



## CITY OF CHARLOTTE HOUSING TRUST FUND FREQUENTLY ASKED QUESTIONS

<b>Trust Fund:</b> Charlotte Housing Trust Fund	<b>Date of Trust Fund Initiation:</b> 2001
<b>Trust Fund Contact:</b> Zelleka Biermann	<b>Title:</b> Housing Development Program Manager
<b>WHO IS ELLIGIBLE TO APPLY FOR TRUST FUND DOLLARS?</b>	
For <u>Non-Profit</u> and <u>for Profit</u> Developers	
<b>IS THERE A SPECIFIC INCOME TARGET GROUP?</b>	
<ul style="list-style-type: none"> <li>80% and below the area median income</li> </ul>	
<b>IS THERE A SPECIAL TARGET GROUP THAT THE TRUST FUND ALLOCATES ITS FUNDING TO (I.E. HOMELESS, ELDERLY, ETC.)?</b>	
No. The Housing Trust Fund allocates resources to any development serving 80% or below the area median income which includes both homeless and elderly populations.	
<b>DOES THE TRUST FUND SPECIFICALLY SEEK TO FUND HOUSING DEVELOPMENTS ORIENTED AROUND PUBLIC TRANSPORTATION? IF SO, IS THAT A REQUIREMENT TO BE GRANTED OR LOANED FUNDING FROM THE TRUST FUND?</b>	
No. However, the evaluation criteria provide bonus points to developments oriented around public transportation.	
<b>WHAT ARE THE MAJOR COMPONENTS OF THE TRUST FUND? (E.G. LOANS/GRANTS OR A COMBINATION OF THE TWO; INCENTIVES, DPA, LOAN GUARANTEES, ACQUISITION?)</b>	
<ul style="list-style-type: none"> <li>Most of the Tax Credit developments are structured as soft loans</li> <li>Most of the Supportive Housing developments are structured as grants or deferred loans</li> </ul>	
<b>WHAT TYPE OF HOUSING DOES THE TRUST FUND FOCUS ITS SUPPORT? (E.G. MULTI OR SINGLE FAMILY, RENTAL OR OWNER-OCCUPIED, SUSTAINABLE)</b>	
Multi-family Rental and Homeownership Development	
<b>IS THERE A SPECIFIC AFFORDABILITY PERIOD THAT MUST BE MET? DOES IT VARY? IF SO, WHAT DETERMINES THE AFFORDABILITY PERIOD FOR A SPECIFIC PROJECT?</b>	
The affordability periods vary. A minimum of 20 years affordability period is required for multi-family development, however various funding sources require longer affordability periods; tax credits developments usually have 30 years (North Carolina Housing Finance Agency requirement) and some HUD financing requires 40+ years.	
<b>HOW IS AFFORDABILITY MAINTAINED?</b>	
Affordability is maintained through deed restrictions.	
<b>HOW MUCH IS SPENT PER UNIT OF AFFORDABLE HOUSING? DOES THIS VARY DEPENDING ON THE DEVELOPMENT? IF SO, WHAT DETERMINES HOW MUCH EACH UNIT IS ALLOCATED?</b>	
It varies depending on the development; supportive-housing developments generally receive the highest per unit cost due to limited availability of other development funding sources.	
<b>WHAT ARE TYPICAL DEAL STRUCTURES FOR DEVELOPMENTS WITH HOUSING TRUST FUND DOLLARS IN THEM? WHAT PERCENTAGE OF THE TOTAL IS THE MOST TYPICAL DEAL STRUCTURE?</b>	
Generally, Housing Trust Fund dollars are provided as gap financing. The City will typically fund up to a maximum of 50% of eligible unit per square foot cost. The City will adjust the loan amount on exception, depending on the City's priorities and needs.	



**IS FUNDING ALLOCATED FOR DOWN PAYMENT ASSISTANCE? IF YES, HOW MUCH IS SPENT PER BUYER?**

No, the Housing Trust Fund is only used for capital costs.

**WHICH DEVELOPMENTS HAVE WORKED WELL FOR THE HOUSING TRUST FUND? WHICH HAVE NOT WORKED WELL?**

Tax Credit developments work best for Housing Trust Fund dollars, due to the highest leverage ratio and the number of units with minimum of 20% targeting 30% Area Median Income (AMI).

**DOES THE HOUSING TRUST FUND ACQUIRE LAND FOR FUTURE AFFORDABLE HOUSING?**

Yes, the Housing Trust Fund can be used for land acquisition.

**IS THERE A GOAL FOR HOW MANY UNITS OF AFFORDABLE HOUSING THE TRUST FUND WOULD LIKE TO PRODUCE? HOW MANY UNITS OF AFFORDABLE HOUSING HAVE BEEN PRODUCED TO DATE?**

The initial goal was to produce over 5,000 units in a five-year period. The goal has been achieved, to date there are over 10,000 units and shelter beds. The City has not established a new goal.

**HOW IS THE TRUST FUND PERFORMING AND HOW HAVE YOU ADJUSTED STRATEGIES IN THIS RECESSION?**

Performance has been steady and we continue to attract additional affordable housing development throughout the City. The amount of funding per eligible unit has been increased to respond to changing dynamics on the State and National levels and to help developers remain competitive.

**Does THE Housing TRUST FUND have an oversight board or an advisory committee?**

When the Housing Trust Fund was implemented in 2001, there was a seven-member advisory board appointed by City Council, in 2010 the advisory board was expanded into a broader sixteen (16) member community housing advisory board to focus on ending and preventing homelessness. Currently the Housing Advisory Board is under The Mecklenburg Continuum of Care program.

Initial Housing Trust Fund Advisory Board Representation:

1. Development/Construction (1)
2. Banking/Finance (2)
3. Neighborhood Representative (2)
4. Legal (1)
5. Real Estate (1)

Housing Advisory Board Representation to focus on Ten Year Plan to end and Prevent Homelessness:

- |                                   |  |
|-----------------------------------|--|
| 1. Affordable Housing             | 10. Homeless or formerly homeless individual |
| 2. Community                      | 11. Hospital                                 |
| 3. Corporate/Economic Development | 12. School District                          |
| 4. Donor Philanthropic            | 13. Veterans organization                    |
| 5. Education                      | 14. Non-Profit                               |
| 6. Faith Based                    | 15. Public Safety                            |
| 7. Financial                      | 16. Real Estate                              |
| 8. Human Services                 |  |
| 9. Legal                          |  |

Ex-Officio

- 1.City
- 2.County
- 3.Housing Authority

**Since 2019, The City of Charlotte ("City") and the Local Initiatives Support Corporation ("LISC") are providing funds for affordable housing development through the City's Housing Trust Fund ("HTF") and the Local Initiatives Support Corporation's (LISC) Charlotte Housing Opportunity Investment Fund ("CHOIF"), to provide equity and loan funds for newly constructed or rehabilitated multi-family housing through a request for proposal process (RFP).**