



# Affordable Housing Update

City Council Strategy Session

March 2, 2020

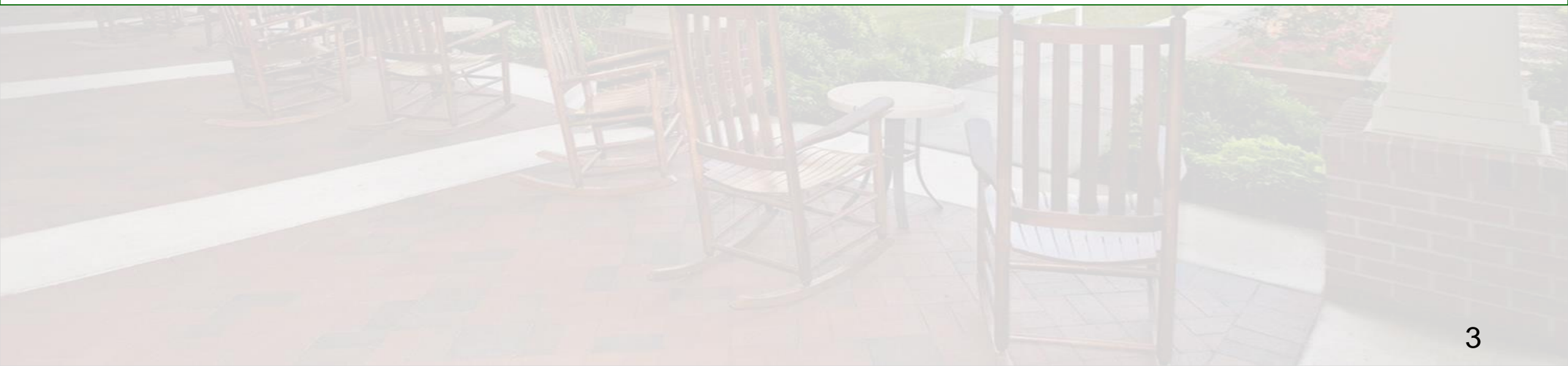
# BRIEFING OBJECTIVES

- SOURCES OF FUNDING (FEDERAL, STATE, LOCAL)
  - Housing Trust Fund & Location Guidelines
- REVIEW THE CONTINUUM OF HOUSING PROGRAMS
  - Homeless Support
  - Rent & Relocation Assistance
  - Anti-displacement
  - Preservation, Acquisition & Rehabilitation
  - Homeownership
- HOUSING DASHBOARD
- NEXT STEPS





# FUNDING



## The city receives various federal funds to support affordable housing initiatives

Federal Program	FY 2020	Primary Uses
Community Development Block Grant (CDBG)	\$5,827,128	Rehab, Relocation, OST <sup>1</sup> , CMHP <sup>2</sup>
HOME Investment Partnerships Program (HOME)	\$2,972,112	Homeownership, Rehab, TBRA <sup>3</sup>
Housing Opportunities for People With Aids (HOPWA)	\$2,725,653	HOPWA
Emergency Solutions Grant (ESG)	\$507,237	Homelessness Support
Lead Hazard Control Grant	\$3,635,222	Rehab (specific to lead testing & abatement)
Federal Home Loan Bank – Community Heroes	\$500,000	Homeownership
<b>Total FY 2020 Federal Funds</b>	<b>\$16,167,352</b>	1. Out of School Time (OST) 2. Charlotte Mecklenburg Housing Partnership (CMHP) 3. Tenant Based Rental Assistance (TBRA)

# FUNDING THE SOLUTION - STATE

- Federal allocation given to State based on population (North Carolina Housing Finance Agency - NCHFA)
- Two Types of tax credits:

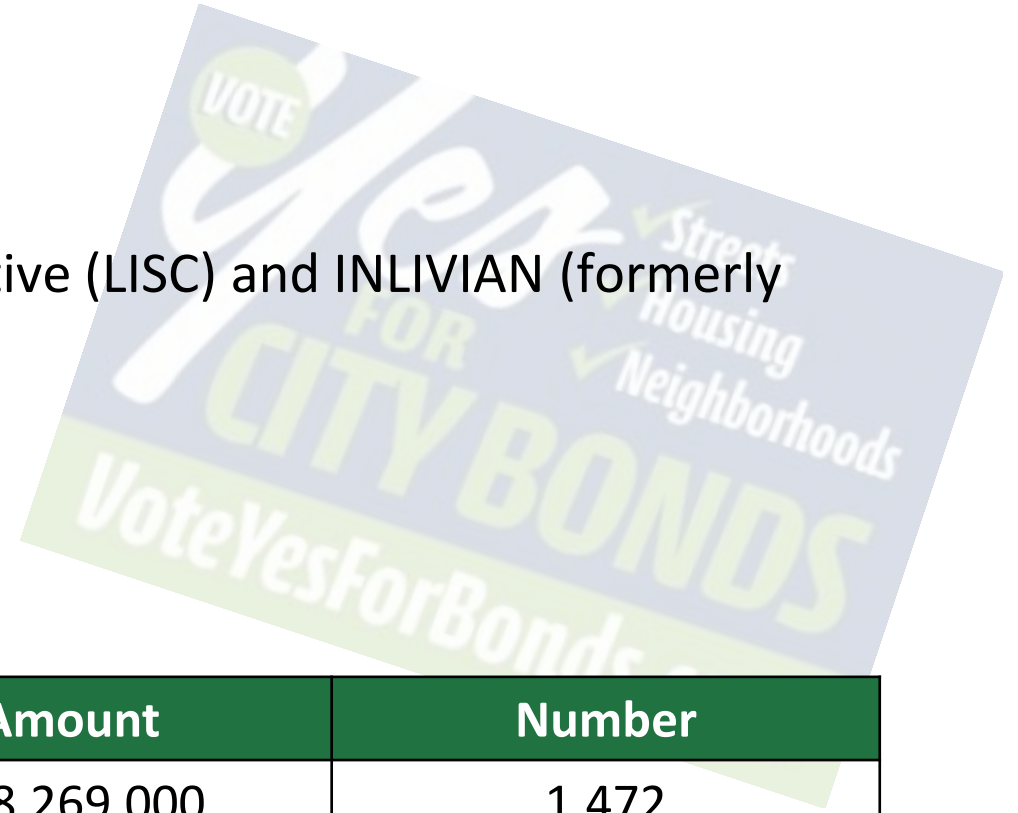
Nine Percent Tax Credits	Four Percent Tax Credits
<ul style="list-style-type: none"><li>• Distributed via a <b>highly competitive</b> allocation process to a few successful bidders</li><li>• <b>Cover a larger portion of total project costs</b>, resulting in a smaller funding gap</li><li>• Historically, Charlotte has received three to four nine percent awards annually</li><li>• NCHFA announces tax credit awards in August<ul style="list-style-type: none"><li>○ Timing influences City’s Housing Trust Fund (HTF) Request for Proposal (RFP) schedule</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Accessible through <b>non-competitive</b> applications</li><li>• <b>Cover a smaller portion of total project costs</b>, resulting in a larger funding gap</li><li>• Developer financing for four percent projects involve tax-exempt bonds as a component of the project financing; per IRS guidelines, City Council must approve bond issuances</li></ul>

## **PUBLIC – PRIVATE PARTNERSHIPS HIGHLIGHTS:**

- Foundation for the Carolinas raised \$53 million
  - Charlotte Housing Opportunity Investment Fund created (CHOIF), managed by Local Initiatives Support Corporation (LISC)
- Reduced interest-rate loans, land donations and other housing investments: \$103 million

## HOUSING TRUST FUND HIGHLIGHTS:

- \$50 million Bond Referendum
- Partnership with Local Initiative Support Collaborative (LISC) and INLIVIAN (formerly Charlotte Housing Authority)
- Leverage of city-owned land
- Preservation of NOAH developments



Program	Amount	Number
Housing Trust Fund ( <i>new &amp; NOAH preservation</i> )	\$28,269,000	1,472
City-Owned Land	\$4,870,000	3 sites
CHOIF	\$10,642,000	531 units*

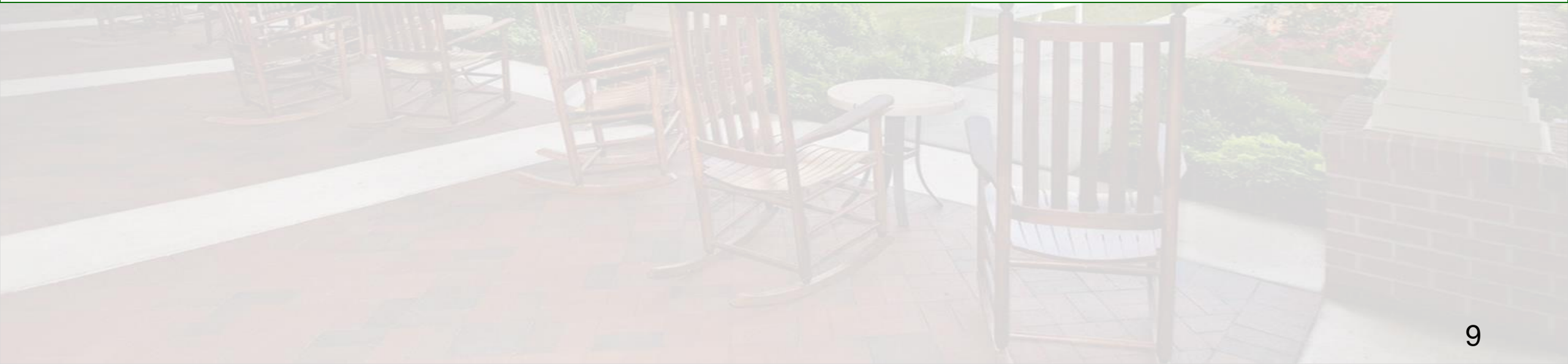
\* CHOIF units also received HTF support

<b>Local Housing Support</b>	
Housing Trust Fund (HTF) Beginning Balance	\$50,000,000
New construction	(\$23,869,000)
Preservation	(\$4,400,000)
<b>Housing Trust Fund Remaining Balance</b>	<b>\$21,731,000</b>
FY 2020 NOAH Allocation	\$4,200,000
Single-Family Acquisition/Rehab/Resale Program	\$2,100,000
<b>Total Remaining Housing Balance - HTF and Local</b>	<b>\$28,031,000</b>





# HOUSING TRUST FUND



# HOUSING TRUST FUND

- Provides gap financing to both non-profit and for profit developers for affordable housing throughout the City
- Often includes developer application for North Carolina Low Income Housing Tax Credits (LIHTC)
- Flexible structuring
- 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 RFP SCHEDULE

## Joint HTF / CHOIF Request for Proposal (RFP) schedule:

Milestone	Dates
Release RFP	January 17, 2020
Sketch Plan Application Mgt.	By February 24 , 2020
<b>Proposal Submission Deadline</b>	<b>February 10, 2020</b>
Market Study Due Date	March 16, 2020
Final Planning Support Letter	March 30, 2020
City Council Approval*	April 27, 2020

\*Council vote must occur prior to state’s May 15<sup>th</sup> LIHTC application deadline

- 9% LIHTC allocations are awarded in August
- Projects involving state housing bonds will require subsequent Council action

# HOUSING TRUST FUND EVALUATION CRITERIA

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## I. City Policies

- Number of years affordable
- Neighborhood displacement and revitalization

## II. Development Strength

- Number of affordable units
- Income: 60% or less Area Median Income (\$47,400)
- Use of Project Based Vouchers

## III. Developer Experience

- Developer track record
- Property Management

## IV. Financial Strength

- Leverage of city funds
- City investment per unit
- Financial Feasibility

## V. Market Study Review

- Proposed site
- Impact in the community
- Demand and capture rate

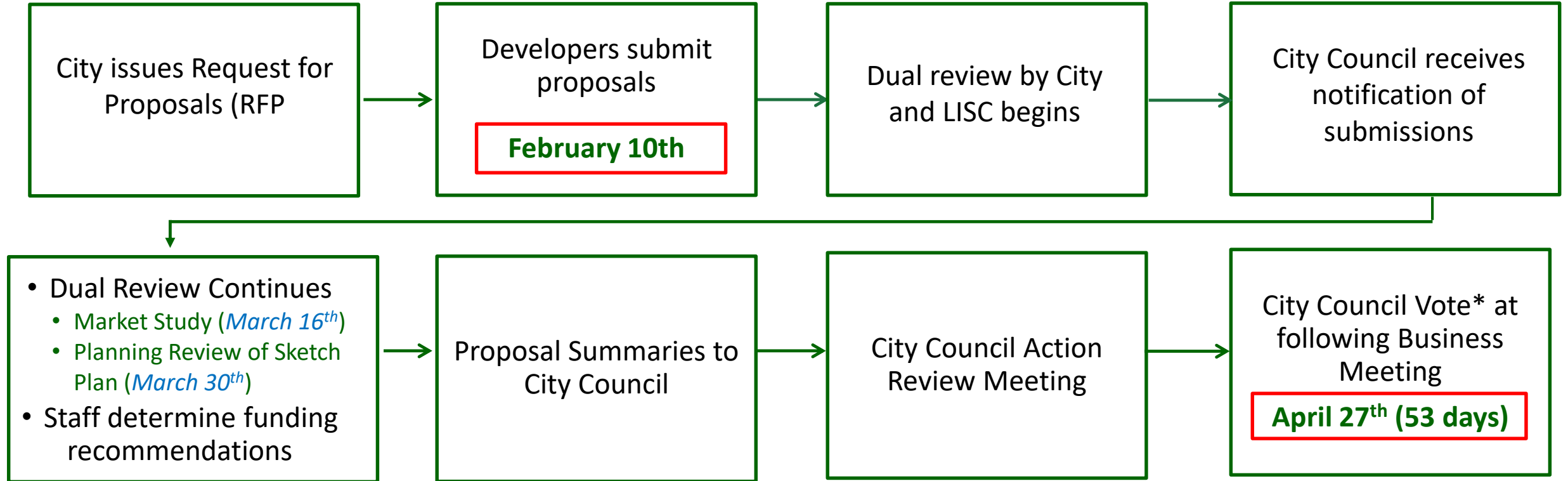
## V. Community Engagement

- Convene at least two neighborhood meetings to address proposed development

## VI. Site Score

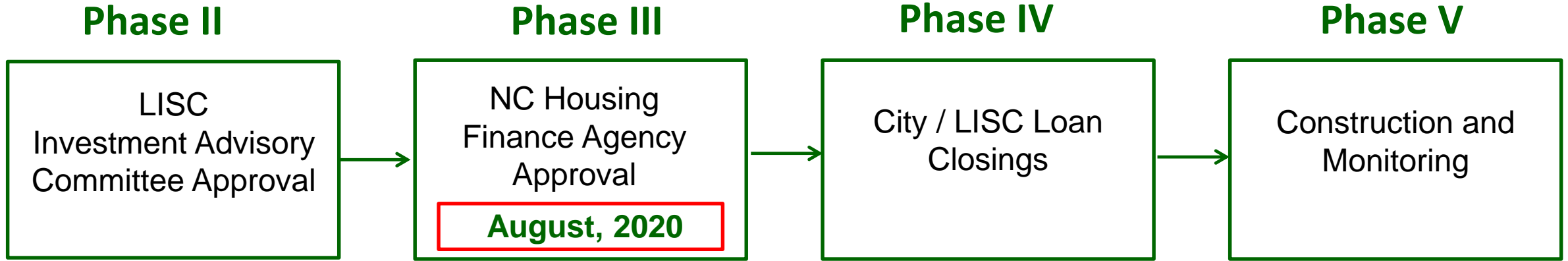
- Proximity
- Access
- Change
- Diversity

## Phase I (Original Goal Timeline: 45 days from RFP Proposal Submission Deadline)



\*Council vote must occur prior to state's LIHTC application deadline (May 15). 9% LIHTC allocations are awarded in August. Projects involving state housing bonds will require subsequent Council action.

# HOUSING TRUST FUND PROCESS



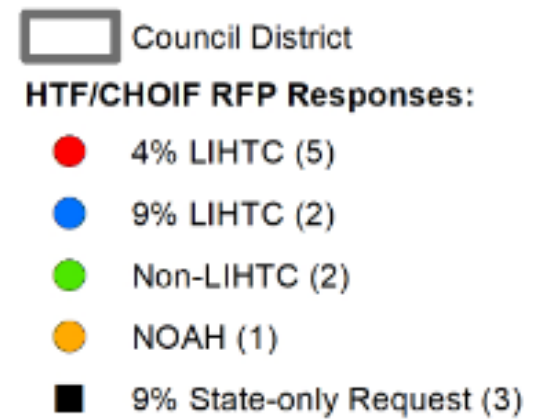
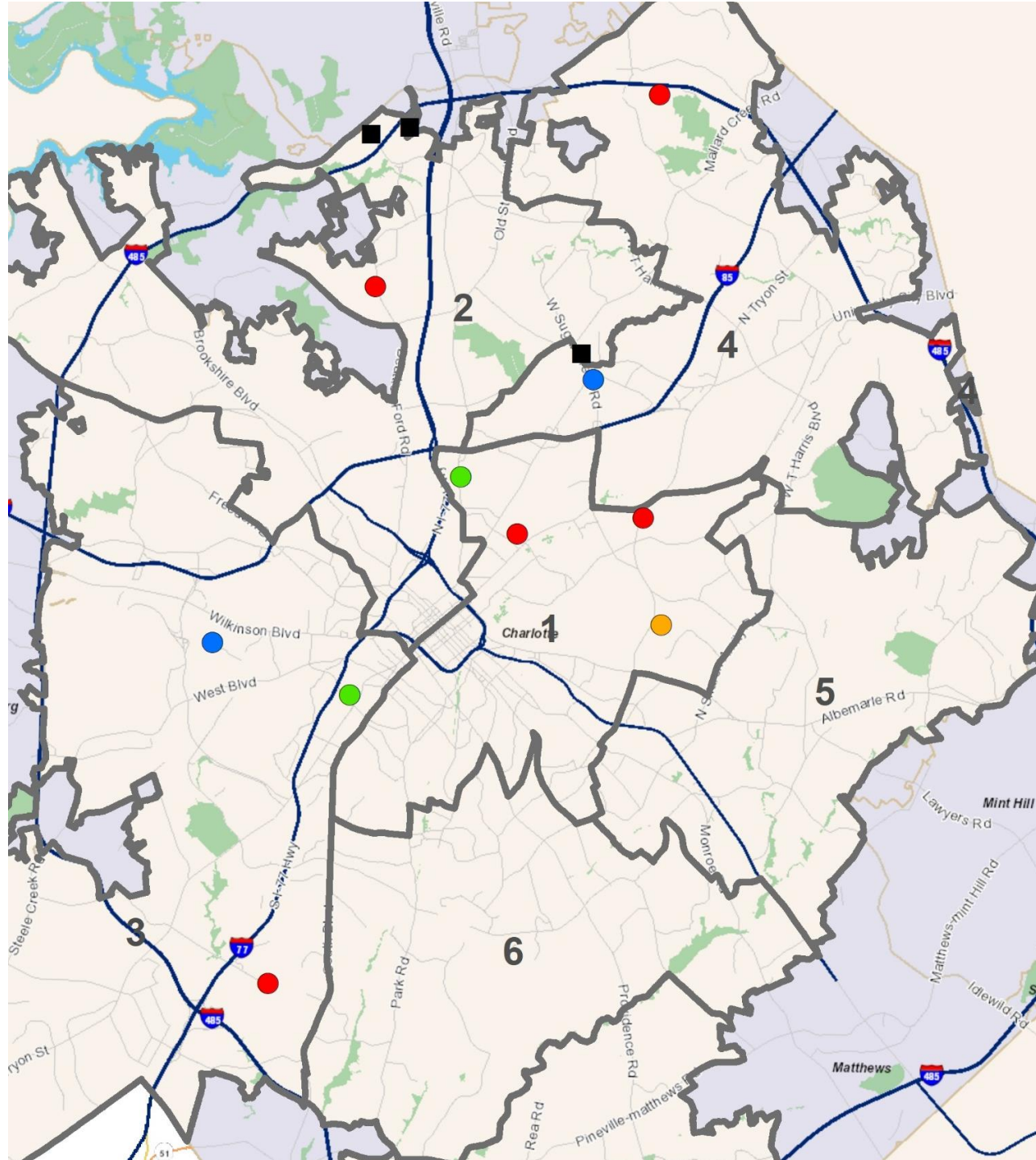
## Summary of RFP Development Proposals

Development Type	#	Units / Beds	HTF	CHOIF	NOAH	District
9% LIHTC*	2 *	151	\$3,143,000	--	--	<ul style="list-style-type: none"> <li>District 3</li> <li>District 4</li> </ul>
4% LIHTC	5	663	\$11,600,000	\$9,000,377	--	<ul style="list-style-type: none"> <li>District 1 (2)</li> <li>District 2</li> <li>District 3</li> <li>District 4</li> </ul>
Non-LIHTC	2	358	\$7,486,678	\$10,000,000	--	<ul style="list-style-type: none"> <li>District 3</li> <li>District 1</li> </ul>
NOAH	1	341	\$2,000,000	--	\$4,000,000	<ul style="list-style-type: none"> <li>District 1</li> </ul>
<b>TOTALS</b>	<b>10</b>	<b>1,513</b>	<b>\$24,229,678</b>	<b>\$19,000,377</b>	<b>\$4,000,000</b>	

LIHTC – Low Income Housing Tax Credits administered by the North Carolina Housing Finance Agency

\*An additional three 9% LIHTC proposals were submitted to the State; these do not include requests for City support. Historically, Charlotte receives three to four 9% deals each year.

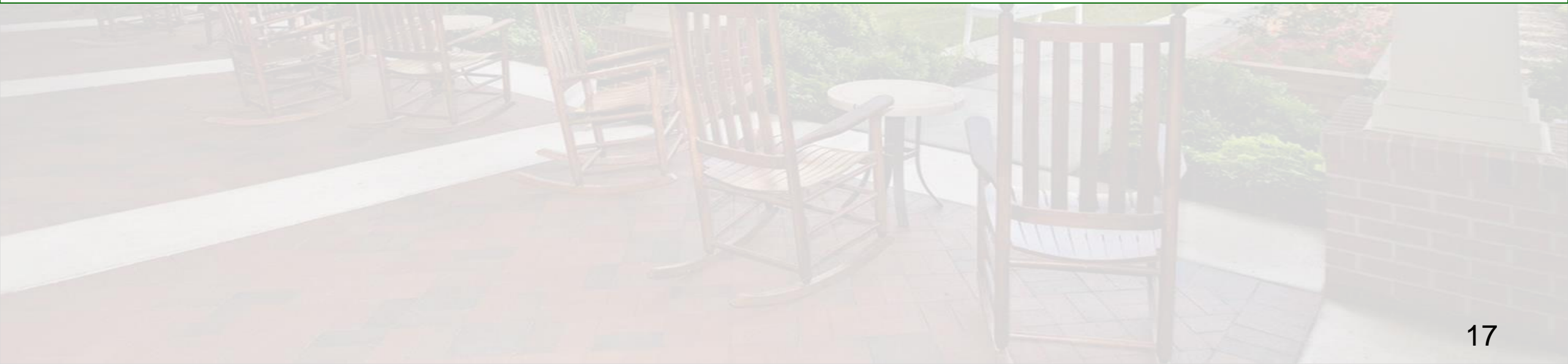
# RFP DEVELOPMENT REQUESTS







# LOCATION GUIDELINES



# AFFORDABLE HOUSING LOCATION GUIDELINES

- January 2019 - created Site Score Matrix to help evaluate development proposals

## Four Scoring Criteria:

1. **Proximity** – proximity of site to transit options and amenities
2. **Income Diversity** – to what extent does the development contribute to creating vibrant, mixed-income communities
3. **Access** – a measure of jobs easily accessed from the development site
4. **Change** – the level of displacement risk indicated by real estate market activity in historically lower income neighborhoods

- **Location Guidelines apply to:**

- All 4% LIHTC projects
- Multi-family developments with 24 or more units

- **Exemptions:**

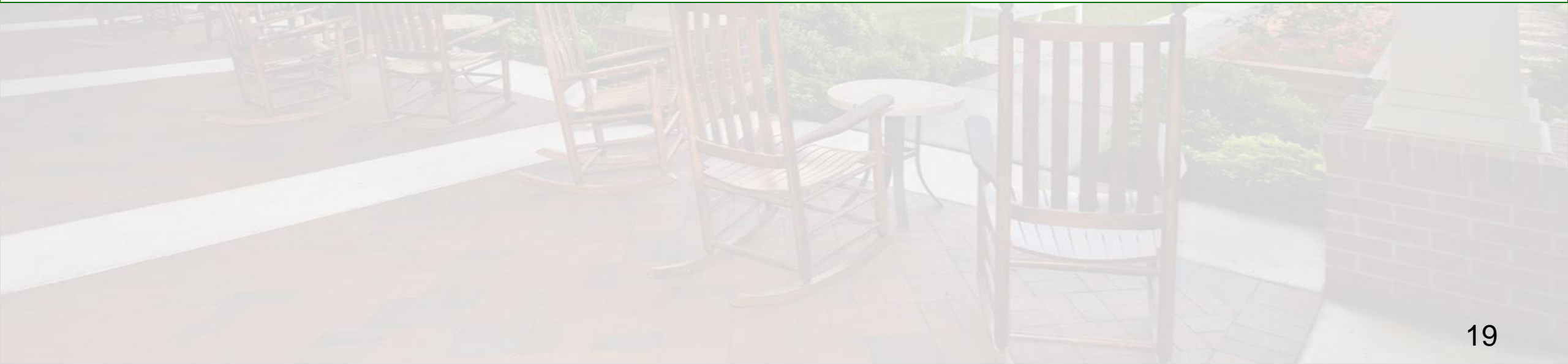
- 9% LIHTC deals
- Senior and special needs developments
- Multi-family with less than 24 units
- Single-family





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# CITY OWNED LAND



# CITY OWNED LAND

- February 2019: Guidelines for the Evaluation and Disposition of City Owned Land for Affordable Housing were adopted by Council
- Developed criteria and desired outcomes for the evaluation, use, reuse or disposition of City owned land
- Creates regularized, periodic review of all City-owned land for Affordable Housing, as well as other City priorities such as public safety and economic development

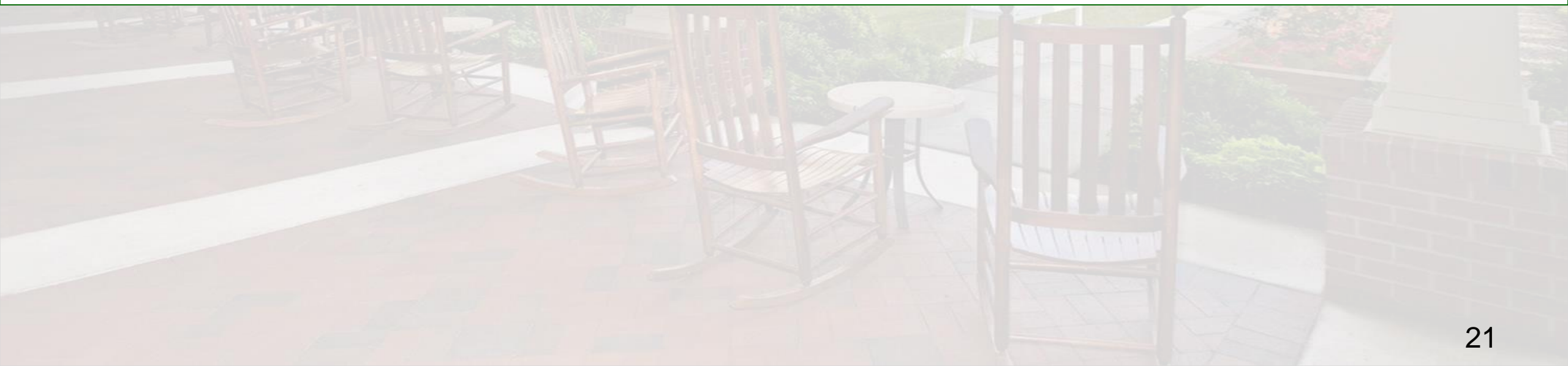
## 2019 HTF / CHOIF Funding Requests

7 <sup>th</sup> Street Apartments	100 Units
Tyvola Road Apartments	80 Units
South Village Apartments	82 Units
<b>Total</b>	<b>262</b>





# PROGRAMS



# HOUSING PROGRAMS OVERVIEW

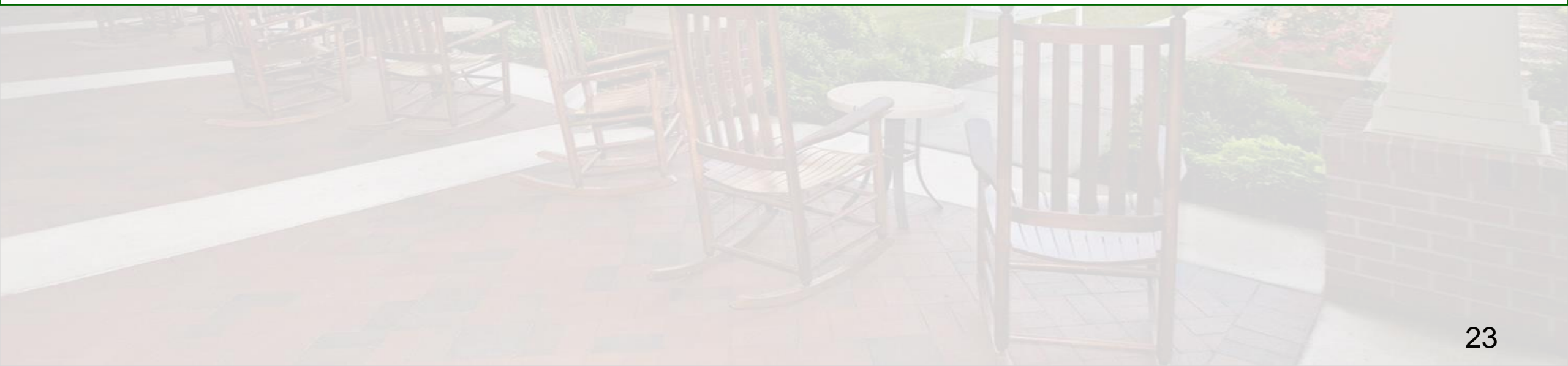
The city's Housing Programs provide a continuum of assistance

Programs	Funding Source	FY 2017 - FY 2019 Impact
<b>Homeless Support</b>	Federal	<ul style="list-style-type: none"> <li>• 23,264 Individuals served</li> </ul>
<b>Rent &amp; Relocation Assistance</b>	Federal / Local	<ul style="list-style-type: none"> <li>• 8,266 Households served</li> </ul>
<b>Housing Rehabilitation</b>	Federal / Local	<ul style="list-style-type: none"> <li>• 570 Households served</li> </ul>
<b>Preservation &amp; New Construction</b>	Federal / Local	<ul style="list-style-type: none"> <li>• 1,769 units preserved and created</li> <li>• 3 city parcels leveraged</li> </ul>
<b>Homeownership: Down Payment Assistance</b>	Federal / Local	<ul style="list-style-type: none"> <li>• 833 Households served</li> </ul>
<b>Homeownership: Housing Counseling</b>		<ul style="list-style-type: none"> <li>• 2,590 Individuals completed housing counseling</li> </ul>



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# HOMELESS SUPPORT



# EMERGENCY SOLUTIONS

- Provides rapid rehousing case management, and rental assistance for homeless households moving from emergency shelters into permanent housing
- Also assists with facility renovation expenses
- **FY 2020 Allocation: \$507,237**



Individuals Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
9,053	7,291	6,860	3,479



# A WAY HOME ENDOWMENT (AWH)

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- Public-Private philanthropic partnership
- Administered by Foundation for the Carolinas
- Addresses gap in continuum of support for families losing existing housing, and helping those already homeless move into rental units
- Includes
  - Up to two-years rental subsidies matched with supportive case management services for homeless families
  - Support agencies can apply for AWH grant funds
  - Veteran families receive highest priority

**\$20 million**

Endowment

**Private Sector**

**\$10 million**

**City**

**\$10 million**

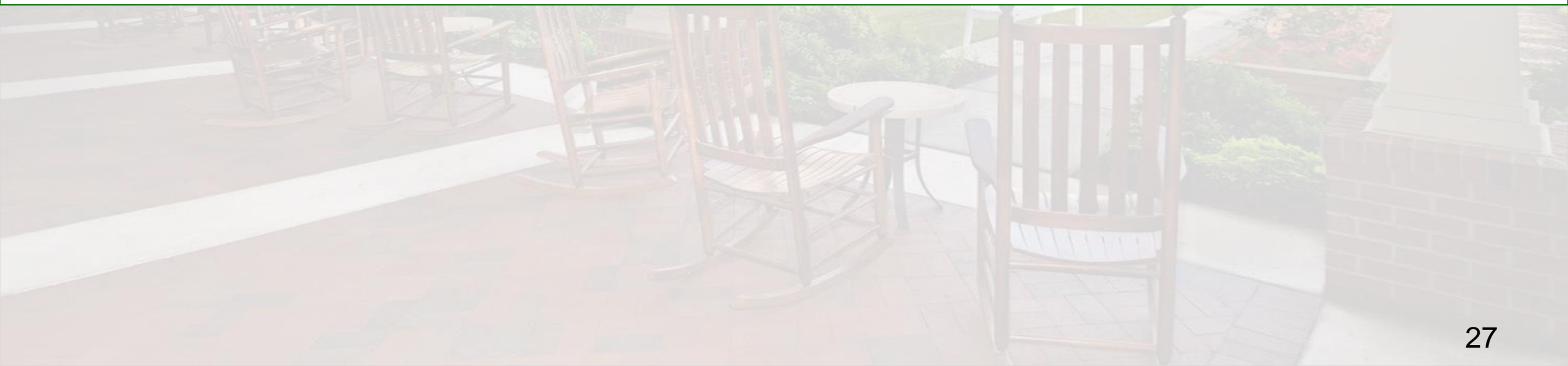


- Collaborative approach between Landlords and human service agencies:
  - **Increases the number of available housing units for homeless individuals and families ready to exist shelters**
  - Identifies and educates new landlords working with nonprofits and using rent subsidies
  - Tracks and supports tenants to ensure they have skills and resources for housing stability
  - Develops and strengthens relationships between service providers, landlords, and tenants
  - Creates a shared system for accessing housing resources for households experiencing homelessness
- **FY 2020 Allocation: \$127,124**
- **19 Landlords Participating (multiple properties)**
- **65 households served since FY 2017**





# RENT & RELOCATION ASSISTANCE



# VOLUNTARY EMERGENCY RELOCATION PROGRAM

- Voluntary relocation assistance provides assistance relocating low-income households from a unit that has serious code violations, to a more suitable unit
- **FY 2020 Allocation: \$245,000**

Households Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
0	10	8	32



# TENANT BASED RENTAL ASSISTANCE

- City collaboration with community partners to assist low-income households with rental assistance
- Partners selected via a Request for Proposal process, and include Charlotte Family Housing, Supportive Housing Communities, Men’s Shelter, and Salvation Army
- **FY 2020 Allocation: \$430,000**

Individuals Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
85	78	52	27



# EMERGENCY RENT & UTILITY ASSISTANCE

- City collaboration with Crisis Assistance Ministry provides assistance to households with late rent or overdue utilities, to avoid utility cut off and evictions
- Available to households earning 60 percent and below AMI
- **FY 2020 Allocation: \$425,000**

Households Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
1,712	1,797	1,596	pending



# HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

- HOPWA funding provides housing services to low income residents living with AIDS / HIV in the form of rental assistance
- Carolinas Care Partnership also provides various other services to AIDS / HIV patients, such as prevention education and testing, and medical case management
- **FY 2020 Allocation: \$2.7 million**

Individuals Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
731	918	1,165	740



# RENT WITH EASE PROGRAM

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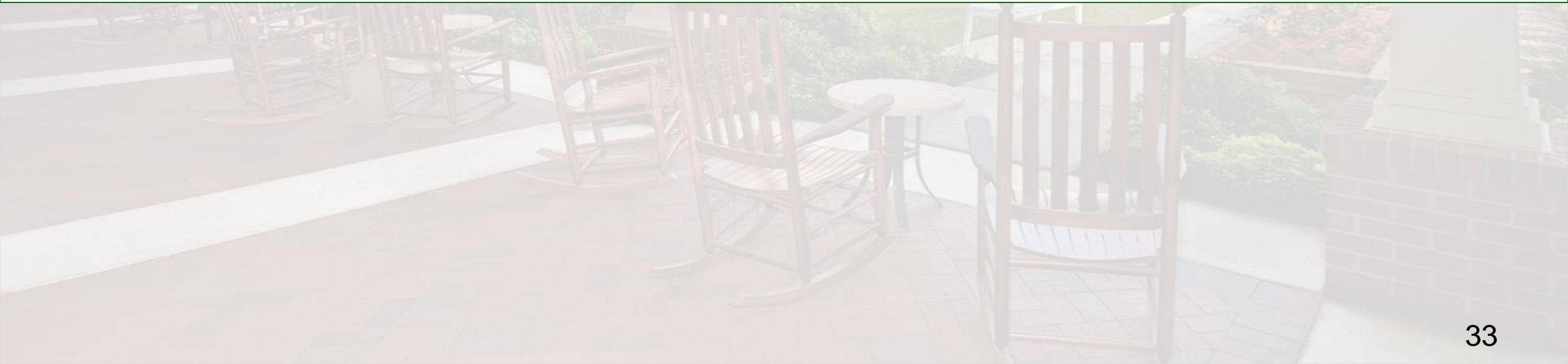
- **New Pilot Program to create more single-family affordable rental housing options**
- Targeted to households between 50 and 80 percent of AMI (missing middle)
- City will partner with Landlords by:
  - Providing rental subsidies to cover Fair Market Rent greater than 30% of household income
  - Providing funds to help with marketing unit, identifying eligible tenants, and upon successful completion of program







# **PRESERVATION, ACQUISITION & REHABILITATION**



# NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

- **GOAL:** Preserve up to 400 units of multifamily housing for households earning up to 80 percent of AMI
- Preservation opportunities are **contingent upon seller and buyer willing, and with capacity, to work with nuances of affordable housing developments**
  - Complex funding structures
  - Deed restrictions limit future earnings
  - Perception that vouchers are onerous
- **FY 2020 Allocation: \$4.2 MILLION**

## 2019 HTF / CHOIF Funding

<u>Development</u>	<u>Units</u>	<u>HTF</u>	<u>CHOIF</u>
Total	340	\$4,400,000	\$1,330,000



# ACQUISITION, REHABILITATION & RESELL

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- New approach to preserving affordable single-family housing stock for homeownership.
- City partners with a development partner to purchase available single-family housing, rehabilitate the unit, and sell to a Low-to-Moderate income homebuyer.
- Affordability is achieved through a combination of development subsidies and buyer-side purchase assistance.
- Homes are restricted to owner occupancy.

Request for Qualifications (RFQ) schedule:

Milestone	Dates
Release RFQ	February 5, 2020
<b>Proposal Submission Deadline</b>	<b>February 26, 2020</b>
Evaluations and negotiation with selected partner(s)	By March 4, 2020
Award contracts and begin work	March – April, 2020

# SINGLE FAMILY REHABILITATION: TLC BY CLT TARGETED PROGRAM

- Allows residents to remain in their homes / age in place
- Deferred zero interest forgivable loans based on income and type of ownership
- Deed restrictions apply to maintain affordability
- Currently completing projects in Camp Green and Lincoln Heights, with program expanded to Revolution Park and Washington Heights
- **FY 2020 Allocation: \$1 million**



Households Served (completed construction):

FY 2018	FY 2019	FY 2020 (6 months)	In Progress
49	11	2	30

# SINGLE FAMILY REHABILITATION - SAFE HOME PROGRAM

- Grants to low-income homeowners to address needed home repairs
- Typical activities include HVAC upgrades, roofing/windows, water systems, and bath/kitchen renovations
- **FY 2020 Allocation: \$3.0 million**

Households Served (completed construction):

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)	In Progress
34	34	29	22	52



# LEAD SAFE PROGRAM

- Prior to 1978, lead was a major component in paint
- Poses a danger in older homes, especially to children age six or younger
- Lead Safe program provides testing and lead removal
- **FY 2020 – FY2022 Allocation: \$3,635,222**

Households Served (completed construction):

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)	In Progress
17	21	7	5	14



# EMERGENCY REPAIR PROGRAM

- Addresses immediate threats to the health and safety of residents of single-family homes
- Typical emergency repairs include roof leaks, broken water / sewer pipes, and loss of heat in winter months
- **FY 2020 Allocation: \$500,000**

Households Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
70	58	73	35





# PARTNER HOUSING REHAB PROGRAM

- Partnership with Habitat for Humanity
- Provides critical home repairs and housing rehabilitation options for residents at 60 percent and below AMI
- **FY 2020 Allocation: \$375,000**

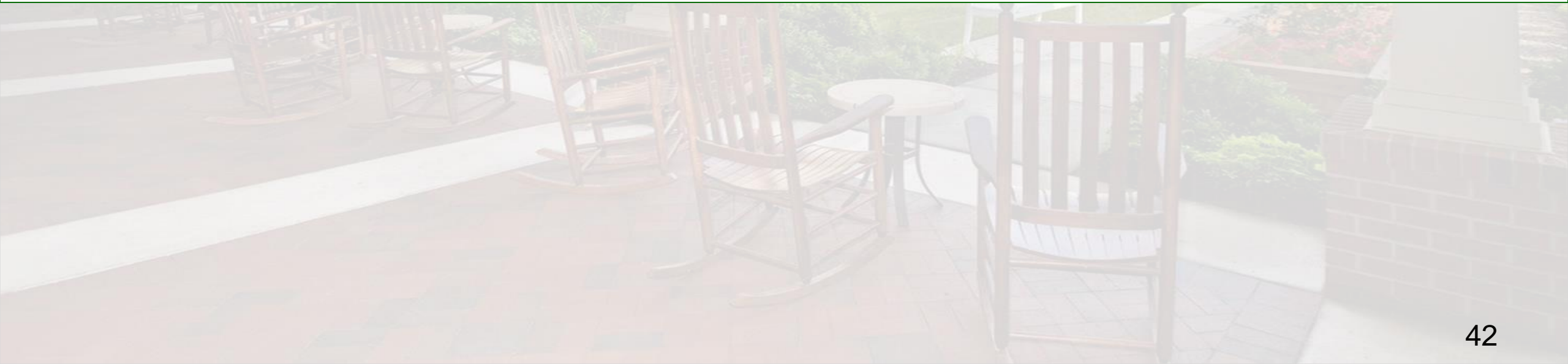
Households Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
66	59	42	22





# ANTI-DISPLACEMENT



# AGING IN PLACE

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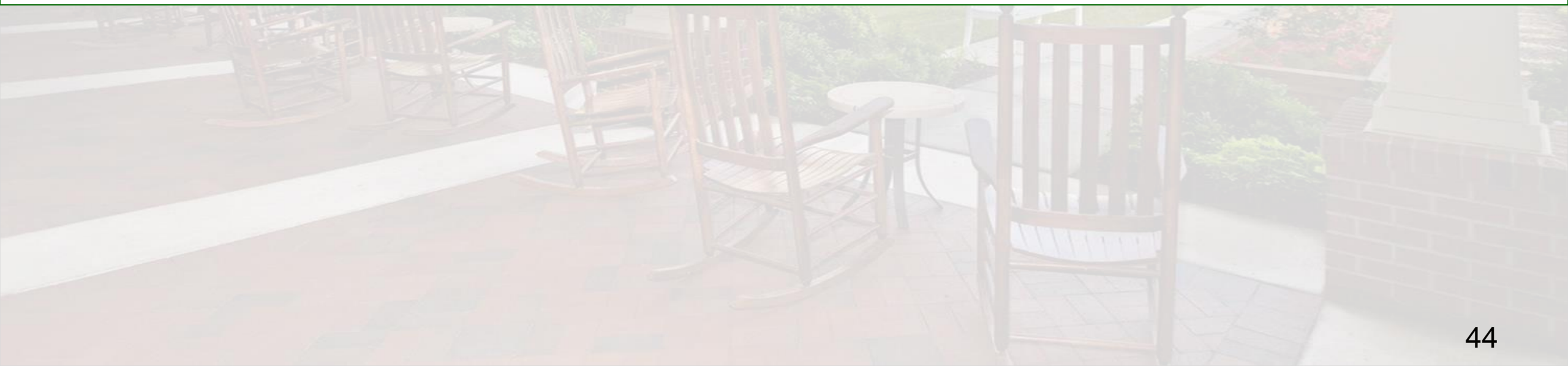
- Provides grants to low-income senior homeowners to assist with increased City property taxes
- Income eligibility complements Mecklenburg County Homestead and Circuit Breaker tax relief programs
  - County Income Requirement: \$30,200 or less
  - City Aging in Place Program: Between \$30,200.01 and 80% AMI
- **FY 2020 Allocation: \$750,000**
- **Households Served: 142**





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# HOMEOWNERSHIP



- HOUSE CHARLOTTE PROGRAM**

- Down payment assistance to low-to-moderate income households, including public sector employees
- Includes housing counseling to ensure families are positioned for success as homeowners
- **FY 2020 Allocation: \$2.4 million**

Households Served:

FY 2017	FY 2018	FY 2019	FY 2020 (6 months)
212	307	314	141*

\* Includes 1 Community Heroes loan

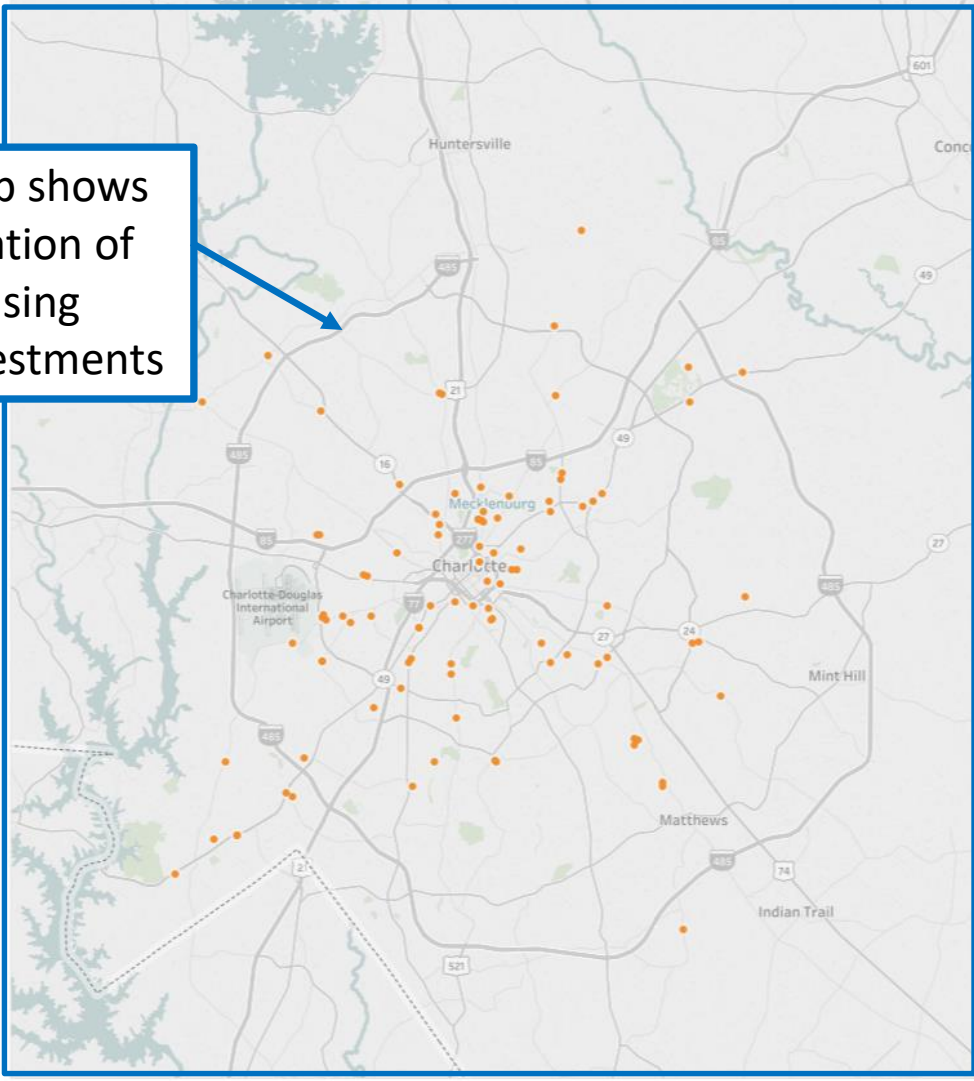


- **COMMUNITY HEROES PROGRAM**

- New Partnership with Federal Home Loan Bank of Atlanta (FHLB)
- **FHLB is contributing \$500,000 to augment House Charlotte program**
- Up to \$30,000 down payment assistance for firefighters, law enforcement, other first responders, and public school teachers, earning 80.01% to 120% AMI



# HOUSING DASHBOARD - TESTING UNDERWAY



Housing Dashboard

Council District	City Funding Amount	Total Development Cost	Units Affordable	Units Total	Number of Records	Grand Total
1						\$39,657,975
2	\$46,505,425	\$107,460,862	1,390	1,239	19	\$232,380,011
3	\$70,222,637	\$304,757,097	2,487	2,425	32	2,467
4	\$52,177,983	\$81,262,316	746	508	8	2,193
5	\$8,648,198	\$61,527,602	527	376	10	29
6	\$10,114,008	\$78,032,821	639	899	10	
7	\$3,150,000	\$10,835,473	70	70	1	

Amount of City Investment, Private Leverage, and Number of Units, by Council District

Map shows location of housing investments

User Interface allows menu options to be turned on/off:

- Program
- Year
- Council District

## NEXT STEPS

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- Approve Housing Trust Fund funding requests – April 27, 2020
- Approve Single-Family Acquisition, Rehabilitation & Resell Program funding requests – TBD
- Address February Great Neighborhoods Committee Referral – March/April