



Housing Funding Support Requests

City Council Action Review

April 12, 2021

City of Charlotte

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BRIEFING OBJECTIVES

- **HOUSING TRUST FUND OVERVIEW**
 - Bond Referendum History & Current Balance
- **REQUEST FOR PROPOSALS**
 - RFP Schedule & Community Participation
 - Evaluation & Approval Process
 - Development Proposals & Staff Recommendations
- **NEXT STEPS**



City of Charlotte

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HOUSING TRUST FUND OVERVIEW

- Provides gap financing to both non-profit and for-profit developers for affordable housing throughout the City
- Includes developer application for North Carolina Low Income Housing Tax Credits (LIHTC)
- At least 20% of the units must be targeted to 30% AMI Households
- Always includes a long-term deed restriction to preserve affordability



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HOUSING TRUST FUND ALLOCATIONS

Housing Trust Fund	
2002	\$10,000,000
2003	\$20,000,000
2004	\$15,000,000
2006	\$10,000,000
2008	\$10,000,000
2010	\$15,000,000
2014	\$15,000,000
2016	\$15,000,000
2018	\$50,000,000
2020	\$50,000,000
Total	\$210,000,000

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HOUSING TRUST FUND CURRENT BALANCE

Housing Trust Fund Balance	
2018 Bond Allocation Carryover*	\$1,387,400*
2020 Bond Allocation	\$50,000,000
Housing Trust Fund Beginning Balance	\$51,387,400

*2018 carryover is net of \$3M set-aside for Brookhill

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DEVELOPMENT STATUS

Since 2018, 24 developments are in-process as follows:

Status	# Developments	# Affordable Units	HTF Amount
Pending Closing	11	1,010	\$20,968,600
Under Construction	13	1,465*	\$28,644,000
TOTAL IN-PROCESS	24	2,475	\$49,612,600

* Includes 194 shelter beds

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2020 ENHANCEMENTS

- The Housing Trust Fund RFP Targets were updated as recommended by the Housing Task Force (2020)
- Encourage additional affordable Homeownership opportunities for low-to-moderate income households

Targets:

- New construction of affordable rental housing, including supportive housing
- New construction of affordable for-sale housing
- Preserve affordable housing, including NOAHs and supportive housing

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RECAP - HOUSING TRUST FUND RFP SCHEDULE

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

Milestone	Dates
Release RFP	January 15, 2021
Proposal Submission Deadline	February 8, 2021
Sketch Plan Application Meeting	By March 5 , 2021
Market Study Due Date	March 15, 2021
Final Planning Support Letter	March 24, 2021
City Council Briefing	April 12, 2021
City Council Approval*	April 26, 2021

* Council vote must occur prior to state's May 14th LIHTC application deadline

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

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COMMUNITY PARTICIPATION

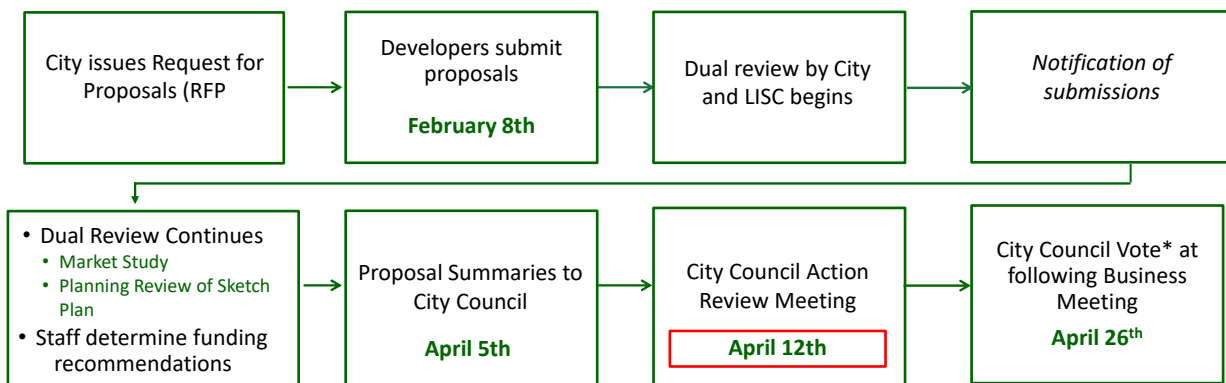
- To ensure community participation, the City requires developers seeking bond-funded housing support to inform and seek community input, specifically including those who advocate for or are personally impacted by displacement and homelessness.
 - **Developers must host two community meetings to:**
 - Share information about proposed development
 - Address questions from residents who live in the immediate area
 - **Meeting invitations must include:**
 - Property owners within 300 feet
 - Neighborhood Organizations within one mile
 - Affordable housing stakeholders

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HOUSING TRUST FUND PROCESS

Phase I

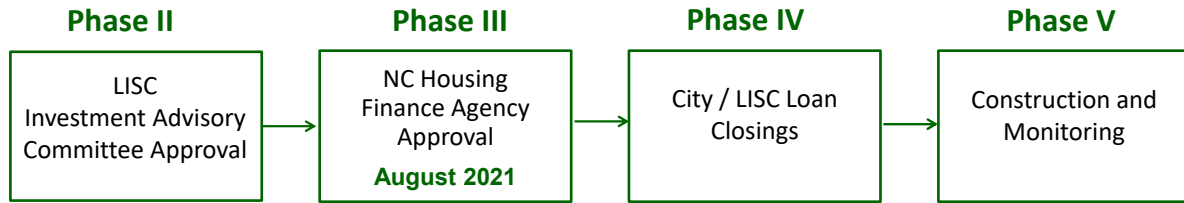


*Council vote must occur prior to state's LIHTC application deadline (May 14). 9% LIHTC allocations are awarded in August. Projects involving state housing bonds will require subsequent Council action.

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HOUSING TRUST FUND PROCESS



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HOUSING TRUST FUND EVALUATION CRITERIA

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I. City Policies <ul style="list-style-type: none">• Number of years affordable• Neighborhood displacement and revitalization | V. Market Study Review <ul style="list-style-type: none">• Proposed site• Impact in the community• Demand and capture rate |
| II. Development Strength <ul style="list-style-type: none">• Number of affordable units• Income: 80% or less Area Median Income (\$66,800)• Use of Project Based Vouchers | VI. Community Engagement <ul style="list-style-type: none">• Convene at least two community meetings to address proposed development |
| III. Developer Experience <ul style="list-style-type: none">• Developer track record• Property Management | VII. Site Score <ul style="list-style-type: none">• Proximity• Access• Change• Diversity |
| IV. Financial Strength <ul style="list-style-type: none">• Leverage of city funds• City investment per unit | |

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SUSTAINABILITY AND GREEN BUILDING ENERGY EFFICIENCY REQUIREMENTS

- All proposed developments utilizing LIHTCs must comply with Energy Star standards set forth by the North Carolina Housing Finance Agency's Qualified Allocation Plan
- Developments must incorporate green building techniques including but not limited to:
 - **Use of Energy Efficiency and Energy Star rated appliances**
 - **Sustainable site planning**
 - **Safeguarding water quality and water efficiency**
 - **Use of environmentally friendly materials and resources**
 - **Adherence to all Environmental Protection Agency guidelines and regulations**



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AFFORDABLE HOUSING LOCATION GUIDELINES

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
- Naturally Occurring Affordable Housing

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REVIEW TEAM

- Zelleka Biermann: City of Charlotte Housing & Neighborhood Services (underwriter)
- Ralphine Caldwell: Charlotte LISC Executive Director
- Tiffany Durr: LISC National Underwriter
- Albert Rusty Mills: Charlotte LISC Senior Program Officer (underwriter)
- Miles Vaughn: City of Charlotte Housing & Neighborhood Services (underwriter)
- Pamela Wideman: City of Charlotte Housing & Neighborhood Services Director

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REVIEW APPROACH & GUIDING PRINCIPALS

Approach	<ul style="list-style-type: none">• Dual Review Process<ul style="list-style-type: none">• Housing & Neighborhood Services staff• LISC staff• Data Driven
Guiding Principals	<ul style="list-style-type: none">• Create mixed-income developments in areas of high opportunity• Achieve long-term affordability• Maximize leverage of available resources<ul style="list-style-type: none">• Housing Trust Fund• Charlotte Housing Opportunity Investment Fund• Public/Private Owned Land• Low-Cost Debt• Project-Based Housing Vouchers• State and federal resources

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HTF/CHOIF RECOMMENDATIONS

	Development	Type	Affordable Units	HTF Request	CHOIF Request
1	Evoke Living at Eastland	9% LIHTC	82	\$1,600,000	-
2	First Ward Place Phase I (Rehab)	9% LIHTC	68	\$2,000,000	-
3	Fordham Place	9% LIHTC	70	\$1,645,000	-
4	Galloway Crossing	9% LIHTC	78	\$1,560,000	-
5	Guardian Angel Villa II	9% LIHTC	93	\$1,700,000	-
6	Marvin Road Apartments	9% LIHTC	70	\$1,700,000	-
7	Ovata at Reedy Creek	9% LIHTC	78	\$480,000	-
7	TOTAL 9% PROPOSALS		539	\$10,685,000	\$0

Historically, Charlotte receives three to four 9% deals each year.

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HTF/CHOIF RECOMMENDATIONS

	Development	Type	Affordable Units	HTF Request	CHOIF Request
1	Evoke Living at Morris Field	4% LIHTC	132	\$3,000,000	-
2	Fairhaven Glen	4% LIHTC	140	\$2,000,000	-
3	Grounds for Change	4% LIHTC	104	\$2,000,000	-
4	Sugar Creek Apartments	4% LIHTC	188	\$3,000,000	-
5	The Barton Seniors	4% LIHTC	174	\$2,000,000	\$3,000,000
5	TOTAL 4% PROPOSALS		738	\$12,000,000	\$3,000,000
1	Easter's Home	Non-LIHTC	21	\$630,000	-
2	The River District	Non-LIHTC	124	\$2,500,000	\$3,000,000
2	TOTAL NON-LIHTC PROPOSALS		145	\$3,130,000	\$3,000,000

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HTF/CHOIF RECOMMENDATIONS - SUMMARY

	Development Type	Units	HTF Request	Average City Per-Unit Investment	CHOIF Request
7*	9% LIHTC*	539*	\$10,685,000*	\$19,824*	\$0
5	4% LIHTC	738	\$12,000,000	\$16,260	\$3,000,000
2	Non-LIHTC	145	\$3,130,000	\$21,586	\$3,000,000
14	TOTAL PROPOSALS	1,422*	\$25,815,000*	\$18,154*	\$6,000,000

*Historically, Charlotte receives three to four 9% deals each year.

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AFFORDABLE UNIT SUMMARY – RECOMMENDED PROPOSALS

AMI	# Units	%
30%	357	25%
50%	140	10%
60%	481	34%
80%	444	31%
Total Units	1,422	100%

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RECOMMENDED DEVELOPMENT SUMMARY



Evoke Living at Morris Field
District 3
3628 Morris Field Drive
CSE Communities / Opportunities South, LLC
TYPE: 4% LIHTC / Family

FINANCIAL SUMMARY

HTF Request	\$3,000,000
CHOIF Request	- -
City Investment Per Unit	\$22,727
Total Development Cost	\$27,380,000
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$400 - \$1,417

AMI	# UNITS
< 30%	26
31-50%	-
51-60%	75
61-80%	31
81 -120%	-
Total Units	132

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RECOMMENDED DEVELOPMENT SUMMARY



Fairhaven Glen
District 3
8329 Nations Ford Road
Commonwealth Development Corporation
TYPE: 4% LIHTC / Family

FINANCIAL SUMMARY

HTF Request	\$2,000,000
CHOIF Request	- -
City Investment Per Unit	\$14,286
Total Development Cost	\$26,825,266
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:12
Rent Range	\$365 - \$1,330

AMI	# UNITS
< 30%	28
31-50%	13
51-60%	15
61-80%	84
81 -120%	-
Total Units	140

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RECOMMENDED DEVELOPMENT SUMMARY



Grounds for Change
District 1
3420 Park Road
DreamKey Partners, Inc.* and YWCA
*(*formerly The Housing Partnership)*
TYPE: 4% LIHTC / Family

FINANCIAL SUMMARY

HTF Request	\$2,000,000
CHOIF Request	- -
City Investment Per Unit	\$19,231
Total Development Cost	\$28,367,917
Project Based Voucher	Yes
Affordability Period	30
Leverage Ratio	1:13
Rent Range	\$375 - \$1,192

AMI

UNITS

< 30%	21
31-50%	18
51-60%	65
61-80%	-
81 -120%	-
Total Units	104



RECOMMENDED DEVELOPMENT SUMMARY



Sugar Creek Apartments
District 4
230 W. Sugar Creek Road
NRP Holdings, LLC
TYPE: 4% LIHTC / Family

FINANCIAL SUMMARY

HTF Request	\$3,000,000
CHOIF Request	-
City Investment Per Unit	\$15,957
Total Development Cost	\$42,899,990
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:13
Rent Range	\$395 - \$1,803

AMI

UNITS

< 30%	39
31-50%	-
51-60%	100
61-80%	49
81 -120%	-
Total Units	188



RECOMMENDED DEVELOPMENT SUMMARY



The Barton Seniors
District 3
6000 Old Pineville Road
Blue Ridge Atlantic Development
TYPE: 4% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$2,000,000
CHOIF Request	\$3,000,000
City Investment Per Unit	\$11,494
Total Development Cost	\$34,907,448
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:17
Rent Range	\$412 - \$1,320

AMI	# UNITS
< 30%	45
31-50%	-
51-60%	64
61-80%	65
81 -120%	-
Total Units	174

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RECOMMENDED DEVELOPMENT SUMMARY



Evoke Living at Eastland
District 5
5601 Central Avenue
CSE Communities / Opportunities South, LLC
TYPE: 9% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$1,600,000
CHOIF Request	- -
City Investment Per Unit	\$19,512
Total Development Cost	\$16,600,000
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:9
Rent Range	\$400 - \$1,417

AMI	# UNITS
< 30%	21
31-50%	-
51-60%	37
61-80%	24
81 -120%	-
Total Units	82

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RECOMMENDED DEVELOPMENT SUMMARY



First Ward Place Phase I
District 1
501 East 8th Street
Horizon Development Properties, Inc.
TYPE: 9% LIHTC / Rehabilitation

FINANCIAL SUMMARY

HTF Request	\$2,000,000
CHOIF Request	- -
City Investment Per Unit	\$29,412
Total Development Cost	\$21,132,394
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:10
Rent Range	\$465-1,500

AMI

UNITS

< 30%	48
31-50%	20
51-60%	-
61-80%	-
Total Affordable Units	68
81 -120%	41
Total Units	109



RECOMMENDED DEVELOPMENT SUMMARY



Fordham Place
District 3
2570 Kingspark Drive
Surber Development & Consulting LLC
TYPE: 9% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$1,645,000
CHOIF Request	- -
City Investment Per Unit	\$23,500
Total Development Cost	\$14,282,530
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$365 - \$925

AMI

UNITS

< 30%	18
31-50%	10
51-60%	20
61-80%	22
81 -120%	-
Total Units	70



RECOMMENDED DEVELOPMENT SUMMARY



Galloway Crossing
District 5
8300 East W. T. Harris Blvd.
The Woda Group, Inc.
TYPE: 9% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$1,560,000
CHOIF Request	- -
City Investment Per Unit	\$20,000
Total Development Cost	\$14,721,394
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$361 - \$1,360

AMI

UNITS

< 30%	20
31-50%	19
51-60%	-
61-80%	39
81 -120%	-
Total Units	78



RECOMMENDED DEVELOPMENT SUMMARY



Guardian Angel Villa II
District 3
13522 Guardian Angel Lane
Douglas Development
TYPE: 9% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$1,700,000
CHOIF Request	- -
Faith-based Land Contribution	\$700,000
City Investment Per Unit	\$18,280
Total Development Cost	\$17,737,031
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:9
Rent Range	\$400 - \$1,417

AMI

UNITS

< 30%	24
31-50%	11
51-60%	32
61-80%	26
81 -120%	-
Total Units	93



RECOMMENDED DEVELOPMENT SUMMARY



Marvin Road Apartments
District 1
3712 Marvin Road
DreamKey Partners, Inc.
(formerly The Housing Partnership)
TYPE: 9% LIHTC / Family

FINANCIAL SUMMARY

HTF Request	\$1,700,000
CHOIF Request	--
City Investment Per Unit	\$24,286
Total Development Cost	\$15,168,944
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:8
Rent Range	\$399 - \$1,600

AMI

UNITS

< 30%	18
31-50%	-
51-60%	41
61-80%	11
81 -120%	-
Total Units	70

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RECOMMENDED DEVELOPMENT SUMMARY



Ovata at Reedy Creek
District 4
9729 Newell Hickory Grove Road
SCG Development Partners, LLC
TYPE: 9% LIHTC / Senior

FINANCIAL SUMMARY

HTF Request	\$480,000
CHOIF Request	--
City Investment Per Unit	\$6,154
Total Development Cost	\$13,777,508
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:28
Rent Range	\$376 - \$1,188

AMI

UNITS

30%	20
31-50%	12
51-60%	12
61-80%	34
81 -120%	-
Total Units	78

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RECOMMENDED DEVELOPMENT SUMMARY



Easter's Home Supportive Housing
District 1
1615 East 5th Street
Caldwell Presbyterian and DreamKey Partners, Inc.
Non-LIHTC / Supportive Housing SRO

FINANCIAL SUMMARY

HTF Request	\$630,000
CHOIF Request	- -
City Investment Per Unit	\$30,000
Total Development Cost	\$4,829,541
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:7
Rent Range	\$972

AMI	# UNITS
30%	4
31-50%	17
51-60%	-
61-80%	-
81 -120%	-
Total Units	21

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RECOMMENDED DEVELOPMENT SUMMARY



The River District
District 3
8325 Dixie River Road
Laurel Street Residential
Non-LIHTC / Family

FINANCIAL SUMMARY

HTF Request	\$2,500,000
CHOIF Request	\$3,000,000
City Investment Per Unit	\$20,161
Total Development Cost	\$24,299,107
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	1:9
Rent Range	\$416 - \$1,657

AMI	# UNITS
30%	25
31-50%	20
51-60%	20
61-80%	59
81 -120%	-
Total Units	124

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CHOIF-ONLY DEVELOPMENT SUMMARY



Evoke Living at Nevin Park
District 2
6230 Statesville Road
CSE Communities and Opportunities South, LLC
4% LIHTC / Family

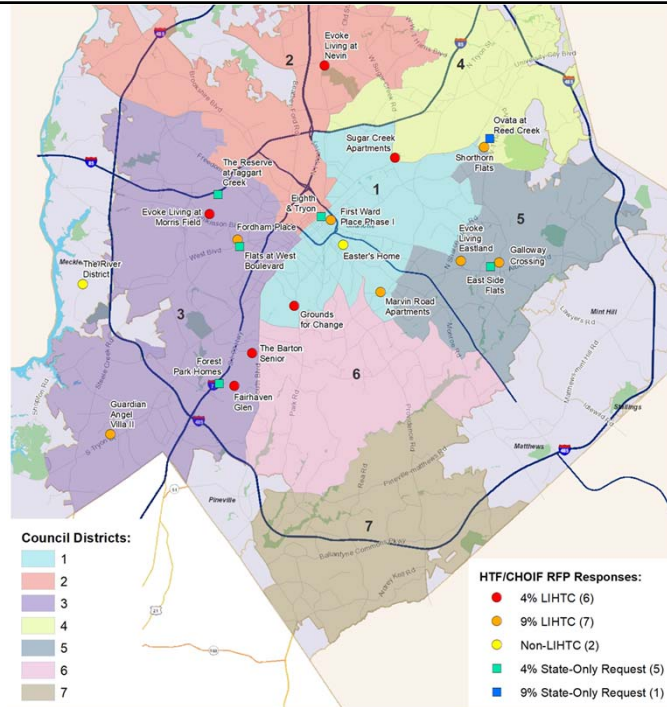
FINANCIAL SUMMARY

HTF Request	\$0
CHOIF Request	\$3,000,000
CHOIF Investment Per Unit	\$19,231
Total Development Cost	\$31,700,000
Project Based Voucher	No
Affordability Period	30
Leverage Ratio	n/a
Rent Range	\$400 - \$1,417

AMI	# UNITS
< 30%	31
31-50%	-
51-60%	90
61-80%	35
81-120%	-
Total Units	156

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RFP DEVELOPMENT REQUESTS



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HOUSING TRUST FUND BALANCE – RECAP

Housing Trust Fund Balance	
Housing Trust Fund Beginning Balance	\$51,387,400
Less 4% LIHTC Developments	\$12,000,000
Less Non-LIHTC Developments	\$3,130,000
Less <i>Estimated</i> 9% LIHTC Developments (awards announced in August)*	\$7,045,000*
Housing Trust Fund Remaining Balance (Estimated)	\$29,212,400*

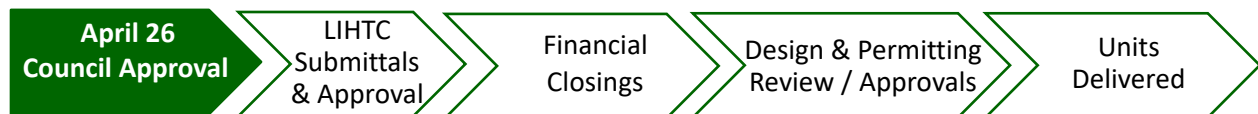
*Amount is projected based on the four largest HTF requests and will change when LIHTC awards are announced in August 2021.

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NEXT STEPS

HOUSING TRUST FUND



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