



# Affordable Housing Update

City Council Action Review

January 14, 2019

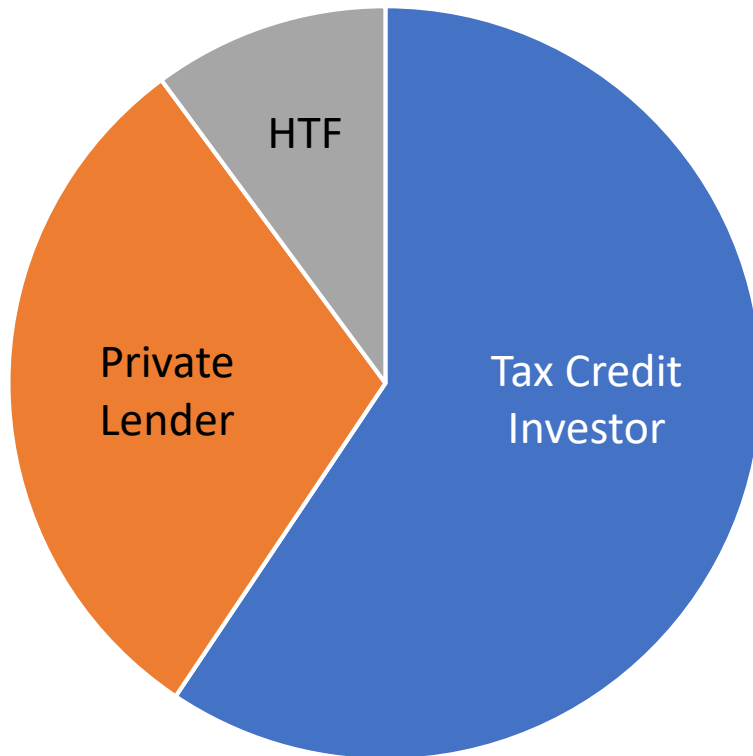
# Objective

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- ▶ Discuss how Low Income Housing Tax Credits (LIHTC) work
  - Traditional Process and Schedule
- ▶ Project pipeline under existing process
- ▶ Leveraging partnerships and existing programs

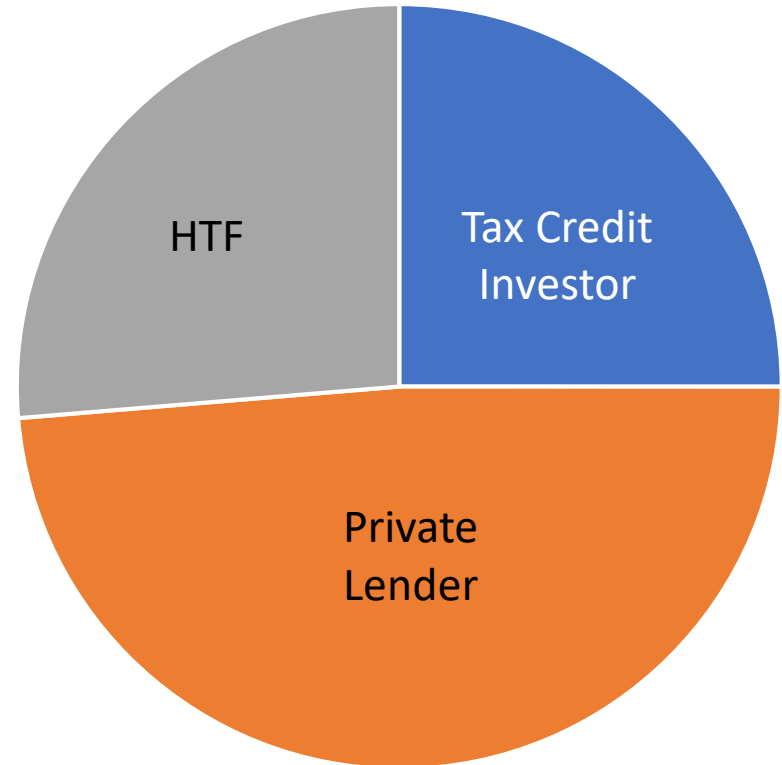
# Typical Tax Credit Financing Strategies

9% Tax Credits



- ▶ Location primarily determined by State guidelines
- ▶ 25% of units must serve 30% AMI
- ▶ **Lower HTF request**

4% Tax Credits



- ▶ Location generally not restricted by State guidelines
- ▶ No requirement for 30% AMI units
- ▶ **Higher HTF request**

# Typical Review Criteria

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- ▶ Applications to the Housing Trust Fund are screened and evaluated for:
  - Adherence to City policy
  - Development strength
  - Developer experience / capacity
  - Financial strength
  - Zoning conditions

# **Housing Trust Fund Developments (To Date)**

# Prior Commitments & Upcoming 9% Estimate

## ▶ West Sugar Creek

- Request: \$5.3 million
- Type: 4%
- Units: 180

## ▶ Brookshire

- Request: \$4.2 million
- Type: 4%
- Units: 96

## ▶ FY2019 Proposed 9% Estimate (based on previous year)

- Estimate: \$8.0 million

# 4% Development Proposals Using Donated City Land

## ▶ North Tryon Street

- Request: \$3.9 million
- Type: 4%
- Units: 90

## ▶ East 7th Street

- Request: \$4.5 million
- Type: 4%
- Units: 100

## ▶ Lasalle Street

- Request: \$3.1 million
- Type: 4%
- Units: 50

## ▶ Toomey/Freedom Drive

- Request: \$5.8 million
- Type: 4%
- Units: 190

## ▶ Scaleybark

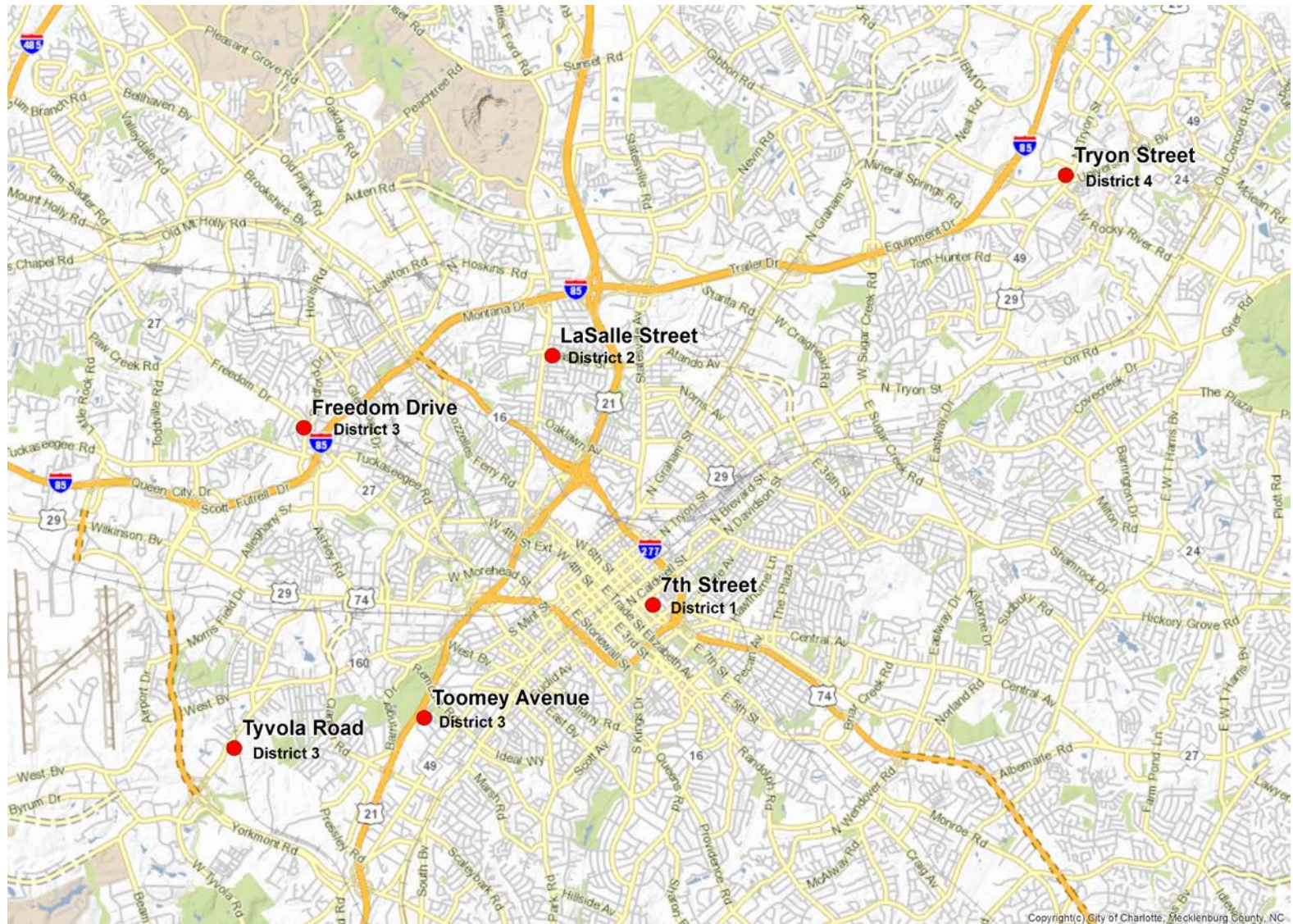
- Request: \$4.8 million
- Type: 4%
- Units: 118

## ▶ Tyvola Road Veterans

- Request: Land
- Type: Non-Low Income Tax Credits
- Units: 72



# Area Map of City Owned Parcel Requests





# Additional Developer Requests

## ▶ Sharon Oaks

- Request: \$1.5million
- Type: TBD
- Units: 98

## ▶ Brookhill Village

- Request: \$5.0 million
- Type: Low Income Housing Tax Credits (TBD)
- Units: 162

## ▶ River District

- Request: \$5.5 million
- Type: 4%
- Units: 120

# Summary

Number of Units Per Average Median Income		
AMI	# Units	%
30%	116	19
31-80%	504	81
Total Units	620	100

Total	
Projects	Potential Consideration (million)
Prior Commitments & Traditional 9%	\$17.5
City-Owned Land	\$22.1
Other Developments	\$12.0
Total	\$51.6

# Observations

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- ▶ Funding requests exceed the current Housing Trust Fund appropriation of \$50 million
- ▶ Developers assume City-owned land is donated or long-term leased
- ▶ Additional deals are being discussed

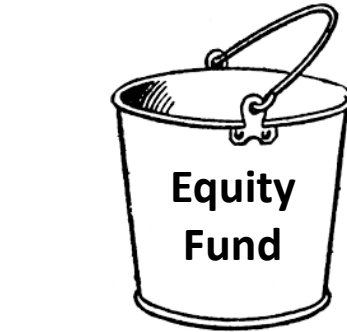
# Moving Forward

► Policy Question:

- How do we maximize partnerships between the private sector and LISC to achieve the maximum impact in a rapidly increasing cost environment?



\$50 million



+ \$50 million



+ \$25 million



At Least \$125 million

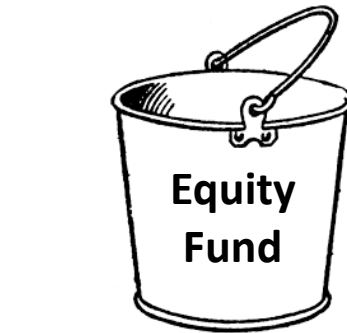
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## ■ OUTCOMES:

### Housing

- New Construction
- NOAH Preservation

### Great Neighborhoods

- Neighborhood & Economic Development