

Legislation Text

File #: 15-22626, Version: 1

Affordable Housing Development Support Requests

Action:

- A. Approve up to \$5,362,000 in Housing Trust Fund allocations for the following multi-family rental and homeownership affordable housing developments contingent upon developers receiving a Low-Income Tax Credit award from the North Carolina Housing Finance Agency, where applicable:**
- **Mallard at Sugar Creek, \$2,640,000 (nine percent Low-Income Tax Credit eligible), in Council District 2,**
 - **Grounds for Change, \$2,000,000 (four percent Low-Income Tax Credit eligible), in Council District 1,**
 - **Legacy Vista, \$456,000 (Homeownership), in Council District 3,**
 - **Little's Landing, \$266,000 (Homeownership), in Council District 4,**
- B. Approve up to \$3,060,000 Transit Oriented Development Affordable Housing Development Bonus Program fee-in-lieu revenue allocation to Give Impact, LLC to support the acquisition of approximately 1.8 acres located at 140 Dorton Street (parcel identification number 091-051-53), in Council District 1, for the development of affordable housing, and**
- C. Authorize the City Manager to execute, amend, extend, and renew contracts and other required documents to complete the transactions approved by these actions.**

Staff Resource(s):

Rebecca Hefner, Housing and Neighborhood Services
Warren Wooten, Housing and Neighborhood Services

Explanation

Action A

- On November 16, 2023, the city issued a Housing Development Funding Request for Proposals (RFP) to aid in the production of affordable housing units.
- In response to this RFP, seven 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).
- Approval of the recommended developments will add 140 affordable and workforce rental housing units and 19 homeownership units to the city's existing supply.
- The recommended developments meet all submission requirements, including land use and rezoning approvals where applicable. Additionally, the following guiding principles were adhered to in the evaluation of the proposals:
 - Ensuring affordable, multi-family housing developer experience,
 - Creating mixed-income developments in areas of opportunity,
 - Achieving long-term affordability, and
 - Maximizing the leverage of available resources.
- The NCHFA will base their final tax credit 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.

Action B

- On January 19, 2024, the city issued a rolling Transit Oriented Development (TOD) Land Acquisition RFP to support developer acquisition of TOD-zoned land zoned for affordable housing. City assistance will be provided through short-term (up to three-years) loans.
- The rolling RFP allows the city to evaluate proposals on a rolling-basis as market opportunities arise, and allows developers to be responsive to quickly changing market conditions.
- When proposals seeking land acquisition support are approved by the city, staff will then continue to work with the developer over the term of the loan to finalize project concepts for the development of affordable housing on the property, in alignment with City Council priorities.
- Give Impact, LLC, a North Carolina limited liability company, has requested a \$3,060,000 short-term loan for the acquisition of approximately 1.8 acres located at 140 Dorton Street (parcel identification number 091-051-53), in Council District 1, for the future development of affordable housing. The property is zoned TOD-TR.
- This request represents the first proposal received in response to the rolling RFP to date. Staff will update Council on future proposals as they are received.

Background

- On November 26, 2001, City Council established the Housing Trust Fund (HTF) to provide financing for affordable housing in the Charlotte area.
- On August 27, 2018, City Council adopted the Housing Charlotte Framework, which recommends expanding the supply of high-quality housing by building affordable housing, preserving existing naturally occurring affordable housing, and promoting family self-sufficiency initiatives.
- On April 15, 2019, City Council approved Chapter 15 (Transit-Oriented Development Districts) of the City of Charlotte Zoning Ordinance, which includes the Transit-Oriented Development Affordable Housing Development Bonus Program.
- Support of the proposed allocations is consistent with the strategies outlined in the Housing Charlotte Framework, demonstrates local alignment with state-supported affordable housing developments, and allows for local leveraging of tax credit awards.

City Council Discussion

- A briefing of the affordable housing development support requests was provided to City Council during the Action Review portion of the April 8, 2024 Council Business Meeting.

Charlotte Business INclusion

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

Fiscal Note

Funding: General Capital Investment Plan

Attachment(s)

April 8, 2024 Council Action Review Presentation