

Legislation Details (With Text)

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On agenda:	4/27/2020	Final action:			
Title:	Affordable Housing Development Support Requests				
Attachments:	1. Housing_CHOIF Presentation				

Date	Ver.	Action By	Action	Result
4/27/2020	1	City Council Business Meeting	Approve	Pass

Affordable Housing Development Support Requests

Action:

- A. Approve \$18,918,600 in Housing Trust Fund and Naturally Occurring Affordable Housing Fund allocations for the following multi-family rental affordable housing developments:**
- Connelly Creek Apartments, \$1,965,600, in Council District 3,
 - Dillehay Courts Phase I, \$2,000,000, in Council District 1,
 - Evoke Living at Arrowood, \$2,000,000, in Council District 3,
 - Johnston Oehler Seniors, \$2,000,000, in Council District 4,
 - Mineral Springs Commons, \$803,000, in Council District 4,
 - Vibrant Eastway Park, \$2,000,000, in Council District 1,
 - The Park Seniors Apartments, \$1,950,000, in Council District 2,
 - Statesville Avenue Shelter, \$800,000, in Council District 1,
 - Windsor Park, \$1,400,000 (Housing Trust Fund) and \$4,000,000 (Naturally Occurring Affordable Housing), in Council District 1, and
- B. Authorize the City Manager and staff to continue working with the developer for the New Brookhill development and Local Initiatives Support Corporation to determine the viability of the proposed New Brookhill development.**

Staff Resource(s):

Pamela Wideman, Housing and Neighborhood Services
Miles Vaughn, Housing and Neighborhood Services

Explanation

- Local Initiatives Support Corporation (LISC) Partnership:
 - In Fiscal Year 2019, City Council approved a partnership with LISC, a national non-profit with a grassroots focus.
 - LISC is one of the largest national community development organizations in the country that supports projects to revitalize communities and bring greater economic opportunity to residents.
 - With the addition of the LISC managed private and philanthropic contributions to the Charlotte Housing Opportunity Investment Fund (CHOIF), the cost to the city for creating affordable housing units has been significantly reduced per development. Such partnering enables the city to better leverage city resources.
- Housing Vouchers:
 - Last year, the city and LISC entered into a Memorandum of Understanding with INLIVIAN, formerly known as the Charlotte Housing Authority, for the provision of project-based

vouchers.

- Through this partnership, INLIVIAN has pledged project-based vouchers each year to be used toward affordable housing developments in areas of high opportunity.
- The use of the vouchers also contributes to leveraging funding sources.
- Project-based vouchers have been committed to the following developments:
 - Dillehay Courts Phase I,
 - Evoke Living at Arrowood, and
 - Connelly Creek Apartments.
- On January 17, 2020, the city and LISC issued a joint Request for Proposals (RFP) to aid in the production of affordable housing units.
 - In response to this joint RFP, 10 proposals were received, seeking various types of gap financing support including nine percent and four percent tax credits from the North Carolina Housing Finance Agency (NCHFA), Housing Trust Fund (HTF), Naturally Occurring Affordable Housing (NOAH) local funds, allocations from the CHOIF, and low-cost debt.
 - This RFP is the second dual review process conducted by the city and LISC. The following guiding principles were adhered to:
 - Ensuring affordable, multi-family housing developer experience,
 - Creating mixed-income developments in areas of high opportunity,
 - Achieving long-term affordability, and
 - Maximizing the leverage of available resources.
 - Approval of the recommended developments will add 1,155 affordable and workforce housing units and 194 shelter beds to the city's existing supply.
 - The recommended developments meet all submission requirements, including land use and rezoning approvals.
 - Each four percent low-income multi-family housing tax credit development received a score of over 20 points based on the Housing Locational scoring guidelines site scoring tool, which indicates that each site is in good proximity to job centers and access to amenities such as transportation and parks. Additionally, each site supports the creation of mixed-income communities and anti-displacement of low-to-moderate income residents in rapidly changing neighborhoods.
- Additionally, the NCHFA will base their final awards on:
 - Market demand and local housing needs,
 - Ability to serve qualified residents for the longest affordability period,
 - Design and quality of construction, and
 - Financial structure and long-term viability.
- For developments seeking nine percent and four percent tax credit awards, the deadline for final NCHFA applications is May 15, 2020. The NCHFA will announce tax credit awards in August 2020.

Background

- On November 26, 2001, City Council established the Housing Trust Fund (HTF) to provide financing for diverse price point housing in the Charlotte area.
- On August 27, 2018, City Council adopted the Housing Charlotte Framework, which recommends expanding the supply of high-quality rental housing by building affordable housing, preserving existing naturally occurring affordable housing, and promoting family self-sufficiency initiatives.
- On April 22, 2019, City Council adopted the U.S. Department of Housing and Urban Development's Annual Action Plan (Plan) which identifies the need for affordable, safe, and decent housing for low-and-moderate income families and reaffirms the goals of the Housing Charlotte Framework.
- Support of HTF allocations is consistent with the strategies outlined in both the Housing Charlotte Framework and the Plan, demonstrates local alignment with state-supported affordable housing developments, and allows for local leveraging of tax credit awards.

City Council Discussion

- Staff provided briefings of the affordable housing development support requests to City Council during their April 6, 2020 Strategy meeting and April 13, 2020 Business meeting.

Charlotte Business INclusion

- All HTF funded projects and their developers are subject to MWSBE goals determined based on the amount of the HTF allocations received.

Fiscal Note

Funding: General Capital Investment Plan

Attachment(s)

April 13, 2020 Council Business Meeting Presentation