

Legislation Text

File #: 15-22719, Version: 1

Naturally Occurring Affordable Housing Preservation Support Request

Action:

- A. Approve a \$1,000,000 Housing Opportunities for Persons with Aids (HOPWA) allocation to Pineville NOAH, LLC, an affiliate of Ascent Real Estate Capital, LLC, for the rehabilitation of Ascent Pineville Apartments, and**
- B. Authorize the City Manager to negotiate, execute, amend, extend, and renew contracts as needed to complete this transaction.**

Staff Resource(s):

Rebecca Hefner, Housing & Neighborhood Services
Warren Wooten, Housing & Neighborhood Services

Explanation

- Pineville NOAH, LLC, an affiliate of Ascent Real Estate Capital, LLC (Owner), recently acquired Ascent Pineville Apartments, a 240-unit existing multi-family naturally occurring affordable housing (NOAH) development located at 8401 Habersham Pointe Circle (parcel identification number 221-191-13) in the Town of Pineville. The total project cost including acquisition is \$40,650,000.
- The Owner requests \$1,000,000 of city support to undertake rehabilitation of the property, preserve affordability, and provide supportive housing including:
 - Affordability:
 - 20-year deed restriction
 - 72 units at 30 percent Area Median Income (AMI)
 - 120 units at 31 to 60 percent AMI
 - 48 units at 61 to 80 percent AMI
 - Supportive Housing:
 - Provide a minimum of 20 units to support households living with HIV/AIDS
 - Rehabilitation:
 - The Owner's total rehabilitation budget is \$1,500,000 and includes:
 - Roof replacement
 - HVAC replacement and interior plumbing upgrades
 - Siding replacement and repair
 - A third-party inspection has been performed on the property to determine the existing property conditions and needs assessment.
- The request meets the city's NOAH preservation guidelines including:
 - The property's age is greater than 15 years;
 - Rents are in the AMI range that are at risk due to surrounding neighborhood dynamics;
 - The property can be rehabilitated to maintain a good quality of life for residents for the next 20 years or more;
 - The property is located in an area with close proximity to quality jobs, schools, and transportation infrastructure; and
 - The property is located in an area experiencing transformative change and property appreciation.
- Housing Opportunities for Persons with Aids (HOPWA) is a federal funding allocation that the city administers on behalf of an 11-county service area. HOPWA funding provides a variety of programs and supportive services for households with a family member living with HIV/AIDS.
- The Mecklenburg County Board of County Commissioners has committed \$8,500,000 to support

the project, including a \$3 million one-time loan, and \$5.5 million, based on the property's annual County property taxes for 20-years, to provide rental subsidies for 36 units to serve households earning 30 percent or below of the area median income who do not have existing rental subsidies.

- Additionally, the LISC Charlotte Opportunity Investment Fund (CHOIF) proposes up to a \$1 million investment to support the development.

Background

- In August 2018, Council adopted the Housing Charlotte Framework which recommends preserving NOAH properties and particularly in areas with strong pathways to opportunity.
- In March 2019, Council adopted the Guidelines for Preserving Naturally Occurring Affordable Housing. The goals of the guidelines include limiting displacement of current residents by preserving existing affordability, preserving quality affordable and workforce housing by increasing the number of available deed-restricted units and addressing deferred maintenance, and leveraging city resources to preserve NOAH affordability.
- In April 2023, the Housing, Safety and Community Committee received an overview of the Housing Trust Fund Tune-up Implementation, including leveraging the city's federal allocations to create and preserve affordable housing opportunities in the city and regionally, and releasing a rolling NOAH Request for Proposals (RFP).
- On May 8, 2023, City Council adopted the U.S. Department of Housing and Urban Development's Annual Action Plan which describes the city's use of federal funding allocations.
- In May 2023, the city issued a rolling NOAH Acquisition, Rehabilitation and Subsidy RFP. The RFP allows NOAH developers/owners to be responsive to quickly changing market conditions, and allows the city to evaluate proposals on a rolling basis as market opportunities arise.
- On May 6, 2024, the Housing, Safety & Community Committee received an overview of this current NOAH opportunity and proposed allocation.
- Support of the proposed allocation is consistent with the strategies outlined in the Housing Charlotte Framework, NOAH preservation guidelines, the Annual Action Plan, and the Housing Trust Fund Tune-up.

Fiscal Note

Funding: Housing Opportunities for Persons with AIDS (HOPWA)

Attachment(s)

Map