Affordable Housing Subcommittee

Presented by

Amanda Stratton
Brad Watt
Heather Parkinson
Matthew Cable
Curt Euler
Agenda

✓ Call to Order & Welcome
✓ Approval of Minutes
✓ New Business
  • FY 2021 AHSP Contract Status & Extensions
  • Peer Comparisons
  • Land Use Incentive Program Grant Review
✓ Next Steps
✓ Announcements
✓ Public Comment
✓ Adjourn
Public Comment

Public Comment will be taken at the end of the meeting

Please refer to the agenda for information regarding submitting comments.
## FY 2021 AHSP Contract Status & Extension

<table>
<thead>
<tr>
<th>FY 2021 AHSP Projects</th>
<th>Anticipated Impact (Units/HH)</th>
<th>Actual Expenditures to Date</th>
<th>Impact to Date (Units/HH)</th>
<th>Balance of Obligation</th>
<th>Percent Open</th>
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</thead>
<tbody>
<tr>
<td>Jasper Homestead LLC Multifamily Development*</td>
<td>84</td>
<td>$961,628</td>
<td>0</td>
<td>$106,848</td>
<td>10%</td>
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<tr>
<td>Eblen Charities Tenant Based Rental Assistance</td>
<td>104</td>
<td>$109,673</td>
<td>143</td>
<td>$46,327</td>
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<td>Eliada Homes Tenant Based Rental Assistance</td>
<td>7</td>
<td>$0</td>
<td>7</td>
<td>$10,050</td>
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<td>Habitat for Humanity Emergency Repair</td>
<td>52</td>
<td>$77,579</td>
<td>20</td>
<td>$210,870</td>
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<td>Mountain Housing Opportunities Emergency Repair</td>
<td>40</td>
<td>$117,398</td>
<td>21</td>
<td>$182,602</td>
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<td>Eliada New Start Homeless Services Building Design</td>
<td>42</td>
<td>$0</td>
<td>0</td>
<td>$25,000</td>
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<td>CIMA PODER New Start Home Repair</td>
<td>20</td>
<td>$5,127</td>
<td>0</td>
<td>$19,873</td>
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<tr>
<td>On Track Education Program</td>
<td>592</td>
<td>$21,273</td>
<td>390</td>
<td>$3,727</td>
<td>0%</td>
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<td><strong>Total</strong></td>
<td><strong>941</strong></td>
<td><strong>$1,292,678</strong></td>
<td><strong>581</strong></td>
<td><strong>$605,297</strong></td>
<td><strong>32%</strong></td>
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</table>
Peer Comparison Agenda

• Affordable Housing Case Studies
  • System Structure
  • Program list
  • Funding
  • Goals

• City of Asheville Land Use Incentive Grants
Orange County

Population: 148,476
Square Miles: 97
Median Household Income: $71,723
Median Value of Owner-occupied Housing: $308,800
Orange County System Structure

• County and municipalities all signed on to common Affordable Housing Strategic Plan in 2016, running through 2020; cities and county contribute general fund dollars and other funds

• HOME consortium includes County and all municipalities; County is the lead entity

• Strong partnership with Community Home Trust and the Housing Authority
  • Community Home trust manages 320 homes for 80-115% AMI, in perpetuity ($200,000/year from Orange County)
  • Community Home Trust’s properties are acquired through the Town of Chapel Hill’s inclusionary zoning.
  • Housing Authority Board appointed by the County; County manages voucher program

• 25 FTE’s (15.5 FTE’s- Homelessness/Vouchers)

  Divisions
  • Housing Voucher Program
  • Community Development
  • Homelessness
Orange County Programs

• New Construction
  ✓ Direct Funding- $5M bond

• Regulatory Reform
  ✓ Impact fee reimbursements – (Buncombe County does not have impact fees)

• Preservation
  ✓ Emergency Housing Assistance – funds for rent, mortgage and utility payments, security deposits, application fees and other emergency housing-related expenses
  ✓ Orange County Home Preservation Coalition (OCHPC) – clearing house for home repair, focused on aging population
  ✓ Urgent Repair Program (URP) – NCHFA program and local county funds
  ✓ Single Family Rehabilitation (SFR) - NCHFA program and local county funds
Orange County & Municipal Funding

- County - $7M annual operating
- Chapel Hill dedicates 1 cent on the tax rate
- Carrboro dedicates 1.5 cents on the tax rate
- Chapel Hill Affordable Housing Bond - $10M
- Orange County Affordable Housing Bond - $5M
Orange County Goals

Overarching, shared countywide goal of 1,000 affordable housing units over the next 5 years

- 500 should be new rental units
- 250 should be rental units serving extremely low and very low income households (30% – 50% of AMI)
- 250 should serve special needs populations including the homeless, persons with physical and or mental disabilities and seniors
Orange County Goals- Sample Actions

• Negotiate an agreement for the Housing Authority to maintain an affordable housing inventory

• County conducted conditions survey of mobile home parks and partner on repairs and preservation

• Create a coordinated community-wide service model for intake of homeless individuals and a displacement plan for larger housing displacements

• Work with Housing Authority to create a path to homeownership/successful rental program

• Expand the County’s Urgent Repair Program to serve 50 to 60 senior residents and or persons with disabilities, thereby substantially reducing or practically eliminating a long waiting list to serve this population for urgent housing repair needs. This would require an additional $150,000 to $200,000 to the current fiscal year funding level of $75,000 allocated to complete approximately 25 owner-occupied housing units of senior households and or households with persons with a disability.

• Single Family Rehab - Few homes can be completed based on the state requirement of only $45K to bring each home up to code. Additional funds of $200,000 - $250,000 will allow the County to complete approximately 10 homes instead of three (3) homes and fully and more effectively leverage state funding.

• Educate the public about the Fair Housing Act, local services and regulations
Durham County

Population: 321,488
Square Miles: 286
Median Household Income: $60,958
Median Value of Owner-occupied Housing: $223,000
Durham County System Structure

- Joint City/County Planning Department – managed by the City
- County provides funding annually
- Coordination with Housing Authority – (manages over 2,500 Housing Choice vouchers)
- 32 FTE’s (5 FTE’s – Homelessness)

**Divisions**
- Multi-family rental
- Homelessness
- Neighborhood Stabilization
- Compliance and Contracts
- Finance and Planning
Durham County Programs

New Construction:
- Development on school system property
- Development on county-owned property
- Down payment assistance

Regulatory Reform:
- Expanding Housing Choices - UDO reform to support missing middle
- Density Bonus
- Transit Oriented Development
- Eviction Diversion in partnership with Legal Aid

Preservation:
- Repair programs (increasing funding)
- Tax assistance grants (in discussion)
- Long-term plan for redeveloping Housing Authority sites
Durham County Funding

- $16.8M annual operating fund ($7M in grant funds)
- Revolving fund for apartments built using HUD funds that are coming out of period of affordability ($20M)
- City bond ($95M) combined with other local, federal, state, philanthropic funds to total $160M
  - Increased property tax by 1.6 cents to repay bond
Durham County Goals/Outcomes

• 5 year goal for $160M (shared by City/County/HA)
  • Build 1,600 new affordable housing units and preserve 800 affordable rental units.
  • Move 1,700 homeless individuals and households into permanent housing.
  • Provide 400 affordable homeownership opportunities for first-time homebuyers.
  • Help 3,000 low-income renters and homeowners remain in or improve their homes.
Wake County

Population: 1,111,761
Square Miles: 835
Median Household Income: $80,591
Median Value of Owner-occupied Housing: $281,700
Wake County System Structure

• Coordinated efforts and aligned resources with City of Raleigh, Town of Cary, and 2 Housing Authorities

• Four divisions
  1. Operations
  2. Community Development
  3. Permanent Housing and Supportive Services
  4. Homelessness Prevention

• 85 FTE’s (Homelessness (Housing and Prevention)– 71 FTE’s)
Wake County Programs

**New Construction**
- Affordable Housing Development Program
- Affordable Home Ownership Program

**Regulatory Reform**
- Land Disposition

**Preservation**
- Rental Assistance Housing Program
- Elderly & Disabled Housing Rehabilitation Program
- Emergency Rehabilitation Program
- Neighborhood Revitalization, Public Facilities, and Public Improvements
- Acquisition/Preservation Fund
Wake County Funding

- $21M annual operating budget
- Wake County contributes to housing and homeless service programs through the use of local property taxes.
- Federal funds are used with County dollars to support housing development, supportive services, emergency shelter, prevention, second mortgages, land acquisition, and tenant based rental assistance.
Wake County Goals/Outcomes

• Increase and preserve affordable housing
• Annual Plan Goals – (# of households impacted)
  • Rental Assistance - 215
  • Production of New Units - 50
  • Rehab of Existing Units - 37
  • Acquisition of Existing Units - 5
Wake County Goals- Sample Actions

• Create a land acquisition fund for future affordable housing
• Landlord partnership program with HA to increase acceptance of vouchers
• Affordable Housing warning system to prevent conversion of affordable units to market rate units
• Redevelopment of public housing sites
• Extend affordability requirements to 50 years
• Public Housing redevelopment plan
New Hanover County

Population: 234,473
Square Miles: 191
Median Household Income: $54,891
Median Value of Owner-occupied Housing: $243,600
New Hanover County Org Structure

• City of Wilmington is lead agency. Wilmington has existing rehabilitation, down payment assistance, and construction loan programs.

• County has one employee for affordable housing

• Cooperation happens through the Workforce Advisory Committee
  • New Hanover and Wilmington jointly appoints members
  • City and County jointly staff committee
  • Recommendations from the Workforce Housing Advisory Committee would expand programs into the county
New Hanover County Programs - Current

Preservation:

- Gap rental assistance pilot program – *beginning Aug. 2021*
- Water and Sewer Revolving Loans – *not currently active*
# New Hanover County Programs & Funding - Proposed

- Considering $50M bond on November 2022 ballot

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>AMOUNT</th>
<th>PROJECTED BENEFICIARIES</th>
<th>AMI Range</th>
<th>Revolving</th>
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<tbody>
<tr>
<td>Affordable Housing Development</td>
<td>1,333 units</td>
<td>1,333 units</td>
<td>0% - 80% AMI</td>
<td>$</td>
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<tr>
<td>Gap Financing, Infrastructure, LIHTC, PSH</td>
<td>20 M</td>
<td>200 units</td>
<td>0% - 80% AMI</td>
<td>$</td>
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<tr>
<td>NOAH Preservation</td>
<td>25 M</td>
<td>200 units</td>
<td>0% - 80% AMI</td>
<td>$</td>
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<tr>
<td>Property Acquisition and Rehabilitation for ownership and rental</td>
<td>25 M</td>
<td>200 units</td>
<td>0% - 80% AMI</td>
<td>$</td>
</tr>
<tr>
<td>Expansion of Programs</td>
<td>3 M</td>
<td>32 units</td>
<td>60% - 120% AMI</td>
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<tr>
<td>Owner-Occupied Major Rehabilitation</td>
<td>1.5 M</td>
<td>20 units</td>
<td>0% - 80% AMI</td>
<td>$</td>
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<tr>
<td>Owner-Occupied Minor Repairs/Modifications</td>
<td>.5 M</td>
<td>50 units</td>
<td>0% - 80% AMI</td>
<td>$</td>
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<tr>
<td><strong>Total</strong></td>
<td>$50M</td>
<td>1,635 units</td>
<td></td>
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New Hanover County Goals

• No goals set
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<tr>
<th>Org Structure</th>
<th>New Construction</th>
<th>Regulatory</th>
<th>Preservation</th>
<th>Funding</th>
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</thead>
<tbody>
<tr>
<td>City/County unified effort</td>
<td>Development on county-owned property</td>
<td>Land Disposition policy</td>
<td>Emergency Housing Assistance</td>
<td>Bond</td>
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<tr>
<td>Housing Authority partnership</td>
<td>Direct Funding</td>
<td></td>
<td>Orange County Home Preservation Coalition (OCHPC)</td>
<td>Pooled funds from all municipalities</td>
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<tr>
<td>Land Trust partnership</td>
<td></td>
<td></td>
<td>Urgent Repair Program (URP)</td>
<td>Philanthropic funding</td>
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<tr>
<td>Homelessness</td>
<td></td>
<td></td>
<td>Single Family Rehabilitation (SFR)</td>
<td>Dedicate a specific amount of property tax to AH</td>
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<td></td>
<td></td>
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<td>Acquisition/Preservation Fund</td>
<td>HUD funding</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Long-term plan for redeveloping Housing Authority sites</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Neighborhood Revitalization, Public Facilities, and Public Improvements</td>
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Other North Carolina Bonds

- City of Durham ($95M)
- City of Raleigh ($80M)
- City of Charlotte ($50M)
- City of Greensboro ($25M)
- City of Asheville ($25M)
- City of Winston Salem ($11.7M)
- Town of Chapel Hill ($10M)
- Orange County ($5M)
## System Comparison

<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
<th>Budget</th>
<th>FTE’s</th>
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</thead>
<tbody>
<tr>
<td>Orange</td>
<td>148,476</td>
<td>$7M</td>
<td>17</td>
</tr>
<tr>
<td>Durham</td>
<td>321,488</td>
<td>$16.8M</td>
<td>32</td>
</tr>
<tr>
<td>Wake</td>
<td>1,111,761</td>
<td>$21M</td>
<td>85</td>
</tr>
<tr>
<td>New Hanover</td>
<td>234,473</td>
<td>$74k (staff)</td>
<td>1</td>
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<tr>
<td>Buncombe</td>
<td>261,191</td>
<td>$3.5M</td>
<td>1.5</td>
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## Goal Comparison

### Orange County 5 year goal

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
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<tbody>
<tr>
<td>New rental</td>
<td>500</td>
</tr>
<tr>
<td>Rental units (30% – 50% of AMI)</td>
<td>250</td>
</tr>
<tr>
<td>Units serving homeless, persons with physical and or mental disabilities and seniors</td>
<td>250</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,000</strong></td>
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### Durham County 5 year goal

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>New units</td>
<td>1,600</td>
</tr>
<tr>
<td>Preserved units</td>
<td>800</td>
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<tr>
<td>Units for first-time homebuyers</td>
<td>400</td>
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<tr>
<td>Rehab/remain in home</td>
<td>3,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,800</strong></td>
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<tr>
<td>Housing for homeless</td>
<td>1,700</td>
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### Buncombe County 5 year goal

<table>
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<tbody>
<tr>
<td>New units</td>
<td>629</td>
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<tr>
<td>Rehab</td>
<td>348</td>
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<tr>
<td>Rental Assistance</td>
<td>289</td>
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<td>Supportive Services</td>
<td>1005</td>
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<td><strong>TOTAL</strong></td>
<td><strong>2,271</strong></td>
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### Wake County 1 year goal

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental assistance</td>
<td>215</td>
</tr>
<tr>
<td>New units</td>
<td>50</td>
</tr>
<tr>
<td>Rehab</td>
<td>37</td>
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<tr>
<td>Acquisition of existing units</td>
<td>5</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>307</strong></td>
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</table>
Statutory Authority – Effective July 1, 2021

• N.C. Gen. Stat. § 160D-1316 - To engage in and to appropriate and expend funds for residential housing construction, new or rehabilitated, for sale or rental to persons and families of low and moderate income.
Land Use Incentive Agreement

• Land Use Incentive Agreement (LUIG) – is a new program where the City of Asheville is using economic grants to incentivize developers into building affordable housing units for their residential development projects.

• The City will pay the developer the difference between the City property tax currently assessed at the time of the LUIG application and the City property taxes after the projected has been fully developed (i.e. from the date of the release of all occupancy permits).

• The repayment period is from 1 to 20 years.

• The developer can receive a max of $80,000 per affordable housing unit over the term of the program.
Qualifications

• Development must be two or more dwelling units for rent
• At least 20% of the units must meet the affordability standards set by the City
• Affordability units must be affordable for 20 years
• Development must be at least 70% residential
• Must be located to provided access to jobs, schools and services
• Project is awarded points based on a matrix. Every 5 points is a year of incentive.
• Development must be in the City
Determinations

• City must determine the financial feasibility of the City awarding any grant amount.

• Based on a matrix the City determines the number of points the project has scored. Every 5 points equals 1 year of incentive.
  • Affordability, term of affordability, rental assistance, location to transit stop, brownfield redevelopment, energy efficiency etc.

• Matrix is only a guide – City Council ultimately determines the projects score based on factors like the developments characteristics, potential benefits, potential detriments etc.

• LUIG is not an entitlement and the City is under no obligation to award the grant and reserves the right to deny any application at the City sole discretion.
Awarding

• City Council awards the grant after a public hearing.
• Developer required to enter into a LUIG Agreement with the City.
• Developer is required to stay in compliance with the terms and conditions.
<table>
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<th>Meeting Date</th>
<th>Discussion Topic</th>
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<tr>
<td>July 13, 1pm</td>
<td><strong>Contextual Data</strong> - existing AH goals in Strategic Plan and Equity Plan; trends/draft dashboard</td>
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<tr>
<td>August 3, 1pm</td>
<td><strong>Contextual data</strong>- What are other local governments doing?</td>
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<tr>
<td>August 17, 1pm</td>
<td><strong>Contextual data – outside of NC; Policy Framework</strong></td>
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<tr>
<td>September 7, 1pm</td>
<td><strong>Policy Framework</strong></td>
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<tr>
<td>September 21, 1pm</td>
<td><strong>Goal Setting</strong></td>
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<td>October 5, 1pm</td>
<td><strong>Funding Strategies</strong></td>
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<td>October 19, 1pm</td>
<td>Program review</td>
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<td>Nov. 2, 1pm</td>
<td>Application review discussion</td>
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<tr>
<td>Nov 16, 1pm</td>
<td>Application review and budget/contract discussion</td>
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<tr>
<td>December 7, 1pm</td>
<td>Final application review</td>
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NEXT STEPS

ANNOUNCEMENTS

PUBLIC COMMENT

ADJOURN