Project Based Voucher	No
Affordability Period	40
Leverage Ratio	1:10
Rent Range	\$360 - \$1,118

### AMI

### # UNITS

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

## DEVELOPMENT SUMMARY



**Henderson Manor**  
**District 2**  
**5528 Henderson Circle**  
**Red Cedar Capital Partners and**  
**Urban Trends Real Estate, Inc.**  
**TYPE: Homeownership**

### FINANCIAL SUMMARY

HTF & HOME Request	\$2,997,000
City Investment Per Unit	\$76,846
Total Development Cost	\$13,555,371
Affordability Period	15
Leverage Ratio	1:4
Average Sales Price	\$284,000

AMI	# UNITS
< 30%	0
31-50%	0
51-60%	0
61-80%	39
81 -120%	0
<b>Total Units</b>	<b>39</b>

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

Housing Trust Fund Balance	
<b>Housing Trust Fund Current Balance</b>	<b>\$50,000,000</b>
<b>Less 4% LIHTC Developments</b>	<b>(\$10,356,000)</b>
<b>Less 9% LIHTC Developments</b>	<b>(\$6,079,000)</b>
<b>Less Non-LIHTC Development</b>	<b>(\$5,800,000)</b>
<b>Less Homeownership Developments</b>	<b>(\$630,000)</b>
<b>Housing Trust Fund Ending Balance (if all recommended projects are approved)</b>	<b>\$27,135,000</b>

### Notes:

- Federally funded projects (as shown on slide 6) are excluded from the above analysis
- Due to the competitive nature of 9% LIHTCs, it is likely that at least one of the 9% deals shown on slide 6 will not be awarded LIHTC by NCHFA when awards are announced in August 2023



## NEXT STEPS

### HOUSING DEVELOPMENT FUND

