

**City Council Business Meeting – April 12, 2021
Follow-Up Items**

| Mayor and Council Questions | Response |
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| <p>Housing Trust Fund Recommendations Can we use LIHTC for homeownership? Is there any potential legislation that would enable/support this? (CM Watlington)</p> <p>I'd be interested to know if we understand what barriers are currently preventing developers from putting together projects for homeownership. (CM Watlington)</p> <p>Can we use these HTF dollars for land acquisition? (CM Watlington)</p> | <p>The low-income housing tax credit (LIHTC) program can only be used for the production and rehabilitation of affordable rental housing. There currently are no major legislative measurements designed to change this usage. However, the North Carolina Housing Finance Agency does provide financing for the production, repair, and purchase of affordable home (these activities are not funded through the LIHTC program).</p> <p>Housing & Neighborhood Services (HNS) staff has had numerous discussions with developers in an effort to understand barriers to producing affordable homeownership units through the use of the Housing Trust Fund. The most frequently expressed barriers are high construction costs and high land costs.</p> <p>Ways in which we have sought to address these barriers are by:</p> <ul style="list-style-type: none"> • Including gap financing for homeownership development in the most recent HTF RFP, the first time in which affordable homeownership was included. Although no proposals were submitted, HNS staff is exploring options with the affordable for-sale developer community, to better incentivize developers such as by offering the gap financing as a forgivable loan/grant. • Identifying city-owned land for the development of affordable homeownership opportunities. By providing the land, the city can help offset a key cost to developers thus enabling them to create affordable homeownership opportunities. <p>Yes, HTF dollars can be used for land acquisition for the purpose of affordable housing. This is provided for in the enabling legislation of North Carolina General Statute Section 159-48, which allows cities to borrow money or issue bonds for the purpose of paying any capital costs of providing housing for the benefit of persons of low and moderate incomes. This was specifically referenced in the 2020 housing bond referendum.</p> |
| <p>CATS Battery Electric Buses Pilot Program</p> <p>What do we know about the Duke subsidiary in terms of how they are generating electricity? (Winston)</p> <p>How do we know that these buses are ultimately reducing emissions? (Winston)</p> | <p>eTransEnergy(eTE) clarifications:</p> <ul style="list-style-type: none"> • eTE is a wholly owned subsidiary of Duke Energy formed by Duke to provide fleet electrification services • Duke is a utilities holding company, eTE is not engaged in electric utility services such as generation, transmission, or distribution • eTE's service offerings are not regulated by any utilities commission; its offerings are nonregulated services • eTE may provide energy management services and electrical infrastructure upgrades to customer-owned equipment on the customer's side of the meter—not the utility's equipment <p>Since there are zero tailpipe emissions, there are significant benefits for operators, passengers, and residents of the communities served by CATS buses. This Pilot program which will prioritize service along Corridors of Opportunity, will also provide significant near-term benefits to communities that have historically born a disproportionate impact of pollution.</p> |