

Legislation Text

File #: 15-15548, Version: 1

Affordable Housing Development Support Requests

Action:

Approve \$25,815,000 in Housing Trust Fund allocations for the following multi-family rental affordable housing developments contingent upon their receiving a Low-Income Housing Tax Credit award from the North Carolina Housing Finance Agency:

- Evoke Living at Eastland, \$1,600,000 (9% LIHTC), in Council District 5,
- First Ward Place Phase I, \$2,000,000 (9% LIHTC), in Council District 1,
- Fordham Place, \$1,645,000 (9% LIHTC), in Council District 3,
- Galloway Crossing, \$1,560,000 (9% LIHTC), in Council District 5,
- Guardian Angel Villa II, \$1,700,000 (9% LIHTC), in Council District 3,
- Marvin Road Apartments, \$1,700,000 (9% LIHTC), in Council District 1,
- Ovata at Reedy Creek, \$480,000 (9% LIHTC), in Council District 4,
- Evoke Living at Morris Field, \$3,000,000 (4% LIHTC), in Council District 3,
- Fairhaven Glen, \$2,000,000 (4% LIHTC), in Council District 3,
- Grounds for Change, \$2,000,000 (4% LIHTC), in Council District 1,
- Sugar Creek Apartments, \$3,000,000 (4% LIHTC), in Council District 4,
- The Baron Senior, \$2,000,000 (4% LIHTC), in Council District 3,
- Easter's Home Supportive Housing, \$630,000 (Non-LIHTC), in Council District 1, and
- The River District, \$2,500,000 (Non-LIHTC), in Council District 3.

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.
 - Through the addition of the LISC managed private and philanthropic contributions to the Charlotte Housing Opportunity Investment Fund (CHOIF), the city has achieved a greater leverage of Housing Trust Fund dollars and reduced the cost to the city for creating affordable housing units per development.
- Housing Vouchers:
 - In 2019, 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 to consider the awarding of project-based vouchers each year to be used toward affordable housing developments in areas of high opportunity.
 - One proposal submitted is requesting the use of project-based vouchers.

- The use of the vouchers also further leverages local, state, and federal funding sources.
- On January 15, 2021, 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, 16 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), allocations from the CHOIF, and low-cost debt. One of the proposals was withdrawn by the developer and one is only seeking funding from the Charlotte Housing Opportunity Fund and is not included in this Request for Council Action.
 - This RFP is the third 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 adds 1,422 affordable and workforce housing units to the city's existing supply. A total of 326 of those units (23 percent) will be targeted to households at 30 percent of the Area Median Income. Since the city does not typically receive a Low-Income Housing Tax Credit (LIHTC) award for all the competitively awarded nine percent LIHTC proposals, the actual number of affordable units will be less than 1,422.
 - The recommended developments meet all submission requirements, including land use and rezoning approvals.
 - Each four percent low-income, multi-family housing tax credit development seeking HTF funding received a score of over 24 points based on the Housing Locational scoring guidelines site scoring tool, which indicates that the sites are located in good proximity to job centers and access to amenities such as transportation and parks. Additionally, the sites support the creation of mixed-income communities while supporting 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 14, 2021. The NCHFA will announce tax credit awards in August 2021. Due to the competitiveness and limited amount of available tax credits and the NCHFA's desire to disperse awards throughout the state, the agency will not award tax credits to all seven developments seeking nine percent LIHTC. City approved HTF funding for developments not awarded a tax credit will be returned to the fund for future allocations.

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 July 13, 2020, 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

- On April 12, 2021, staff provided a briefing of the affordable housing development support requests to City Council during Action Review at the City Council Business Meeting.

Charlotte Business INclusion

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

Fiscal Note

Funding: General Capital Investment Plan

Attachment(s)

April 12, 2021 Council Business Meeting Presentation