



Charlotte City Council
Housing and Neighborhood Development Committee
Summary
April 9, 2014

COMMITTEE AGENDA TOPICS

- I. 2014 Housing Trust Fund Development Recommendations
- II. Expand the Scope of work of the Charlotte-Mecklenburg Coalition for Housing to include the responsibilities for the Charlotte-Mecklenburg Continuum of Care Program

COMMITTEE INFORMATION

Council Members Present: Patsy Kinsey, Alvin Austin, John Autry, Ed Driggs, LaWana Mayfield

Staff Resources: Ann Wall, Assistant City Manager
Pamela Wideman, Neighborhood & Business Services
Tammie Keplinger, Planning Department

Meeting Duration: 12:40 PM – 1:30 PM

ATTACHMENTS

1. Agenda Packet – April 9, 2014
2. Presentation – Housing Trust Fund Allocations
3. Presentation – Charlotte-Mecklenburg Continuum of Care Program

DISCUSSION HIGHLIGHTS

Kinsey: Called the meeting to order and introductions of attendees.

Wall: Today we have two items on the agenda. First is the recommendations on the 2014 Housing Trust Fund and the second is to discuss some expansion to the Charlotte-Mecklenburg Coalition for Housing. Annually the City considers applications for Housing Trust Fund dollars. Ms. Wideman will review the applications for allocations and review our recommendations.

2014 Housing Trust Fund Development Recommendations

Wideman: I will give you some background on the Housing Trust Fund (HTF) and requests we have received. Our recommendations are in two categories: Tax Credits, which are aligned with the North Carolina Housing Finance Agency and the Supportive Housing which are aligned with our work on the Ten-Year Plan to end and Prevent Homelessness. Today we will be requesting is for you to approve the recommendations and move forward with a Dinner Briefing to the Council on April 14, 2014.

Presentation (Housing Trust Fund Background, Proposal Process, Evaluation Criteria)

Driggs: Is \$38,460 the income?

Wideman: The \$38,460 is 60% of the median area income for a household of four. The City's average investment per unit is \$15,000. The developers are given bonus points for proximity to amenities and services. In Mecklenburg County, we look at proximity to transit. The state does not do that and we continue to talk to them about that because we believe it is important. The response we often get from the state is that they are not just awarding tax credit development dollars to Charlotte, they are awarding them to the state of North Carolina and every city is not as fortunate to have the great transit system that we have.

The goal is to leverage local HTF dollars with state dollars. Sixty points is the maximum score you can earn from the Finance Agency. Each of the projects we are presenting does meet your Housing Locational Policy. Four developments have applied for City HTF dollars, but we are only bringing three to you for consideration. The reason the Affordable Housing Group's Magnolia Gardens is not coming forward is because it does not meet your approved Northwest District Plan, there are issues with the site plan that are still being worked through with the Planning Department. A hearing will be held on April 28th and a decision has been requested for May 12th. The Committee has been consistent is asking that we only bring projects forward that have been through zoning and have Planning's approval, which is why we are not bringing Magnolia Gardens forward today.

Austin: Can it be brought later?

Wideman: Technically it could. Staff is trying to balance that Council has often asked us not to bring development requests to them at the last minute.

It is anticipated that not all the project will receive funding. The Finance Agency has a limited amount of tax credit awards that they will award each year. These developments compete in the "metro-region" that includes other larger cities in North Carolina (e.g., Raleigh, Wake County). Typically we get two projects.

Wideman: We have three projects that are all new construction. Cinnamon Point, with 64 units requesting \$600,000 with a 1:13 leverage ratio; Park & Marsh, with 94 units, requesting \$1,380,000 with a 1:9 leverage ratio; and Weddington Road, with 70 units, requesting \$1,050,000 with a 1:9 leverage ratio.

Presentation: Supportive Housing Development Recommendation

We received ten proposals, but only two requested dollars from the HTF. The Center of Hope is a rehab project requesting \$500,000. This is Salvation Army expansion. The Center Terrace is a continuing rehab in Council member Autry's district. They are requesting \$350,000 for 16 units, which will be for 44 beds. The developer has also applied for funding from the state Supportive Housing Program. Supportive Housing is a little more expensive so you do not receive as great of a leverage ratio as you do on the tax credits because you do not have additional equity coming in front the state.

Kinsey: It looked like a few were over the normal \$1M, plus it was 1:9 when normally we do a 1:10 ratio?

Wideman: You are correct. The ones that are a little are exactly \$15,000 per unit. So they within the unit cost and that could vary based on the financing structure.

Austin: How much in the HTF? (\$7M) This Committee has decided that we only hear request only once a year? What is our normal amount, how much do we normally allocate

Wideman: The North Carolina Housing Finance Agency only award tax credits once a year. We do it consistent with the state's schedule.

Driggs: Are you asking us to take a position to recommend these or just to sending to the dinner briefing?

Wideman: If you are comfortable recommending approval and moving forward to a dinner briefing on April 14th.

Kinsey: Do we have a deadline?

Wideman: Final applications are due to the state agency on May 16th.

Motion made by Council member Autry: Approve for presentation at a dinner briefing and presentation at City Council for approval Cinnamon Pointe, Park & Marsh, Weddington Road, Center of Hope and Centre Terrace projects for Housing Trust Funds dollars.

Motion seconded by Council member Mayfield.

Mayfield: For clarification, this is for this committee to move forward, but it is still based on them receiving state funds? (Yes) We also know the other project has a rezoning piece and a hearing on April 28th. With a deadline of May 16th deadline and can we still hear that additional request if the Committee so desired?

Wall: The next Committee meeting is April 23 which is before the rezoning hearing. Typically we brought to the Committee projects with zoning is in place and that the Planning Department has reviewed and approved.

Austin: There is nothing to say that the rezoning process will not get approved. We could request that the petition gets accelerated to dinner briefing?

Keplinger: At this point, we cannot change the public hearing date. Typically it would go for decision on May 19th. The petitioner has indicated they would like a week earlier on May 12th. The Council has not voted on that and can vote on it April 28th. Staff is not supporting this rezoning petition due to its inconsistency with the Northwest District Plan and density and design issues.

Austin: These seem more subjective than objective. I notice other there are other projects similar to that. We can talk about this offline.

Driggs: Constituents in my district are not happy with specifically Weddington Road. If the vote we are making now must include recommend funding for Weddington Road, that would be a problem for me even though I recognize the other things ought to be allowed to proceed.

Austin: The Weddington Road project is an ideal project and I support it.

Motion made by Council member Autry: Approve for presentation at a dinner briefing and presentation at City Council for approval Cinnamon Pointe, Park & Marsh, Weddington Road, Center of Hope and Centre Terrace projects for Housing Trust Funds dollars.

Motion seconded by Council member Mayfield.

Vote 4 to 1 in favor. Autry, Mayfield, Kinsey, Austin voted in favor. Driggs voted No.

Expand the Scope of work of the Charlotte-Mecklenburg Coalition for Housing to Include the Responsibilities for the Charlotte-Mecklenburg Continuum of Care Program

Wideman: Presentation (Continuum of Care and HEARTH Act)

We have a need to expand the current 12 member jointly appointed board. The City has seven appointments and the county has five appointments. There are three ex-officio members: the City's Neighborhood & Business Services Director, the County's Support Services Director, and the Charlotte Housing Authority's Executive Director.

We are suggesting that we add four seats representing the school districts, hospitals, veterans, and homeless or formerly homeless individuals. Because this is a joint board, we will also be going to the County requesting their approval to expand the board. After preliminary discussions, they are on board with expanding the board.

Mayfield: When we are talking about hospitals, are we talking about the larger or smaller community hospitals? Are we looking at both? At the community hospital, like CW Williams, that is the representative who will see the target audience.

Wideman: We are looking at one seat and do not have a strong preference if it is Novant or CMC. The requirement is that it is a hospital with beds. As people roll off, it may be that we incorporate someone from a clinic in another category.

Kinsey: I would suggest you check into that? You were going to have the City appoint that representative.

Wideman: Presentation (Representation Options)

Kinsey: I have felt we needed to have one or two representatives from the neighborhoods at large. I hope in the future we consider that. I think it is important to have someone who lives in a neighborhood, with no connection to anything. I hope we incorporate in future considerations.

Wideman: In addition to adding representative we would like to revise the scope of work. Currently their main purpose is to ensure implementation of the 10-Year Plan. The revised would not only implement the 10-Year Plan, but would serve as the governing Board for the Continuum of Care. Every year we submit a Continuum of Care application to the federal government. We receive almost \$3M additional dollars per year for agencies in our community to render services to help with our homeless issues.

Motion made by Council members Autry and Austin: Approve the expanded scope of work of the Charlotte-Mecklenburg Coalition for Housing. Motion was seconded by Council member Mayfield. Motion passed unanimously. (Vote: 5-0)

Meeting adjourned.

City Council

Housing and Neighborhood Development Committee

Wednesday, April 9, 2014

12:00 p.m.

Charlotte-Mecklenburg Government Center

Room – 280

Committee Members: Patsy Kinsey, Chair
Alvin “Al” Austin, Vice Chair
John Autry
Ed Driggs
LaWana Mayfield

Staff Resource: Ann Wall, Assistant City Manager
Pamela Wideman, Deputy Director, Neighborhood & Business Services

AGENDA

I. 2014 Housing Trust Fund Development Recommendations

Staff will provide an overview of the 2014 Housing Trust Fund Development Recommendations.

Requested Action:

- The Committee will be requested to approve funding recommendations from the Housing Trust Fund, for the rehabilitation of supportive housing units and the 2014 Housing Trust Fund Tax Credit multi-family rental housing developments to leverage the North Carolina Housing Finance Agency Tax Credit Awards.

II. Expand the Scope of work of the Charlotte-Mecklenburg Coalition for Housing to include the responsibilities for the Charlotte-Mecklenburg Continuum of Care Program

Staff will provide an overview of the Charlotte-Mecklenburg Coalition for Housing and the Charlotte-Mecklenburg Continuum of Care Program.

Requested Action:

- The Committee will be requested to approve an expanded scope of work for the Charlotte-Mecklenburg Coalition for Housing, which includes adding additional seats to the Coalition in order to administer the Charlotte-Mecklenburg Continuum of Care Program.

Distribution:

Mayor/Council
Ron Carlee, City Manager
City Executive Team
Corporate Communications
Debra Campbell – Planning Department
Anna Schleunes- City Attorney’s Office
Charlotte-Mecklenburg Coalition
for Housing

Holly Eskridge
Randy Harrington
Phyllis Heath
Fulton Meachem
Fred Dodson
Julie Porter
Kim Graham
Chief Rodney Monroe

Willie Ratchford
Ledger Morrissette
Patrick Mumford
Steve Allen
Brad Richardson
Pamela Wideman
Tom Warshauer



Housing Trust Fund Allocations

Housing & Neighborhood Development Committee

April 9, 2014



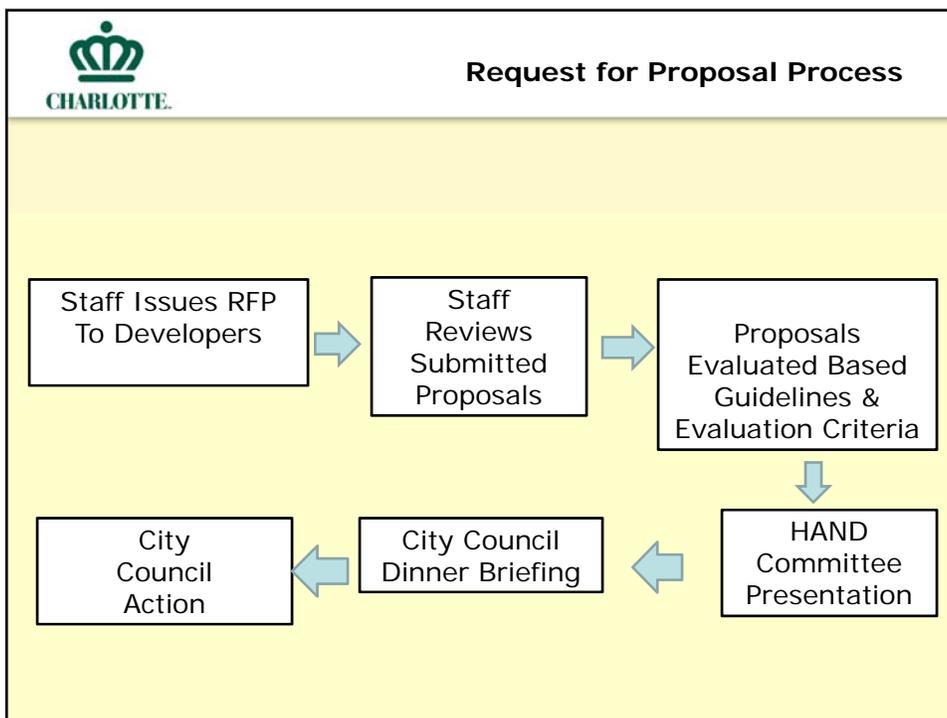
Briefing Objectives

- Housing Trust Fund (HTF) Background
- HTF Request for Proposal Process
- HTF Proposal Evaluation Criteria
- FY2014 Project Funding Recommendation
 - Tax Credits
 - Supportive Housing
- City Council Action Request



Housing Trust Fund Background

- Established in November 2001 to provide gap financing to affordable housing developers through a competitive Request for Proposal Process
- Financed 4,948 affordable housing units since 2002
- Completed 4,296 housing units
- Total Development - \$468 million
- Funds Committed/Spent - \$82 million
- Leverage Ratio of 1:5



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|  | Key Proposal Evaluation Criteria |
| <p>I. City Policies:</p> <ul style="list-style-type: none"> - Number of years affordable - Neighborhood Revitalization <p>II. Development Strength</p> <ul style="list-style-type: none"> - Number of Affordable Units - Incomes: - Council priority 60% or less (\$38,460) <p>III. Developer Experience</p> <ul style="list-style-type: none"> - Developer Track Record - Property Management <p>IV. Financial Strength</p> <ul style="list-style-type: none"> - Leverage of City Funds - City Investment per Unit | <p>Bonus Points:</p> <ol style="list-style-type: none"> 1. Housing Efficiency (i.e. Green Building Techniques) 2. Proximity to Transit Proximity to Amenities and Services 3. Mixed Income Development |

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|  | 2014 Tax Credit Development |
| <ul style="list-style-type: none"> • Housing Trust Funds are available for developers receiving North Carolina Housing Finance Agency (NCHFA) Tax Credit award for New Construction and Rehabilitation • This provides local alignment with State supported projects and allow greater local leverage of tax credit awards • Funds are made available according to the ranking of NCHFA site score • Development must meet the current Housing Locational Policy or request a waiver • Developers are required to inform Council representatives and convene at least one neighborhood meeting to address proposed development | |



Low Income Housing Tax Credits

- Four developments applied to the City of Charlotte for HTF gap financing, three developments met the submission criteria
- It is anticipated that not all of the projects will receive funding from NCHFA
- NCHFA awards Tax Credit in August 2014
- If the proposed Projects does not receive tax credit funding, funds will be returned to the HTF for reallocation



Multi-Family Rental Development Recommendations

| NCHFA Score | Development | Affordable Units | Type | City Funding |
|---------------|-----------------|------------------|------------------|--------------------|
| 60 | Cinnamon Pointe | 64 | New Construction | \$600,000 |
| 60 | Park & Marsh | 92 | New Construction | \$1,380,000 |
| 60 | Weddington Road | 70 | New Construction | \$1,050,000 |
| Totals | | 226 | | \$3,030,000 |



Multi-Family Rental Development Recommendation



- Units: 64
- AMI: 16 units \leq 30%
8 units $31 \leq$ 50%
40 units $51 \leq$ 60%
- Trust Fund: \$ 600,000
- Total Cost: \$7,996,211
- Affordability: 30 Years
- Leverage : 1:13

Cinnamon Pointe
New Construction



Multi-Family Rental Development Recommendation



- Units: 92
- AMI: 24 units \leq 30%
13units $31 \leq$ 50%
55 units $51 \leq$ 60%
- Trust Fund: \$ 1,380,000
- Total Cost: \$12,818,150
- Affordability: 30 Years
- Leverage : 1:9

Park and Marsh
New Construction



Multi-Family Rental Development Recommendation



Weddington Road
New Construction

- Units: 70
- AMI: 18 units \leq 30%
52 units $51 \leq$ 60%
- Trust Fund: \$ 1,050,000
- Total Cost: \$9,826,226
- Affordability: 30 Years
- Leverage : 1:9



Supportive Housing Development Recommendation

- The supportive housing population includes elderly, homeless, and persons with disabilities
- On December 18, 2013, staff issued a joint RFP (City of Charlotte, Mecklenburg County and Charlotte Housing Authority) for supportive housing developments
- Staff received a total of ten proposals, two proposals requested development funds from the City and the remaining requests were for supportive services from the County and housing vouchers from CHA rental assistance program

|  | | Supportive Housing Development Recommendations | |
|---|--------------------------|---|------------------|
| Development | Affordable Units/Beds | Type | City Funding |
| Center of Hope | 64 | Rehab | \$500,000 |
| Centre Terrace | 16 | Rehab | \$350,000 |
| Totals | 80 | | \$850,000 |

|  | | Supportive Housing Development Recommendation | |
|---|--|--|--|
|  | <p>Centre of Hope Expansion Rehabilitation</p> | <ul style="list-style-type: none"> •Beds: 64 • AMI: 64 ≤ 30% • Trust Fund: \$ 500,000 • Total Cost: \$1,400,000 • Affordability: 50 Years • Leverage : 1:3 | |
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Supportive Housing Development Recommendation



Centre Terrace
Rehabilitation

- Units: 16
- AMI: 16 units \leq 30%
- Trust Fund: \$ 350,000
- Total Cost: \$1,050,000
- Affordability: 50 Years
- Leverage : 1:3



Next Steps

- On April 9, 2014, the Housing & Neighborhood Development Committee recommend approval of the 2014 Housing Trust Fund Allocations
- On April 14, 2014, Staff will provide a Dinner Briefing to City Council
- On April 28, 2014 City Council will consider approval for 2014 Housing Trust Fund Requests



**Charlotte-Mecklenburg
Continuum of Care Program**

Housing & Neighborhood Development Committee

April 9, 2014



Briefing Objectives

- Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act
- Continuum of Care (CoC) Program
- Charlotte-Mecklenburg Coalition for Housing
- Revisions to Coalition scope of work and board representation



HEARTH Act

- Homeless Emergency Assistance Rapid Transition to Housing (HEARTH) Act of 2009 consolidated multiple homeless programs into one grant program
- Designed to assist the homeless population by providing housing/services to help individuals and families move into permanent housing with the goal of long-term stability
- Clearly defines the CoC system-wide planning process



Continuum of Care Program

- Promotes community-wide commitment to the goal of ending homelessness
- Provides funding to rapidly re-house homeless individuals and families while minimizing the trauma and dislocation caused by homeless
- Promotes access to and effective use of homeless services programs
- Optimize self-sufficiency among individuals and families



Continuum of Care Program

Establishes 9 Activities:

1. *Board Selection*
2. *Regular meetings*
3. *Monitoring*
4. *Centralized or Coordinated Assessment*
5. Governance charter
6. Invitation for new members
7. Additional Committees
8. Evaluation
9. Written Standards



Charlotte-Mecklenburg Coalition for Housing

- Community based advisory board (12 members) appointed by Mayor, City Council and Board of County Commissioners and three ex-officio members
- Principle functions of this Board are to ensure implementation of the 10-Year Plan to End and Prevent Homelessness which is mandated by HUD

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|  CHARLOTTE. | HUD Recommended Governance Board |
| CMCH Board Representation | CoC Representation |
| <ul style="list-style-type: none"> • Affordable Housing (City Council) • Community (City Council) • Corporate/Economic Development (Mayor) • Donor/Philanthropic (City Council) • Education (County) • Faith-Based (Mayor) • Financial (City Council) • Human Services (County) • Legal (City Council) • Non-Profit (Mayor) • Public Safety (County) • Real Estate (City Council) • City of Charlotte* • Mecklenburg County* • Charlotte Housing Authority* | <ul style="list-style-type: none"> ✓ Nonprofit homelessness assistance provider ✓ Victim services provider ✓ Faith-based organizations ✓ Governments ✓ Businesses ✓ Advocates ✓ Public housing agencies • School Districts ✓ Social Service Providers ✓ Mental Health agencies • Hospitals ✓ Universities ✓ Affordable Housing Developers ✓ Law Enforcement • Veterans organizations • Homeless or formerly homeless individuals |
| <p>*Ex-Officio</p> | |

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|  CHARLOTTE. | Expanded Board Representation Options |
| Option 1 | |
| <ul style="list-style-type: none"> • City Council - two appointments • Board of County Commissioners - two appointments | |
| Option 2 | |
| <ul style="list-style-type: none"> • Mayor makes one appointment • City Council makes one appointment • Board of County Commissioners makes two appointments | |



Revised Scope of Work

- To ensure implementation of the Charlotte-Mecklenburg 10-Year Plan to End and Prevent Homelessness
- Serve as the governing Board of the Charlotte-Mecklenburg Continuum of Care to carry out the responsibilities set forth in the Housing and Urban Development CoC Program Interim Rule



Next Steps

- Housing & Neighborhood Development Committee Consideration (April)
- Board of County Commissioners will begin discussions on April 22, 2014
- City Council Approval (May/June)
- Board of County Commission approval (May/June)
- Board Nominations and Appointments (July/August)