

# Charlotte Woods NOAH Investment Opportunity

MAY 22, 2023

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## City of Charlotte NOAH Investment Criteria

NOAH Investment Guidelines Adopted by City Council in 2019	
✓	In a location at risk of conversion to higher rents and the threat of displacement of low-and-moderate income residents
✓	Affordability period of at least 15 years
✓	Funding prioritized for 60% AMI and below households, and at least 10% of units set-aside for 30% AMI households
✓	In an area with close proximity to quality jobs, schools and transportation infrastructure
✓	City investment per unit up to \$35K, with leverage ratio of at least 1:3

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# City of Charlotte's NOAH Track Record

## ◀ Eight successful NOAH investments since 2019

- Aggregate city support of \$28million, with a leverage ratio of 1:6
- Enabled preservation and long-term affordability for 1,335 units

## ◀ Layered Programming

- NOAH rental subsidy program
- Supportive service model

## ◀ Public-Private Partnership

- Housing Impact Fund
- Co-investments with Mecklenburg County



# Charlotte Woods NOAH Proposal

## ◀ Developer = Ascent Housing / Housing Impact Fund

## ◀ Location = District 1 [at Woodlawn / Scaleybark]

## ◀ 266 Units

- 155 One Bedroom Units
- 111 Two Bedroom Units

## ◀ Current Market Rents

- Average 1-BR - \$1,195 - \$1,324/month
- Average 2-BR - \$1,465 - \$1,546/month

## ◀ Estimated Proposed Rents

- \$360 to \$535\* for 30% AMI & Below
- \$1,000 to \$1,175 for 60% AMI & Below
- \$1,050 to \$1,215 for 80% AMI & Below

## ◀ Proposed AMI Mix

- 30% AMI or less: 80 units
- 31% - 60% AMI: 133 units
- 61% - 80% AMI: 53 units



\* Rent range for 30% AMI households based on participants in rental subsidy program [see slide 12]

# Charlotte Woods: Surrounding Area

## Apartments proximate to:

- Convenient access to Uptown and other major employment and service hubs
- Close to Park Road Shopping Center, and zoned for AG Middle and Myers Park High
- Close to:
  - pharmacies
  - grocery/shopping
  - bank branches
  - CATS bus route
  - Blue line



3-MILE RADIUS

**\$139,602**  
AVERAGE  
HOUSEHOLD INCOME

**\$583,745**  
AVERAGE  
HOME VALUE

**80.7%**  
% COLLEGE +  
EDUCATED

# Charlotte Woods: Proposed Sources of Funds

Funding Sources	Amount
Senior Debt	\$18,000,000
Housing Impact Fund II	\$14,075,000
City of Charlotte	\$8,000,000
Mecklenburg County	\$4,000,000
<b>Total</b>	<b>\$44,075,000</b>

← First investment of "round two" of the Housing Impact Fund

← Funding source = Housing Trust Fund

City Cost Per Unit	Leverage Ratio
\$30,075	1:5

*City of Charlotte and Mecklenburg County funding contingent on actions by Council and Board of Commissioners, respectively*

## NOAH Proposal (Rental Subsidy Program)

- ◀ Collaborative city / county program
- ◀ Creates new long-term rent subsidies for 30% AMI households that do not have existing vouchers
- ◀ Yearly aggregate subsidy amount funded by the city not to exceed the amount of city taxes paid on the property
- ◀ Subsidy administered by a third-party and paid after verifying household eligibility



### Charlotte Woods Subsidy Proposal

New Subsidies	40 units (15% of total)
AMI Served	30% and below
City Property Tax (2022)	\$112,929
Affordability / Subsidy Period	20-years
Estimated Present Value of 20-year City Subsidy	\$1.8M

## Charlotte Woods: Key Takeaways

- ◀ Large NOAH preservation opportunity in an area experiencing substantial rent growth
- ◀ Meets or beats all city NOAH-related guidelines/goals
- ◀ Public/private sector funding collaboration with Housing Impact Fund and Mecklenburg County
- ◀ Emphasis on city priorities related to:
  - Affordable housing and anti-displacement
  - Near-term access to 30% AMI units
  - Expansion of rental subsidies for 30% AMI households
  - Exceed MWSBE goals (i.e., > 90% of rehab work to be minority-led)
  - Supportive services and economic mobility

# Next Steps

## ◀Charlotte Woods

- Council vote on June 12<sup>th</sup> [contingent on Action Review feedback]
- Board of County Commissioners expected to consider the funding request in June

## ◀NOAH Rolling RFP

- RFP posted May 19, 2023
- RFP parameters consistent with Housing Trust Fund “Tune Up”
- Funding recommendations will be presented to Council as opportunities emerge