

Legislation Text

File #: 15-16489, Version: 1

Affordable Housing Development Support Requests

Action:

Approve \$23,312,000 in Housing Trust Fund allocations for the following multi-family rental and homeownership affordable housing developments contingent upon their receiving a Low-Income Housing Tax Credit award from the North Carolina Housing Finance Agency, where applicable:

- **Aldersgate Mixed Income Apartments, \$2,992,000 (4% LIHTC) in Council District 1,**
- **Ballantyne Senior Apartments, \$4,000,000 (4% LIHTC) in Council District 7,**
- **Eight & Tryon Apartments, \$3,200,000 (4% LIHTC) in Council District 1,**
- **Galloway Crossing, \$2,496,000 (4% LIHTC) in Council District 5,**
- **Historic Nathaniel Carr, \$2,200,000 (4% LIHTC) in Council District 3,**
- **Maple Way Apartments, \$1,400,000 (Non-LIHTC) in Council District 5,**
- **Shamrock Gardens, \$6,000,000 (Non-LIHTC) in Council District 1,**
- **Bishop Madison, \$320,000 (Homeownership) in Council District 2, and**
- **Druid Hills Legacy Homes, \$704,000 (Homeownership) in Council District 2.**

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 cost to the City of creating affordable housing units per development.
- **Housing Vouchers:**
 - In 2019, the City and LISC entered into a Memorandum of Understanding with INLIVIAN 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.
 - The use of the vouchers also further leverages local, state, and federal funding sources.
- **On July 9, 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, 11 proposals were received, seeking various types of gap financing support. Two proposals did not meet submission criteria and were disqualified.
 - This RFP is the fourth dual review process conducted by the City and LISC. The following guiding principles were adhered to:
 - Ensuring affordable, multi-family and single-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 879 affordable and workforce housing units 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 adheres to the Housing Locational scoring guidelines site scoring tool, which indicates that the sites are located in good proximity to job centers and have access to amenities such as public transportation and parks. Additionally, they 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 four percent tax credit awards, the deadline for final NCHFA applications is October 1, 2021. The NCHFA will announce tax credit awards in January 2022.

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 26, 2021, 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 September 13, 2021 Action Review 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)

September 13, 2021 Council Business Meeting Presentation