

## Legislation Text

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### 2018 Community Housing Development Organization Grants

#### **Action:**

**Approve the Housing and Neighborhood Development Committee's recommendation to approve federally funded HOME Program Community Housing Development Organization grants for a total of \$650,000 to:**

- **Charlotte-Mecklenburg Housing Partnership, Inc., \$150,000, and**
- **CrossRoads Corporation for Affordable Housing and Community Development, \$500,000.**

#### **Committee Chair:**

LaWana Mayfield, Housing and Neighborhood Development

#### **Staff Resource(s):**

Pamela Wideman, Housing and Neighborhood Services

Zelleka Biermann, Housing and Neighborhood Services

#### **Explanation**

- A Community Housing Development Organization (CHDO) is a non-profit that develops affordable housing for the community it serves.
- The U.S. Department of Housing and Urban Development (HUD) requires the City to award a minimum of 15 percent of its federal HOME allocation to qualified CHDOs for housing development activities serving households earning 80 percent or below of area median income (AMI), or \$56,560, in which these organizations are the owners, developers, and/or sponsors of housing.
- The Charlotte-Mecklenburg Housing Partnership, Inc. (Housing Partnership) and CrossRoads Corporation for Affordable Housing and Community Development (CrossRoads) are CHDOs.
- The Housing Partnership is utilizing CHDO HOME funds leveraged with other forms of funding, including private equity, to create homeownership opportunities in Druid Hills for households earning 80 percent of AMI and below. To date, the organization has completed seven homes for qualified families. This grant would fund three additional homes scheduled for completion in February 2019.
- CrossRoads, in partnership with Self-Help Community Development Corporation, has completed 32 homes in Elizabeth Heights, 26 of which were sold to families earning 80 percent of AMI and below. The grant will allow Crossroads to complete eight additional homes of this type.
- Each of the homes funded will have deed restrictions for a minimum of 15 years and will be monitored for compliance by the City.
- The developments must be completed within the 24-month time span allotted by HUD. If an organization fails to complete their development or forfeits the CHDO funding for reasons of noncompliance, nonperformance or any other reasons identified by the City, the funds will be redistributed to other CHDO developments.
- City staff have reviewed both proposed development recommendations which include:
  - Druid Hills Homeownership New Construction (Housing Partnership):
    - Three units,
    - Total development budget of \$724,050,
    - Request of \$150,000 for a leverage ratio of 1:5, and
  - Elizabeth Heights Homeownership New Construction (CrossRoads):

- Eight units,
- Total development budget of \$2,120,800,
- Request of \$500,000 for a leverage ratio of 1:4.

### **Background**

- On May 14, 2018, City Council adopted HUD's Annual Action Plan which:
  - Identifies the need for affordable, safe, and decent housing for low and moderate-income families, and
  - Reaffirms three basic goals of the City's Housing Policy:
    - Preserve the existing housing stock,
    - Expand the supply of affordable housing, and
    - Support family self-sufficiency initiatives.

### **Committee Discussion**

- On June 13, 2018, Housing and Neighborhood Services staff presented recommendations for the CHDO grants to the Housing and Neighborhood Development Committee. The Committee voted unanimously (Mayfield, Driggs, Egleston, Harlow and Newton) to approve the grants.

### **HUD Contracting Requirements**

The developments funded by these grants are subject to applicable HUD requirements for providing training, employment, and contracting opportunities to Section 3 residents and minority, women and small business enterprises.

### **Fiscal Note**

Funding: Federal HOME Funds