



Housing Charlotte

A Framework for Building and Expanding Access to Opportunity through Housing Investments

City Council Briefing

July 23, 2018

Today's Briefing

- ▶ Housing Charlotte Framework
 - ▶ Background
 - ▶ Schedule
 - ▶ Content & Summary of Strategies
 - ▶ Project Impact
 - ▶ Next Steps
- ▶ Housing Funding Support Requests
 - ▶ Emergency Solutions Grant (ESG)
 - ▶ Community Housing Development Organizations (CHDO)

Great cities are built on Complete and Inclusive Neighborhoods



Attributes of Complete and Inclusive Neighborhoods

- ▶ **Range of housing options – households of all sizes and income levels**
- ▶ Access to goods and services
- ▶ Lots of ways to get around
- ▶ Quality schools
- ▶ Public open spaces
- ▶ Civic places



Complete and Inclusive Neighborhoods

- ▶ Meets the needs of people of all ages and abilities
- ▶ Encourages people to connect and care about each other
- ▶ Promotes community involvement
- ▶ Fosters safety

Goals

Big Questions to Consider

How do we Create
Complete &
Inclusive
Neighborhoods?

Policies

Shaping Charlotte's Growth

- Growth Framework
(Centers, Corridors,
Wedges)
- General Development
Policies
- Focus Area Plans
- Area Plans
- Community Investment
Plan
- CATS Transit Plan
- Transportation Action Plan
- Charlotte Walks
- Charlotte Bikes
- Vision Zero
- Historic Districts
- Housing Locational Policies
- Housing Trust Fund
- Assisted Multi-Family at
Transit Stations

Opportunities

What's in the Pipeline

Housing Charlotte
Framework

Charlotte Comprehensive
2040 Plan

Unified Development
Ordinance

Envision My Ride

Others

Affordable Housing Project Impact Cherry



Historic photos courtesy of Charlotte Observer



Cherry Gardens

- Cherry Gardens Senior Apartments
- Approved by City Council in 2007
 - Completed in 2010

<u>Tax Valuation</u>	<u>Before (2006)</u>	<u>Current (2018)</u>	<u>%</u>
Project Parcel	\$144,204	\$920,000	84.3%
1 Mile Radius	\$4,215,115,855	\$6,937,144,223	39.2%

Affordable Housing Project Impact Brightwalk (Double Oaks)



Double Oaks

Redevelopment of Double Oaks:

- Approved by City Council in 2007
- Overall, development is approx. 90% complete
- The Stevenson Apartments were completed in 2017



The Stevenson, completed in 2017



<u>Tax Valuation</u>	<u>Before (2006)</u>	<u>Current (2018)</u>	<u>%</u>
Project Parcels	\$23,197,475	\$75,304,000	69.2%
1 Mile Radius	\$1,311,637,625	\$1,518,363,294	13.6%

Housing Charlotte

A Framework for Building and Expanding Access to Opportunity through Housing Investments

Department of Housing & Neighborhood Services **DRAFT**
Prepared in partnership with Enterprise Community Partners, Inc.  Enterprise

June 2018

2017

Engaged Enterprise Community Partners

- Data Analysis
- Financial Modeling
- Stakeholder Interviews
- Updates to H&ND Committee and City Council

2018

Winter / Spring

- Stakeholder Focus Groups
- Presentations to:
 - H&ND Committee
 - Planning Commission
 - City Council

2018

Spring / Summer

H&ND Committee

- April Retreat
- May/June Monthly Meetings

City Council

- Approval/August

Framework Overview

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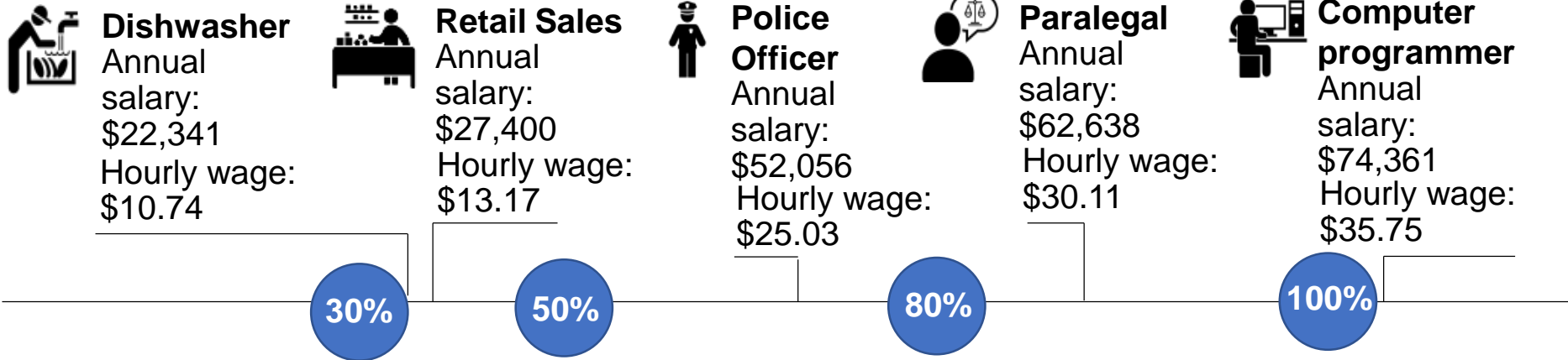


Trends

Six trends are shaping existing and future needs for affordable housing in Charlotte:

- 1. Increases in housing costs have outpaced increases in household income.**
- 2. Charlotte does not have enough affordable rental options to meet its current and future needs.**
- 3. Most of Charlotte's existing affordable rental options are naturally occurring affordable housing (NOAH).**
- 4. Charlotte's strong residential market limits access to homeownership, especially for lower income households.**
- 5. Charlotte lacks affordable rental and homeownership options throughout the city.** This impacts access to opportunity.
- 6. Charlotte-Mecklenburg could add 500,000 persons by 2030, with seniors representing much of this growth.**

Who Needs Affordable Housing



AMI	Family of Four	Max. Monthly Rent
30%	\$22,250	\$556
50%	\$37,050	\$926
60%	\$44,460	\$1,112
80%	\$59,300	\$1,483
100%	\$74,100	\$1,853
120%	\$88,920	\$2,223

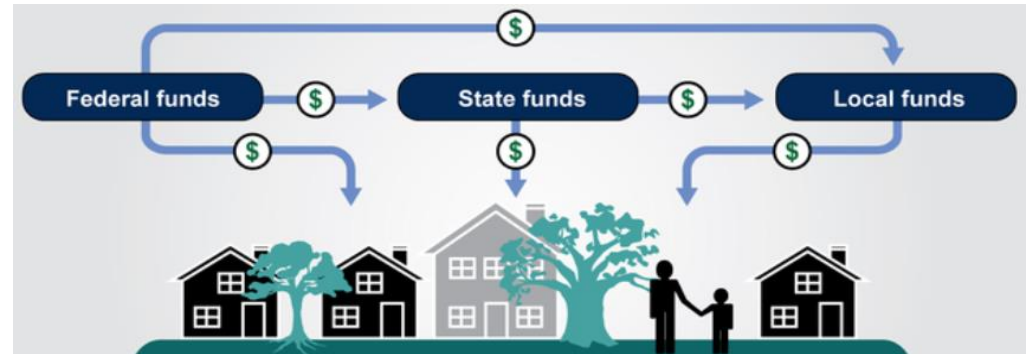
Sources: 2017 Paycheck to Paycheck Database; 2018 HUD Income Limits

Collaboration & Opportunity

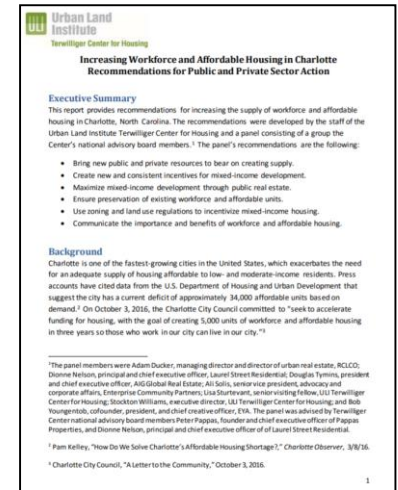
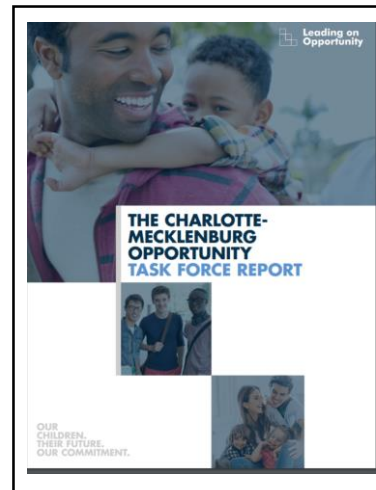


Community partners are critical: LISC, FFTC, Leading on Opportunity Council, Non-profits, Developers, etc.

- ▶ Builds off recent studies, plans, initiatives.
- ▶ Public-Private housing investments can be aligned to build access to opportunity



State/federal support for restored/increased funding



Core Considerations

Housing investments and related decisions will be guided by **three core considerations:**

- 1. Increasing capacity to serve low-income households, with a focus on households earning 60 percent AMI or below.**
- 2. Serving households vulnerable to housing displacement.**
 - All residents should feel secure in their homes, including their ability to remain if their neighborhoods change over time.
- 3. Using housing investments to build and expand access to opportunity.**
 - Residents – regardless of how much they earn – should be able to have more affordable housing choices in neighborhoods that offer access to quality schools, and be able to live near public transit without sacrificing access to other vital needs.



Objectives



Tyvola Crossing Apartments



St. Johns Place



HouseCharlotte

1. Expansion

Expand the supply of rental and owner occupied housing, and ensure residents can become homeowners

2. Preservation

Preserve the affordability, and preserve or improve the quality, of existing rental housing stock

3. Support Family Self-Sufficiency / Anti-Displacement

Help families achieve self-sufficiency by stabilizing existing homeowners

Existing tools, policies, resources, and initiatives

Local Policies & Tools

- Density Bonus
- Housing Locational Policy
- Assisted Multi-family at Transit Stations
- City-owned Property

Local Funding

- Housing Trust Fund

Federal Funding

- HOME Investment Partnerships Program (HOME)
- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

Other Local Initiatives

- Place Types & Unified Development Ordinance (UDO)
- Evergreen Team Task Force
- Charlotte-Mecklenburg Opportunity Task Force
- ULI Terwilliger Center for Housing
- UNCC Urban Institute

Key Strategies

EXPANSION		
STRATEGY 1 Increase rental production	STRATEGY 2 Support mixed-income development	STRATEGY 3 Leverage land
<ul style="list-style-type: none"> • Support the development of non-funded 4% and 9% tax credit projects (e.g. through creation of an equity fund, tax relief grant program, etc.)) • Use non-monetary tools to incentivize development of affordable rental housing 	<ul style="list-style-type: none"> • Leverage Section 108 funding for mixed-income & mixed-use development • Establish a Neighborhood Revitalization Strategy Area to increase flexibility of federal resources • Leverage Opportunity Zone designations to direct private resources • Review and update the Zoning Density Bonus programs for multi and single family housing • Revise the Housing Locational and Assisted Multi-Family at Transit Station Areas Policies • Encourage inclusion of mixed-income housing through the rezoning process • Collaborate with the County to expedite these types of developments through plan review, approval and permitting processes 	<ul style="list-style-type: none"> • Establish an acquisition fund to support strategic acquisition of land for affordable housing • Use publicly owned land for housing development

Short-term Priority Financial Tools are in bold

Key Strategies

EXPANSION (HOMEOWNERSHIP OPPORTUNITIES)		
STRATEGY 1 Prioritize downpayment assistance	STRATEGY 2 Expand existing employer-assisted homebuyer programs	STRATEGY 3 Support creation of a community land trust
<ul style="list-style-type: none">• Leverage opportunities to develop on infill sites & design programs to support homeownership opportunities on these sites• In coordination with partners, offer guarantees for first mortgage loans to better leverage private mortgage financing	<ul style="list-style-type: none">• Continue to support municipal employees' participation in the HouseCharlotte down payment assistance program• Partner with anchor institutions & other large-scale employers to develop or expand employer-assisted housing programs	<ul style="list-style-type: none">• Conduct outreach to residents & stakeholder partners to gauge interest in a land trust• Identify land throughout Charlotte suitable for donation to or strategic acquisition by a land trust• Link and prioritize infrastructure investments with other Community Investment Plan projects and programs

Key Strategies

PRESERVATION		
STRATEGY 1 Prioritize preservation of large scale NOAH	STRATEGY 2 Preserve expiring subsidized properties	STRATEGY 3 Support extended use of vouchers
<ul style="list-style-type: none"> • Prioritize large-scale NOAH properties in development solicitations • Establish a preservation fund • Establish a tax relief program • Create a preservation unit tasked with identifying at-risk NOAH properties & deploying resources to preserve them 	<ul style="list-style-type: none"> • Prioritize recapitalization activities for local investment • Lower long-term property costs • Create a right-of-first refusal policy for properties that receive federal or local subsidy 	<ul style="list-style-type: none"> • Align local resources with policies that support voucher use • Coordinate with the Charlotte Housing Authority on opportunities to use vouchers to support target populations, particularly in areas with strong pathways to opportunity

Short-term Priority Financial Tools are in bold

Key Strategies

SUPPORT FAMILY SELF-SUFFICIENCY

STRATEGY 1 Strengthen property owners ability to develop accessory dwelling units (ADUs)	STRATEGY 2 Offer tax relief to long-time property owners	STRATEGY 3 Streamline programming for homeowners living in single-family homes
<ul style="list-style-type: none"> • Develop the appropriate standards, tools, & processes to support ADU implementation • Educate homeowners, real-estate professionals, financial institutions, & the public 	<ul style="list-style-type: none"> • Increase participation in existing tax relief programs • Develop a local tax relief or other program to prevent displacement of long-time homeowners 	<ul style="list-style-type: none"> • Formalize targeted rehabilitation pilot program to provide resources for rehabilitation of single-family homes • Expand home repair programs to include energy efficiency improvements to lower ongoing utility costs for vulnerable homeowners • Coordinate efforts with other targeted outreach activities to better connect property owners to existing programs
		<div data-bbox="909 951 1860 1103"> STRATEGY 4 Support various other self-sufficiency programs & services </div> <ul style="list-style-type: none"> • Continue to support workforce development programs, and other programs and services, that seek to improve economic mobility and family self-sufficiency

Priority Tools

New Priority Tool	Purpose	Estimated Impact
Private equity fund (Mezzanine Debt)*	To support unfunded 9% tax credit pipeline as 4% tax credit deals where appropriate and leveraged with other resources where possible. And to support 4% tax credits deals consistent with creating mixed-income neighborhoods	<ul style="list-style-type: none"> Cost: \$TBD Estimated Units: 1,200–1,800
Tax relief grants	To allow for lower operating costs and need for local funds	Tax relief grants could reduce Housing Trust Fund requests by several million dollars depending on the structure of the project
Section 108 loan pool	To support nonprofit and for-profit developers in developing catalytic mixed-income and mixed-use development and preservation efforts	<ul style="list-style-type: none"> Cost: \$TBD Estimated Units: 1,000–1,200
Preservation fund*	To acquire and preserve large-scale NOAH or expiring subsidized properties	<ul style="list-style-type: none"> Cost: \$TBD Estimated Units: 400–600 units (assumes 2 to 3 developments at 200 per development)
Acquisition fund (Land Donation)*	To acquire private or public land in target areas for future affordable housing development	<ul style="list-style-type: none"> Cost: \$TBD Units: 500–800 units (assumes \$15,000 per unit of land costs)

*Requires public, private, and philanthropic partners to capitalize, manage and market

Framework Summary and Appendices

- ▶ The City cannot solve the housing crisis alone.
- ▶ Execution of the strategies in the framework will only be achieved through intentional and continued collaboration among community partners.
- ▶ Housing investments can result in increased access to opportunity.



Next Steps

- ▶ **City Council will consider approval of the Housing Charlotte Framework at the August 27, 2018 business meeting**

- ▶ **The approved Housing Charlotte Framework will inform 2018 Summer / Fall / Winter activities such as:**
 - Locational Policy
 - Assisted Multi-Family Housing at Transit Stations
 - NOAH Policy
 - Tax Relief Grants
 - Exploring priority financial tool recommendations
 - Density bonus
 - Accessory Dwelling Units
 - Etc.

- ▶ **Council also has a number of items on tonight's agenda and upcoming that align with the Framework Objectives:**
 - ▶ **Housing Funding Support Requests (CHDO, ESG)**
 - ▶ **Use of publicly owned land**
 - ▶ **NOAH**



Community Housing Development Organization HOME Allocations

City Council Action Review
July 23, 2018

Briefing Objectives

- ▶ Background
- ▶ Community Housing Development Organizations (CHDO)
 - ▶ Definition & Criteria
 - ▶ Certified Members
 - ▶ HUD Set-Aside Requirement
- ▶ 2018 Development Funding Recommendations
- ▶ Next Steps



Community Housing Development Organization

Definition and Criteria

A Community Housing Development Organization (CHDO):

- ▶ Is a private nonprofit, community-based service organization that has paid staff with the capacity to develop affordable housing for the community it serves.
- ▶ Provides programs and services, and engages in activities, that promote and support a community.
- ▶ Must meet criteria around legal status and organizational structure.
- ▶ Must demonstrate fiscal soundness, capacity, and experience.

Community Housing Development Organization Certified Members

Certified CHDO Members:

- ▶ Belmont CDC
- ▶ CrossRoads CDC
- ▶ Charlotte-Mecklenburg Housing Partnership
- ▶ Friendship CDC
- ▶ Mosaic Development Group



Norris Avenue



Norris Avenue



Heflin Street

Community Housing Development Organization Set Aside

- ▶ The City is a recipient of HOME funds from the U.S. Department of Housing and Urban Development (HUD)
- ▶ The City is designated as a Participating Jurisdiction by HUD
- ▶ As a Participating Jurisdiction, the City must allocate at least 15% of its HOME funds to CHDOs for housing developments serving households earning 80% (*\$59,300) and below the Area Median Income (AMI)

* HUD 2018 80% of AMI for a family of four

Community Housing Development Organization Set Aside

Funding Source	Amount
2017 HOME Allocation	\$2,330,231
15% CHDO Set-Aside: Prior Year Balance: Available Balance	 \$349,535 <u>\$301,760</u> \$651,295
CHDO Funding Requests (2):	\$650,000

CrossRoads Corporation

Elizabeth Heights Homeownership



District 1
Orange and Heflin Streets
New Construction

Number of Units	8
CHDO Request	\$500,000
Total Cost	\$2,120,800
Affordability Period	15 Years
Leverage Ratio	1:4
AMI	$\leq 80\%$

Charlotte Mecklenburg Housing Partnership

Druid Hills Homeownership



District 1
1000 Rodey Ave.
1001 & 1101 Holland Ave.
New Construction

Number of Units	3
CHDO Request	\$150,000
Total Cost	\$724,050
Affordability Period	15 Years
Leverage Ratio	1:5
AMI	< 80%

Next Steps

At tonight's business meeting, City Council will consider the Housing & Neighborhood Development Committee's recommendation to approve the FY2019 CHDO funding recommendations.



Emergency Solutions Grant Allocations

City Council Action Review
July 23, 2018

Emergency Solution Grant Briefing Objectives

- ▶ Background
- ▶ Request for Proposal Process
- ▶ Proposal Evaluation Criteria
- ▶ FY2019 Emergency Solution Grant Recommendations
- ▶ Next Steps

Emergency Solutions Grant Background

- ▶ Emergency Solution Grant (ESG) funds are **allocated annually** by the U.S. Department of Housing and Urban Development Department (HUD)
- ▶ ESG is the **only federal funding available to support emergency shelters**
- ▶ On any given night an average of:
 - ▶ **400 women and children** are staying at the Salvation Army, Center of Hope
 - ▶ **350 men** are staying at the Men's Shelter of Charlotte

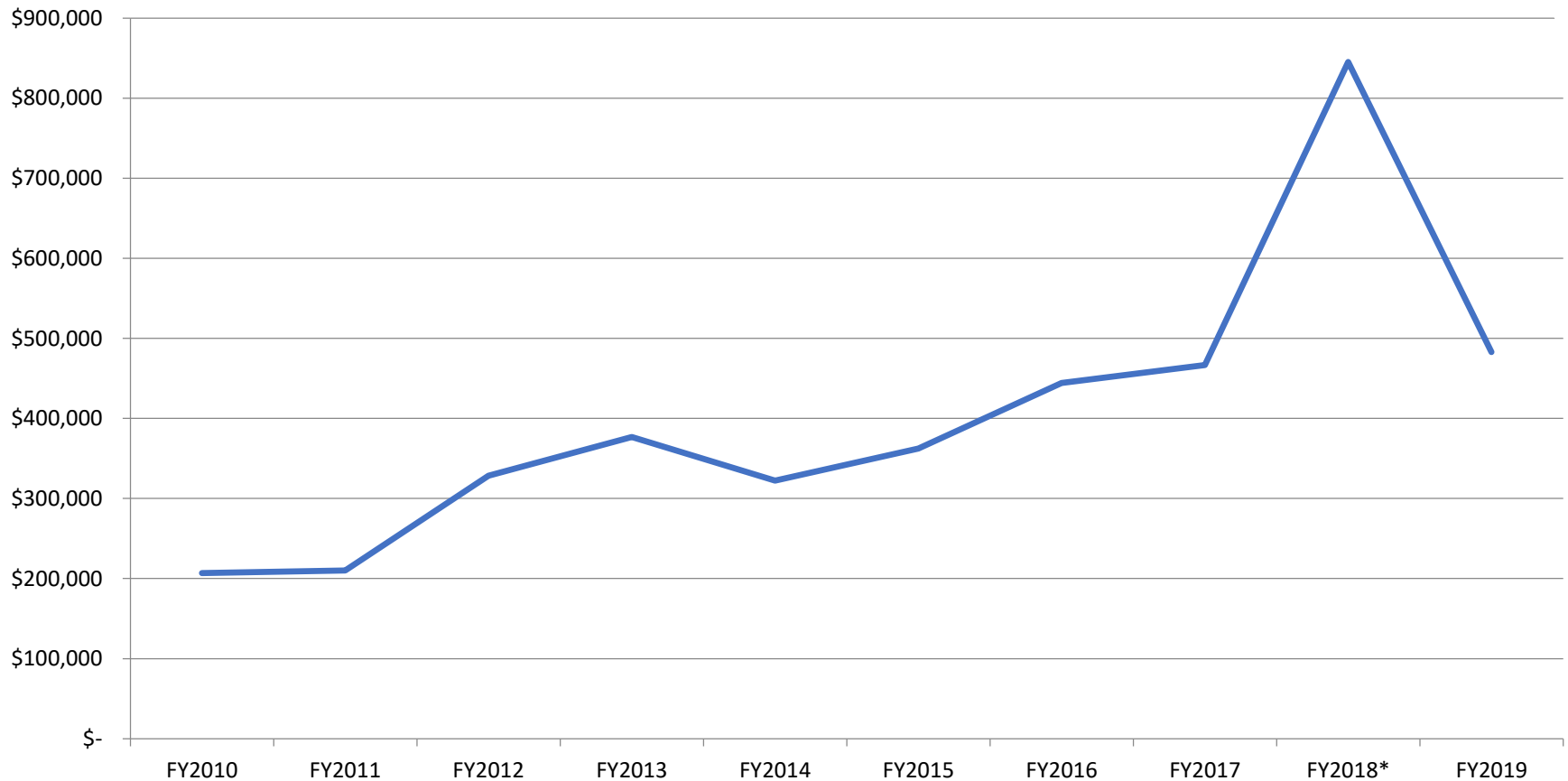
Emergency Solutions Grant Background

Program components:

- ▶ **Street Outreach:** Connects unsheltered homeless individuals or families with shelter, housing or social services
- ▶ **Emergency Shelter:** Provides funding to operate a shelter and provide essential services (case management, education assistance, life skills, etc.)
- ▶ **Prevention:** Financial assistance and services to prevent an individual or family from becoming homeless
- ▶ **Rapid Re-Housing:** Financial assistance and services to assist an individual or family living in a shelter or in place not meant for human habitation to move quickly in to permanent housing
- ▶ **Data Collection:** Participating in local Homeless Management Information System

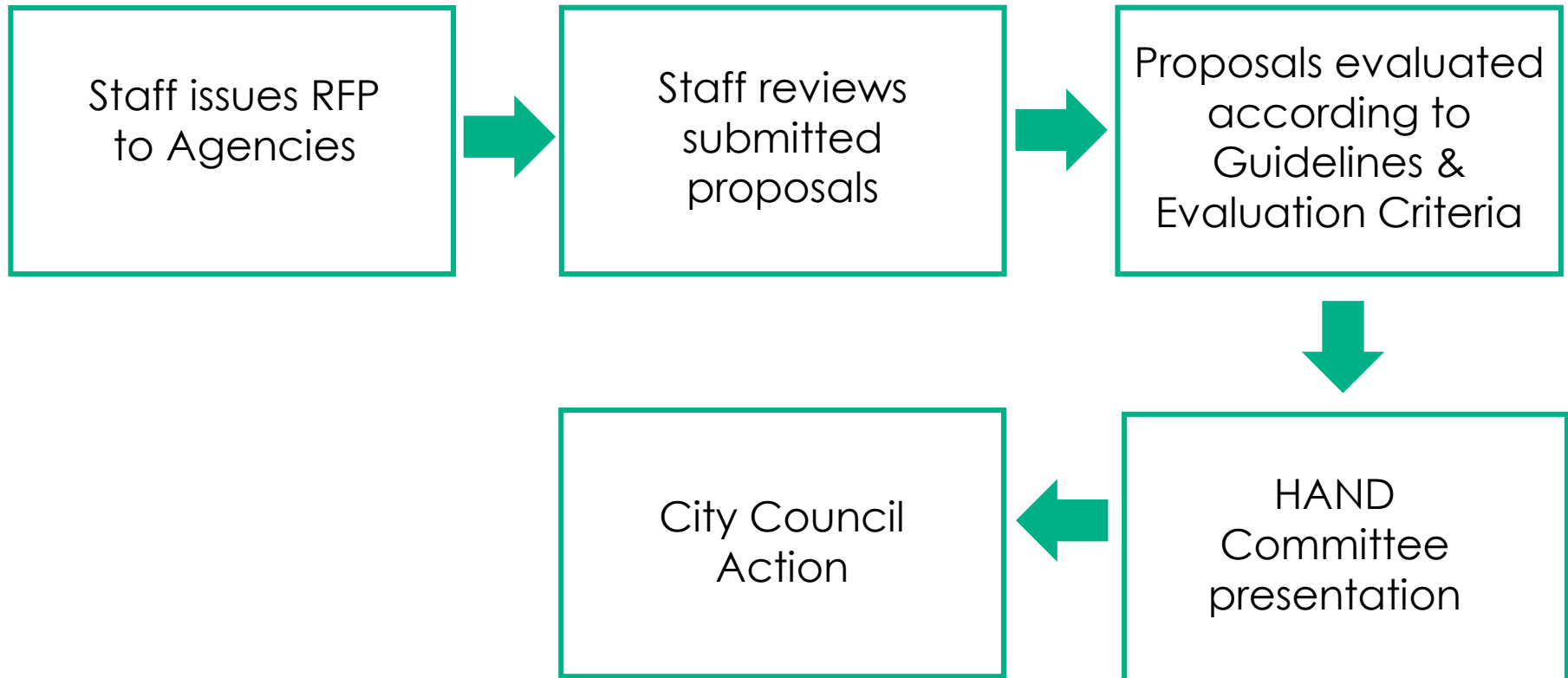
Emergency Solutions Grant Funding FY2010 – FY2019

Funded Amount



*City was awarded one-time supplemental dollars in FY2018

Request for Proposal Process



Key Proposal Evaluation Criteria

Service Alignment

- City Focus Areas
- Program Objectives
- Housing and Urban Development

Agency Experience

- Impact on Community
- Capacity

Financial Strength

- Agency and Program Budget
- Leverage of City Funds

Emergency Solutions Grant Recommendation

Salvation Army, Center of Hope

- ▶ Provide emergency shelter to women and children experiencing homelessness
- ▶ Assist households with Rapid Re-Housing Assistance
- ▶ Assist with Homeless Management Information System data collection
- ▶ **Total request: \$108,200**



Salvation Army, Center of Hope

534 Spratt Street

District 2

Emergency Solutions Grant Recommendation

Men's Shelter of Charlotte

- ▶ Provide emergency shelter to men experiencing homelessness
- ▶ Assist households with Rapid Re-Housing Assistance
- ▶ Assist with Homeless Management Information System data collection

Total Request: \$117,325



Men's Shelter of Charlotte

1210 North Tryon Street

District 1

Emergency Solutions Grant Recommendation

The Relatives Crisis Center

- ▶ Provide temporary shelter and support services to children and youth, with a focus on keeping families together
- ▶ Offer 24-hour crisis hotline, walk-in crisis support, aftercare services and parenting support
- ▶ Funding will be used for building improvements
- ▶ **Total Request: \$190,000**



The Relatives

1100 East Boulevard

District 1

Emergency Solutions Grant Recommendations (under \$100,000)

Organization	Funding	ESG Program Component	Target number to be served
Community Link	\$45,000	Prevention	15 Households
Friendship Community Development Corporation	\$8,294	Emergency Shelter; Data Collection	60 Households
Safe Alliance	\$13,950	Emergency Shelter	90 Households
Supportive Housing Communities	\$95,199	Rapid Re-Housing	17 Households
Total	\$162,443		

Emergency Solutions Grant Funding per Agency FY2015 – FY2019

Agency	FY15	FY16	FY17	FY18*	FY19
Charlotte Family Housing	\$62,816	\$0	\$10,000	\$0	\$0
Community Link	\$32,600	\$99,987	\$95,500	\$40,000	\$45,000
Friendship Community Development Corporation	\$8,730	\$8,730	\$8,730	\$8,730	\$8,294
Men's Shelter of Charlotte	\$94,637	\$142,424	\$142,612	\$263,162	\$117,325
The Relatives	\$0	\$0	\$0	\$0	\$190,000
Safe Alliance (formerly United Family Services)	\$12,512	\$12,512	\$12,512	\$15,000	\$13,950
Salvation Army	\$99,474	\$110,825.00	\$129,439	\$309,012	\$108,200
Supportive Housing Communities	\$0	\$67,812	\$67,812	\$118,594	\$95,199

*City was awarded one-time supplemental dollars in FY18

Next Steps

At tonight's business meeting, City Council will consider the Housing & Neighborhood Development Committee's recommendation to approve the FY2019 ESG funding requests.