

PENDING HOUSING TRUST FUND PROJECTS

OCTOBER 24, 2022



BRIEFING OBJECTIVES

- HOUSING TRUST FUND BACKGROUND
- PENDING HOUSING TRUST FUND PROJECTS
- TIMELINE AND NEXT STEPS





HOUSING TRUST FUND BACKGROUND

1. The Housing Trust Fund (HTF), created in 2002, provides gap financing to developers for affordable housing in the City
2. The HTF has enabled the creation/preservation of over 11,000 affordable units since its inception
3. Key features of HTF investments:
 - Support housing for households earning up to 80% AMI, with at least 20% of the units targeted to 30% AMI households
 - Include a long-term deed restriction to preserve affordability
4. Biennial housing bonds serve as the funding source for the HTF
5. City of Charlotte generally relies on periodic requests for proposals to identify and evaluate HTF-related affordable housing funding opportunities



HOUSING TRUST FUND BALANCE

Housing Trust Fund Balance	
2020 Bond Allocation	\$50,000,000
Total Allocated and Committed as of April 2022	(\$50,000,000)
Housing Trust Fund Balance as of April 2022	\$0
Housing Trust Fund Replenishment in September 2022	\$6,700,000 *

** Replenishment of the HTF was the result of three potential affordable housing projects awarded HTF funds in April 2022 that did not receive 9% LIHTC awards from NC Housing Finance Agency*



PENDING HOUSING TRUST FUND PROJECTS

1. City of Charlotte currently has 17 previously approved city supported projects that have not yet closed on financing [i.e., “pending HTF projects”]
2. Due to extraordinary market conditions, new funding gaps have emerged and persisted for certain pending HTF projects
3. State subsidies assisted many 9% LIHTC Developments facing new funding gaps, but no state assistance was provided for 4% LIHTC Developments
4. City initiated an RFP process in September 2022 to consider new gap funding requests for pending HTF projects
5. City is not contractually obligated to provide additional gap funding to pending HTF projects



PENDING HOUSING TRUST FUND PROJECT EVALUATION

- **11 pending projects submitted funding requests to address new funding gaps since the original HTF award**
- **Gap funding evaluation criteria and considerations for pending HTF projects will include:**
 - ❖ Total amount requested
 - ❖ Revised cost per unit
 - ❖ Strategies implemented by the developer to reduce the new gap funding request
 - ❖ Construction readiness
- **City staff are reviewing all funding requests and gathering additional information from developers as needed**



NEW GAP FUNDING REQUESTS *

	Development	Type	Affordable Units	Previous City Award	New Funding Request	Total Investment	Revised City Cost Per Unit
D3	Fairhaven Glen	4%	140	\$2,000,000	\$1,150,000	\$3,150,000	\$22,500
D4	Ovata at Reedy Creek	9%	78	\$480,000	\$2,295,000	\$2,775,000	\$35,557
D5	Galloway Crossing	4%	78	\$2,496,000	\$1,560,000	\$4,056,000	\$52,000
D7	Ballantyne Seniors	4%	82	\$4,000,000	\$1,400,000	\$5,400,000	\$65,854
D3	The River District	Non-LIHTC	124	\$2,500,000	\$6,150,000	\$8,650,000	\$69,758
D3	Evoke Living @ Morris Field	4%	132	\$3,700,000	\$5,900,000	\$9,600,000	\$72,727
D2	Bishop Madison Homes	Homeownership	9	\$288,000	\$372,000	\$660,000	\$73,333
D1	Grounds for Change	4%	104	\$2,000,000	\$5,759,556	\$7,759,556	\$74,611
D2	Lakewood Apartments	HUD HOME	36	\$2,250,000	\$800,000	\$3,050,000	\$84,722
D3	South Village Apartments	4%	82	\$3,000,000	\$4,705,245	\$7,705,245	\$93,966
D1	Easter Home	Supportive Housing	21	\$630,000	\$1,937,873	\$2,567,873	\$122,280
Total of New Gap Funding Requests					\$32,029,674		

* Excludes three project funding requests that did not meet the RFP eligibility criteria, for which further analysis is required



ILLUSTRATIVE FUNDING STRATEGY BASED ON AVAILABLE HTF BALANCE

	Development	Type	Affordable Units	Previous City Award	New Funding Request	Total Investment	Revised City Cost Per Unit
D3	Fairhaven Glen	4%	140	\$2,000,000	\$1,150,000	\$3,150,000	\$22,500
D4	Ovata at Reedy Creek	9%	78	\$480,000	\$2,295,000	\$2,775,000	\$35,557
D5	Galloway Crossing	4%	78	\$2,496,000	\$1,560,000	\$4,056,000	\$52,000
D7	Ballantyne Seniors	4%	82	\$4,000,000	\$1,400,000	\$5,400,000	\$65,854
D3	The River District	Non-LIHTC	124	\$2,500,000	\$6,150,000	\$8,650,000	\$69,758
D3	Evoke Living @ Morris Field	4%	132	\$3,700,000	\$5,900,000	\$9,600,000	\$72,727
D2	Bishop Madison Homes	Homeownership	9	\$288,000	\$372,000	\$660,000	\$73,333
D1	Grounds for Change	4%	104	\$2,000,000	\$5,759,556	\$7,759,556	\$74,611
D2	Lakewood Apartments	HUD HOME	36	\$2,250,000	\$800,000	\$3,050,000	\$84,722
D3	South Village Apartments	4%	82	\$3,000,000	\$4,705,245	\$7,705,245	\$93,966
D1	Easter Home	Supportive Housing	21	\$630,000	\$1,937,873	\$2,567,873	\$122,280
Total of New Gap Funding Requests					\$32,029,674		

Aggregate Request = \$6,405,000



TIMELINE AND NEXT STEPS

- Continue to engage LISC in possible co-funding strategies related to pending HTF projects
- Present funding options/recommendations for pending HTF projects at the November 14, 2022 Business Meeting
- Release HTF Request for Proposals in December 2022 [pending voter approval housing bond referendum] based on the City's typical RFP calendar for new projects