



HOUSING TRUST FUND 20 YEAR ANNIVERSARY





The Housing Trust Fund has been a cornerstone in the effort to preserve and create affordable housing options in Charlotte. The first developments were funded in 2002, and we are proud of its 20-year history. As of Dec. 31, 2021, the Housing Trust Fund has provided more than \$218.8 million in gap financing for 10,869 new and rehabilitated affordable housing units and 888 shelter beds.

The Housing Trust Fund has been able to accomplish this through collaborations with nonprofits, private companies and investors, and other government agencies. We know how important and necessary this work is, and we cannot do this alone. We are honored to have worked with so many dedicated and talented professionals who work diligently to preserve and create affordable housing in Charlotte.

We are aware of the struggles that so many Charlotteans have faced, especially over the last two years and with the challenges that the pandemic has brought. This has made it even more difficult for people to find housing that is affordable. While we take a moment to highlight the work we have accomplished over the last 20 years, we are also looking to the future: the future we are building, a future for the residents of Charlotte, and how we can make it better and more equitable for all.

We are still in the beginning phase of implementing the Mayor's Racial Equity Initiative, which we expect will be the new American standard for achieving social justice, economic opportunity, and upward mobility through transformational public-private partnerships.

I have seen firsthand how a community can step up and work together: how the public, private, and nonprofit sectors can collaborate for the residents of Charlotte. As part of this process at the city, we are constantly evaluating how we can improve. This year, the Great Neighborhoods Committee will analyze the Housing Trust Fund, including reviewing the strengths of the program over its 20-year history, identifying areas for improvement, and discussing how things may be done differently as Charlotte changes and grows.

The Housing Trust Fund has allowed us to build and preserve thousands of affordable units over the last 20 years. We will continue to work with all of our partners in the public, private, and nonprofit sectors to ensure that Charlotte residents will continue to have safe, quality, affordable places for the next 20 years and beyond.

Vi Lyles

Vi Lyles

Mayor, City of Charlotte



OVERVIEW OF THE HOUSING TRUST FUND

HTF 20 YEAR SUMMARY

10,869

new and
rehabilitated
affordable
housing units.

+

888

shelter beds
for those
experiencing
homelessness.

OF THAT TOTAL...

3,690

units for
households
earning under
\$25,250/yr
for a family
of 4.

The City's primary tool for creating and preserving affordable housing is the Housing Trust Fund (HTF).

The HTF provides gap financing to developers to cover the cost of building affordable developments. This gap financing helps build, restore, and repair affordable housing to ensure that Charlotteans have safe, quality, affordable places to live.

Charlotte City Council established the HTF in 2001 to provide financing for affordable housing. As of Dec. 31, 2021, the HTF has financed 10,869 new and rehabilitated affordable housing units and 888 shelter beds. Of that total, 3,690 units were for households earning less than 30% of the area median income, or under \$25,250 per year for a family of four.

This fund is capitalized every two years by voter-approved general obligation bonds. Since November 2018, Charlotte voters have approved \$100 million in housing bonds. Since that time, \$87,584,600 has been allocated toward affordable housing, and 4,764 units have been financed.

WHAT DOES “AFFORDABLE HOUSING” REALLY MEAN?

Affordable housing investments make Charlotte more affordable for pre-school teachers, health care aides, police officers, firefighters, workers in hospitality, retail and emergency services, and so many others. These investments also help to support our neighbors experiencing homelessness.

AREA MEDIAN INCOME

When the city invests in the development or preservation of affordable housing units, it is required that the rent or sales price of the unit will be affordable for households earning a specific level of income, which is based on Area Median Income (AMI).

The AMI is the midpoint of a region’s income distribution—half of the families in the region earn more than the median and half earn less than the median. The U.S. Department of Housing and Urban Development (HUD) defines and calculates different levels of AMI for geographies across the country by household size.

The AMI for a family of four in Charlotte is currently \$84,200.

% of Income	Family of 1	Family of 2	Family of 3	Family of 4	Family of 5	Family of 6
20%	\$11,800	\$13,500	\$15,200	\$16,850	\$18,200	\$19,550
30%	\$17,700	\$20,200	\$22,750	\$25,250	\$27,300	\$29,300
40%	\$23,600	\$26,950	\$30,350	\$33,700	\$36,400	\$39,100
50%	\$29,500	\$33,700	\$37,900	\$42,100	\$45,500	\$48,850
60%	\$35,400	\$40,440	\$45,480	\$50,520	\$54,600	\$58,620
70%	\$41,300	\$47,200	\$53,050	\$58,950	\$63,700	\$68,400
80%	\$47,150	\$53,900	\$60,650	\$67,350	\$72,750	\$78,150
90%	\$53,100	\$60,650	\$68,200	\$75,800	\$81,900	\$87,950
100%	\$59,000	\$67,400	\$75,800	\$84,200	\$91,000	\$97,700

*2021 Adjusted Home Income Limits. Full table can be found at: charlottenc.gov/hns/housing.

THE HOUSING CONTINUUM

The City of Charlotte provides a continuum of programs and services to meet the unique needs of extremely-low and low-to-moderate income individuals and families, from homelessness support to homeownership.



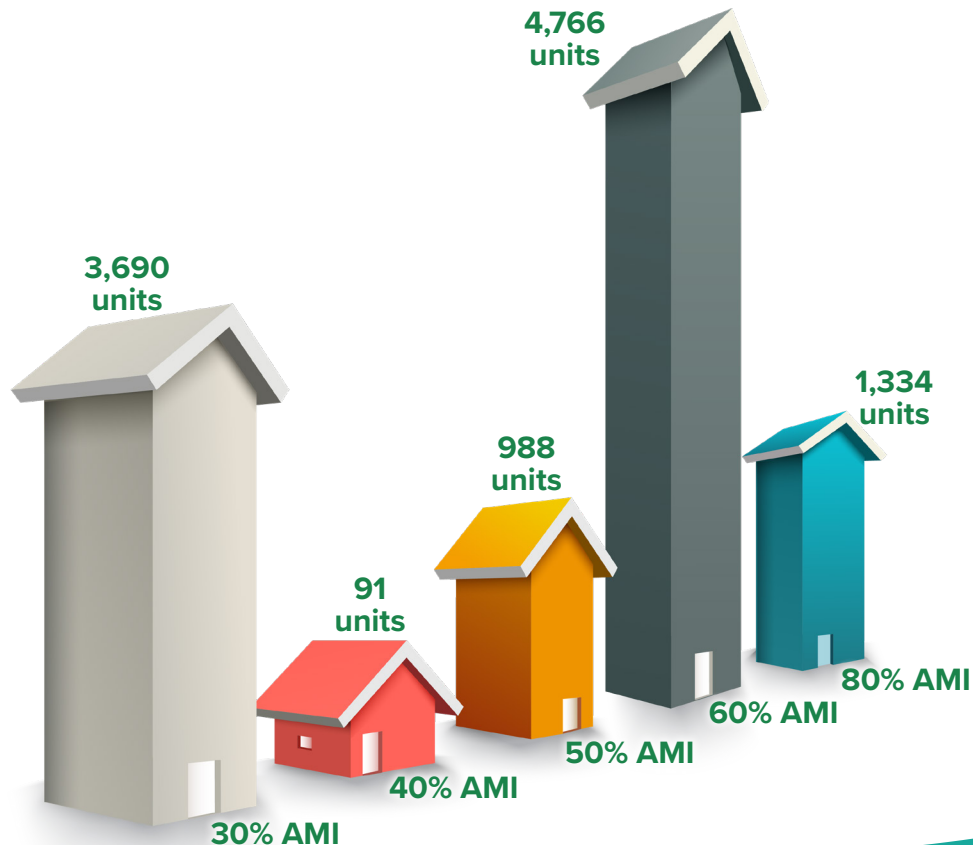
HOUSING TRUST FUND ACCOMPLISHMENTS

10,869

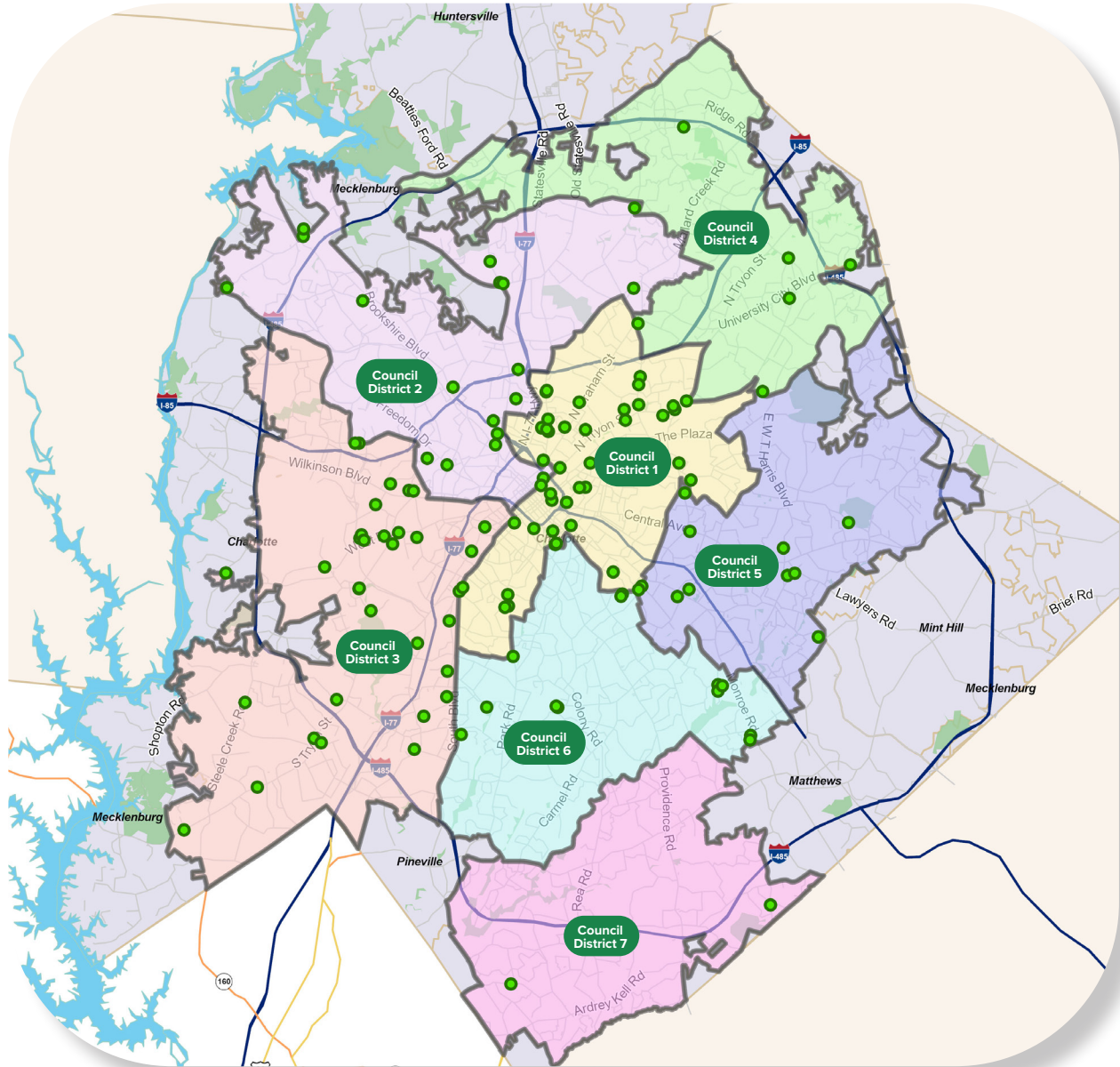
new and rehabilitated affordable
housing units.

888

shelter beds for those experiencing
homelessness.



HOUSING TRUST FUND DEVELOPMENTS TO DATE



● = HTF Developments

HISTORY OF THE HOUSING TRUST FUND

2002

The Housing Trust Fund is initially funded with \$10 million from voter-approved bonds. Projects focus on single-family homes and homeownership, as well as housing for people with special needs.

2003

Voters approve \$20 million. The focus of the fund becomes multi-family new construction and rehabilitation in addition to homeownership in revitalization neighborhoods. Special needs populations like the elderly, disabled, and homeless become a priority.

2004

Voters approve \$15 million.

2006

Voters approve \$10 million, and new guidelines outline long-term affordability. New minimum affordability requirements are established.

2008

Voters approve \$10 million.

2010

Voters approve \$15 million.

2012

Focus shifts to special needs housing. In the aftermath of the 2008 housing crash, the HTF shifts to neighborhood stabilization, and housing for the chronically homeless.

HISTORY OF THE HOUSING TRUST FUND

2014, 2016

Voters approve \$15 million.

The Housing Charlotte Framework is developed. This framework set the strategy moving forward for affordable housing, focusing on expanding supply, preserving existing housing, and supporting family self-sufficiency.

2018

Voters approve \$50 million in bonds, and the private sector is challenged to raise a similar amount. The increased HTF funding results in unlocking housing bond funding provided through the NC Housing Finance Agency. This allowed the city to more effectively leverage this state financing resource.

The Housing Charlotte Framework also establishes a minimum of 20% of units in each HTF development must be for those at 30% AMI and below. This requirement incentivizes developers to provide housing for those who are in the most need.

The private sector raises \$53 million for the Charlotte Housing Opportunity Investment Fund (CHOIF) to match the public sector commitment. The CHOIF is managed by Local Support Initiatives Corporation (LISC), and works in tandem with the HTF. This partnership allows public dollars to be stretched even further.

2019

New locational guidelines are approved to help spread affordable housing throughout the city, avoiding clusters of poverty in certain areas of the city. Site scores are determined using the four criteria of proximity, access, neighborhood change, and diversity. Beyond the site score, cost and availability are also major factors. These guidelines can now be used by council to help evaluate otherwise similar projects.

New guidelines for affordability periods are rolled out. The Guidelines for Evaluation and Disposition of City Owned Land for Affordable Housing establish a goal of 20-30 years, with preference for longer terms. Naturally Occurring Affordable Housing (NOAH) guidelines establish a goal of a minimum of 15-years, with preference for longer terms.

HISTORY OF THE HOUSING TRUST FUND

2020

Voters approve another \$50 million. Developers are now required to convene a minimum of two community meetings. Required notices must be sent to property owners within 300 feet, all neighborhood organizations within one mile, affordable housing stakeholders, and Council members. Community meetings must be held at specific times to allow greatest community participation.

Charlotte aligns HTF application deadlines with state timelines to maximize combined city and state funding for projects. The HTF refocuses some of its efforts on homeownership.

Housing funds are used to cover capital costs for new construction and rehab/preservation of for-rent multi-family and for-sale single-family developments, including special needs and shelter support. Increasing affordability periods has been a priority. Over the last two years, affordability periods have averaged 30-years for rental developments. Annual rent increases are capped at 2%.

Leverage Ratios

2021

Since its inception, every dollar from the HTF has resulted in \$6.32 of leveraged dollars for affordable housing. To date, \$1.6 billion has been leveraged for affordable housing since the inception of fund. From fiscal year 2019 to the present, the city has leveraged \$875 million, for a leverage ratio of 9.36. The improved ratio is due in part to the introduction of the CHOIF, as well as the increase in voter approved housing bonds.

Because of this leverage, rental properties built with only HTF funds are capped at \$32,000 per unit. If CHOIF and city-owned land subsidies are used in combination, only \$22,000 of HTF funds may be used per unit. These numbers may increase in 2022 to account for the rising construction costs.

WHAT HAVE WE LEARNED?

Importance of Affordable Housing Strategy

The City of Charlotte has developed a robust policy framework for creating affordable housing opportunities. The Housing Charlotte Framework, created in 2018, is central to this policy. It highlights three core considerations: expanding the supply of affordable housing, preserving of existing affordable housing, and improving family self-sufficiency.

The Housing Trust Fund is just one of the many tools the city uses to implement this strategy and is at the heart of preservation and new construction of affordable housing.

Since the creation of the framework, City Council has also developed affordable housing location guidelines, city-owned land guidelines, and guidelines for the preservation of naturally occurring affordable housing (NOAH). The Housing Charlotte Framework and these new guidelines help to set the strategy for the future and growth of affordable housing in Charlotte.



WHAT HAVE WE LEARNED?



The Importance of Partnerships

Tackling affordable housing cannot be done by just one group or entity – it takes support from the public, private, and nonprofit sectors working together so that Charlotteans can have safe, quality, affordable places to live. To maximize the Housing Trust Fund's impact, the city partners with public, private, and nonprofit organizations and developers to support affordable housing development and preservation in Charlotte. The following are some examples of these types of partnerships.

Charlotte Housing Opportunity Investment Fund

In 2018 and 2019, the private sector raised \$53 million for the Charlotte Housing Opportunity Investment Fund (CHOIF) to match the public sector commitment. The CHOIF is managed by Local Support Initiatives Corporation (LISC), and works in tandem with the Housing Trust Fund. This partnership allows public dollars to be stretched even further.

The first round of CHOIF funding has been fully invested as of Summer 2021, and a second round of fundraising is currently underway.

EXAMPLES OF PARTNERSHIPS

Ascent Realty and NOAH Properties

Ascent Realty is an investment company that is focused on the impact that their investments make on the community of Charlotte. Because many investors are buying up homes and raising prices for renters, Ascent has decided to take a lower return on investment to stabilize neighborhoods. The company buys naturally occurring affordable housing (NOAH) properties and keeps rents affordable, holding the properties as long-term investments with conservative returns. Ascent can afford to do this because they utilize City funds to help finance these investments.

This type of support triggers a chain reaction of various partners working together to serve the same residents. For example, Ascent Realty also works with Atrium Health to provide supportive services on-site at some of their properties so residents can receive a full spectrum of housing wraparound services they may need.

The Lake Mist apartments is a prime example of NOAH preservation. With support from the city, CHOIF, and the privately-financed Housing Impact Fund, Ascent realty purchased this existing 144-unit property off Archdale Drive and Old Pineville Road at the end of 2020. The development will be remodeled and remain affordable for the next 20 years for families at 30%, 50%, 60% and 80% AMI levels, and no residents will be displaced.



EXAMPLES OF PARTNERSHIPS

\$15M; 112 Units

Affordable development reserved for seniors & families at 50% and 60% below AMI.



Laurel Street

Laurel Street is a boutique private development company that plans and develops high quality, mixed-income communities throughout the East Coast for working families and seniors that are affordable to households of a variety of incomes. They work on developments of all sizes, including both new construction and rehabilitation projects, and are headquartered here in Charlotte. Since 2015, Laurel Street has worked with the Housing Trust Fund to create 14 affordable housing developments, with 1,202 units.

Laurel Street partnered with St. Paul Baptist Church to create the Centra Square community, a \$15 million affordable housing development with 112 units that opened in 2018. The HTF provided \$4,350,000 toward this development. These homes have been reserved for seniors and families at 50 and 60 percent of the Area Medium Income and below. Centra Square helps to manage the impact of gentrification on the Belmont community while respecting the density and character of the neighborhood. Its proximity to the Parkwood Station on the Blue Line Extension makes transportation that much more accessible.

For Reverend Dr. Robert Charles Scott, the Senior Pastor at Saint Paul Baptist Church, this project is an example of his church's "ministry in action."

EXAMPLES OF PARTNERSHIPS

DreamKey Partners

DreamKey Partners (formerly the Charlotte-Mecklenburg Housing Partnership) is a private, nonprofit real estate development and finance corporation that works to provide residents with safe, affordable homes. Since 2002, DreamKey Partners has worked with the city to build 20 developments throughout Charlotte, including 1,248 affordable units and two land acquisitions.

Faith-Based Communities

Several churches and other faith-based communities have connected with the Housing Trust Fund to build affordable housing for those in need.

Mother Teresa Villa

The Catholic Diocese of Charlotte built and operates a 13-unit apartment complex in the Steele Creek community on South Tryon in Charlotte. These apartments, named in honor of Blessed Mother Teresa of Calcutta, are available for adults with intellectual and/or developmental disabilities who are able to live independently with coaching and monitoring supports. The management and support services for these residents are supplied by the InReach agency, a local, experienced provider of community support services for citizens with developmental disabilities.



EXAMPLES OF PARTNERSHIPS



Guardian Angel Villa

The Catholic Diocese of Charlotte built a 102,000-square-foot, 81-unit apartment building located in Charlotte that is designed for low-income seniors aged 55+. It features 27 one-bedroom apartments and 54 two-bedroom apartments. Guardian Angel Villa has a chapel, outdoor spaces, rocking chairs, and other community gathering spaces inside and outside.



The Park Seniors

This community represents the first phase of a larger master-planned development on The Park Church's 51-acre campus. The property is targeting seniors aged 55+, with incomes below 80% of the area median income. It will comprise of 80 apartments, both one and two bedroom units, with rents between \$400 and \$1,200. Each unit will feature walk-in closets, ceiling fans and fully equipped kitchens. Community amenities are planned to include outdoor green space, garden plots, a fitness center, individual storage units and a multi-purpose community room.

WHAT HAVE WE LEARNED?

Internal Partnerships

Within the City of Charlotte, Housing & Neighborhood Services works across departments to maximize opportunities for creating, preserving, and building affordable housing.

Planning, Design and Development assists with the creation of affordable housing through the rezoning process, expediting affordable housing plan reviews, the transit-oriented development density bonus program, and other opportunities.

The Charlotte Area Transit System works closely with Housing & Neighborhood Services to ensure that the city reviews and analyzes opportunities for affordable housing within transit corridors, especially those that are in the planning process, such as the Silver Line.

Economic Development helps negotiate affordable housing through the tax increment grant (TIG) program. TIGs are reimbursed ad valorem property taxes awarded to projects that advance economic growth and the city's land use goals. They may also provide gap funding for developments that achieve city goals and objectives, such as affordable and workforce housing, and job creation, but would not be financially feasible without assistance from the city.

These partnerships and programs have been invaluable in creating more affordable housing for our city.



AFFORDABLE HOUSING INNOVATIONS

CITY-OWNED LAND

Providing city-owned land for affordable housing was designated as a best practice by the Charlotte Housing Framework. Charlotte owns parcels of land throughout the city that have been purchased for municipal and other purposes. Several parcels have been identified as potential locations for affordable housing developments.

Leveraging city-owned land decreases the amount of Housing Trust Fund dollars that are needed by developers, which enables the Housing Trust Fund dollars to go further. Additionally, the city can leverage long-term ground leases instead of selling or donating the land.

City Council approved the Guidelines for Evaluation and Disposition of City-Owned Land for the development of affordable housing in 2019.

PROJECT-BASED VOUCHERS

Through a partnership with the City of Charlotte, INLIVAN, and LISC, up to 75 project-based vouchers are available for HTF developments built within high opportunity areas. This provides low-income residents who need affordable housing access to amenities and opportunities that help lead to economic mobility. Typically, households with these rental subsidies face challenges finding available rental units, particularly in areas of high opportunity. This partnership ensures that up to 75 vouchers (subject to availability) remain with these developments and therefore, with access to higher opportunities.

HOMELESSNESS SUPPORT

Those who are at 30% AMI or below are considered those most in need of affordable housing, often struggle to stay in stable housing, and are at highest risk of becoming homeless. Providing housing for this AMI level is very expensive and complex for developers, but it is crucial for those most in need. Developments that received HTF support are required to set aside 20% of the units for those living at 30% AMI or below.

Prior to the first \$50 million bond approved by voters in November 2018, the HTF averaged 156 units/year for 30% AMI and below. Since the bonds passed in 2018, the HTF supports an average 324 units/year for 30% AMI and below. The average per year at 30% AMI since the increase in housing bonds in 2018 is more than double the average per year prior to 2018.

Recent Housing Trust Fund developments to help prevent and reduce homelessness include providing support for shelter beds and expansion. For example, the city provided \$800,000 for the Roof Above shelter expansion on Statesville Ave in 2020, providing support for 194 shelter beds. Moore Place, a permanent supportive housing development, received its first round of funding from the HTF in 2010 to support 85 units. The work was completed in 2012. A second round of funding was provided for an expansion, providing an additional 35 units, which was approved in 2013 and completed in 2016.

LOOKING TO THE FUTURE

The need for affordable housing is constant and will only continue to grow as Charlotte grows. The Housing Trust Fund has enabled more than 10,800 affordable housing units to be built, and many successful partnerships have developed over its 20-year history. The city has and will continue to adapt and implement creative, innovative ways to address affordable housing in our community. As Charlotte continues to change, shift, and grow, the city's approach to the Housing Trust Fund must also evolve.

Over the last two decades, a few vital lessons have been threaded throughout our work. First, understanding community needs for housing is critical, and our strategy must be designed around those needs. Community feedback has helped shape an overall framework as well as policy guidelines that drive decisions and outcomes. As Charlotte continues to grow, we know that we need to continue to connect with residents and get on the ground early to preposition ourselves and mitigate future displacement. This is especially important as we move forward with Charlotte's 2040 Comprehensive Plan, and in ensuring that affordable housing is a key consideration of future transit-oriented development.

Second, partnerships are key. No single organization or entity can tackle affordable housing, and collaboration across public, private, and nonprofit sectors is necessary to ensure that we can provide housing opportunities for residents across all income levels. Currently, we are working to leverage city-owned land to provide more opportunities for affordable housing. We have also worked with many others, particularly those in the faith community, to do the same; and we hope that our community will continue to capitalize on these types of land deals to provide housing options for all Charlotteans.

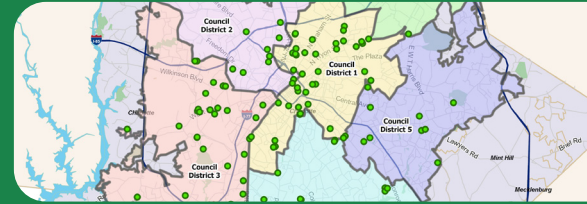
Finally, flexibility is crucial. Charlotte has grown and thrived in ways we never could have anticipated, and it will continue to do so over the next 20 years and beyond. As Charlotte's booming real estate market continues to thrive, providing access to homeownership will continue to be an important and growing part of the affordable housing strategy moving forward. This is just one of many ways in which we have and will continue to adapt to our growing city's needs.

We may not know what is in store for the next two decades, but we do know that we must continue to be flexible, and our affordable housing strategy must adapt to meet the needs of our ever-changing environment.

LOOKING TO THE FUTURE

Land Acquisition

Charlotte continues to grow, and the costs of land continues to increase. Looking ahead, the city is exploring land acquisition opportunities, particularly in the Corridors of Opportunity, to ensure that land is available for affordable housing in the future.



Transit-Oriented Development (TOD)

Charlotte created its first Transit Oriented Development (TOD) Districts in 2019 to encourage the development of moderate to high-intensity, compact, mixed-use urban neighborhoods near transit stations where people can live, work, and play while enjoying a range of mobility choices. As Charlotte plans and expands its transit system, the city is paying close attention and creating programs to promote affordable housing opportunities within these TOD districts.

Homeownership

As Charlotte's booming real estate market continues to thrive, providing access to homeownership will continue to be an important and growing part of the affordable housing strategy moving forward.



Voluntary Affordable Housing

As Charlotte grows into the future, market rate developers are and will continue to build much of the city's housing stock. The Housing & Neighborhood Services and Planning, Design and Development departments have been and will continue to work with these market rate developers on voluntarily committing certain percentages of their developments for affordable housing into the future.

THANK YOU!

Thank you to all of the developers and organizations who have built the 10,869 units and 888 shelter beds in the Housing Trust Fund's 20-year history.

Arc of North Carolina
Ascent Housing
Blue Ridge Atlantic Development
Bank of America
Boulevard Centro
Caldwell Memorial Presbyterian Church
Catholic Diocese
Charlotte Rescue Mission
Commonwealth Development Corporation of America
Connelly Development
Creative Development
Crosland Southeast
DreamKey Partners (formerly Charlotte Mecklenburg Housing Partnership)
Eastway Harmony Housing
Emergency Winter Shelter Inc
First Centrum LLC
Foundation for Affordable Housing
Greenway Residential
Habitat for Humanity
Heritage Park Housing Partners
Hope Haven
INLIVIAN (formerly Charlotte Housing Authority)
Laurel Street
Mills Construction
Mosaic Development Group
Polaris Group
Rea Ventures Group
Roof Above (The Men's Shelter)

THANK YOU!

Salvation Army
Scaleybark Partners
SCG Development Partners
St. Peter's Home
Steele Creek LLC
TCG
The Affordable Housing Group (Currently Mosaic Development Group)
The Housing Partnership
The NRP Group
The Paces Foundation
The Woda Group
United Family Services
Urban Ministry
Urban Trends
Wesley Community Development Corporation
Windsor Park NOAH, LLC
WJR NC Partners
YWCA



