

Legislation Text

File #: 15-16056, Version: 1

Housing Trust Fund Support Request

Action:

Approve a \$1,050,000 Housing Trust Fund allocation to Wendover NOAH, LLC in partnership with Ascent Housing, LLC for the acquisition and rehabilitation of The Pines on Wendover Apartments.

Staff Resource(s):

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

Explanation

- Wendover NOAH, LLC, an affiliate of Ascent Housing, LLC, is requesting a Housing Trust Fund (HTF) allocation of \$1,050,000 for the acquisition and rehabilitation of The Pines on Wendover Apartments, a 44-unit multi-family complex located at 630 North Wendover Road in Council District 1.
- The Pines on Wendover Apartments meets the City's Naturally Occurring Affordable Housing (NOAH) criteria which include:
 - The property's age is greater than 15 years;
 - Rents are in the area median income (AMI) range that are at risk due to surrounding neighborhood dynamics;
 - The property can be rehabilitated to help 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.
- The total development budget is \$8,004,000, which amounts to a 1:7 leverage ratio of HTF financing. The investment also includes a 20-year deed restriction for the preservation of 44 units at the following AMI levels:
 - 13 units at 30 percent AMI,
 - 22 units at 51 percent to 60 percent AMI, and
 - 9 units at 61 percent to 80 percent AMI.
- A third-party inspection has been performed on the property to determine the existing property conditions.
- The proposed rehabilitation will consist of the following:
 - Heating, ventilation, and air conditioning unit replacements;
 - Water heater and dryer vent replacements;
 - Flooring and cabinet replacements;
 - Balcony, sidewalk, and drainage repairs;
 - Security and safety improvements including lighting and fence repair;
 - Landscaping, tree removal, and pressure washing;
 - Dumpster enclosure replacement; and
 - Signage.

Background

- In August 2018, City Council adopted the Housing Charlotte Framework which recommends:
 - Prioritizing large-scale NOAH properties, and
 - Establishing a preservation fund to subsidize acquisition of NOAH properties, which is noted as a national best practice for preserving existing affordable and workforce housing.
- On March 25, 2019, City Council adopted Guidelines for Preserving Naturally Occurring Affordable Housing (guidelines). 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 the physical structure of the units;
 - Providing low-interest loans so that high-performing for-profit and non-profit owner operators can purchase and/or upfit NOAH properties and preserve them as affordable;
 - Allowing existing owners to participate in return for deed restrictions and demonstrated management and maintenance history; and
 - Aligning guidelines with other City policies.

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: Housing Trust Fund