



Housing Community Recovery Task Force Work Plan – Task 1 Recommendations

May 28, 2020



IMPORTANT PRINCIPLES/BACKGROUND

- Affordable housing developments should continue to include high-quality, mixed-income communities built to market-rate standards
- City's 2018 Housing Charlotte framework is still relevant and important
- Supportive Housing is currently produced both as a small component of permanent affordable housing and in developments specifically designed for supportive housing
- Recommendations included are limited to use of the remaining funds from the 2018 Housing Bonds and the \$50 million of potential proceeds from 2020 Housing Bonds



RECOMMENDATIONS - USES OF 2020 HTF FUNDS (\$50MM)

- New construction of affordable rental housing
 - Includes Supportive Housing
- New construction of affordable for-sale housing
- Rehabilitation and preservation of affordable rental housing
 - Includes NOAH's
 - Includes Supportive Housing
- Allocation recommendation
 - Recommended Target: 60% to new construction rental, 30% to rehabilitation and preservation, and 10% to new construction for-sale
 - Target to be re-evaluated for each RFP round based on demand



RECOMMENDATIONS - NON-USES OF 2020 HTF FUNDS (\$50MM)

- Rental Assistance
 - Other City funding available for this use
 - Mecklenburg County focusing their funding for rental assistance
 - Current shortage of units that accept rental assistance
- Acquisition Fund
 - Perfect use for LISC and other CDFI's



2020 HTF FUNDS (\$50MM) – RFP FREQUENCY

- Twice a Year
 - New construction of affordable rental housing including supportive housing
 - New construction of affordable for-sale housing
 - Rehabilitation and preservation of affordable rental housing including supportive housing
- Rolling for NOAH's



2020 HTF FUNDS (\$50MM) – AFFORDABLE RENTAL HOUSING

- Continue focus on including at least 20% of units at 30% AMI in each development and continue to focus on developments that include housing at a variety of AMI levels.
- Raise the HTF subsidy cap per unit but tie the subsidy cap to location and average AMI served to provide incentives for the equitable spread of affordable housing and to provide housing at the AMI levels where it is most needed.
 - Higher HTF subsidy cap per unit in District 6 and 7
 - HTF subsidy cap per unit based on average AMI served. Varying the cap would help address gap at 50% AMI as there is no incentive right now to restrict units at 50% AMI rather than 60% AMI
 - Establish subsidy caps discussed above before each RFP based on current market conditions.



2020 HTF FUNDS (\$50MM) – AFFORDABLE FOR-SALE HOUSING

- Must include a minimum of 20% of homes at 60% AMI to be eligible for HTF
- HTF investment per unit based on average AMI served
- Affordable for-sale RFP part of twice a year HTF RFP. Proposals do not have to be for a particular project/location but can be for a certain number of homes at specific AMI's in a specific time period
- Land acquisition including for a community land trust can be part of proposals
- Homes must have a recorded deed restriction for 15 years and homebuyers must complete city-approved homebuyer education course



REMAINING 2018 HTF FUNDS

- Delay 2nd Round in 2020
 - Pending development
 - Understand COVID-19 Effects on previously funded developments and any Federal and State response
 - Allow previously funded development to compete for funding if federal and state response is inadequate



OTHER

- Package of additional benefits to automatically pair with a HTF funded development
 - Tax Increment Grant (model for Mecklenburg County)
 - Elimination or reduction of water and sewer capacity and connection fees
 - Elimination or reduction of permit fees (model for Mecklenburg County)
- Continue to utilize previously adopted City-owned land policy
 - Provide model to Mecklenburg County and CMS
- Federal and State Advocacy
 - Federal - Fix the 4% Tax-credit
 - State - Additional credits to fully fund 2019 and 2020 tax-credit awards and advocate for a new State Tax-credit