



Feedback on County Manager Presentation on the County Role in the Affordable Housing Crisis

Mecklenburg County Board of Commissioners Intergovernmental Committee

April 30th 2019

Key Discussion Points

- Included in the County Manager Presentation
 - Rental Subsidies
 - Repurposing County Owned Land
 - Residual County-Owned Property (Edge Conditions)
- Additional Suggestions for Consideration
 - Property Tax Relief for Affordable Housing Developments & NOAH Rehabilitation
 - Partnering with the City of Charlotte

Rental Subsidies

- We strongly support the allocation of the bond issuance premiums of up to \$11 million to funding for Local Rental Subsidies
- We would strongly suggest that you consider direct expense funding for the Rental subsidies and NOT Endowment Trust Fund.
 - If we agree that we are in an Affordable Housing Crisis NOW then we should provide as much assistance as soon as possible.
 - *Direct Expense Funding* of Rental Subsidies would enable assisting approx. 1,209 Families over the next **2 years**.
 - Placing the money in an Endowment Trust Fund would take **23 years** before 1,209 Families are provided assistance

Rental Subsidy Funding Mechanism **Example:**

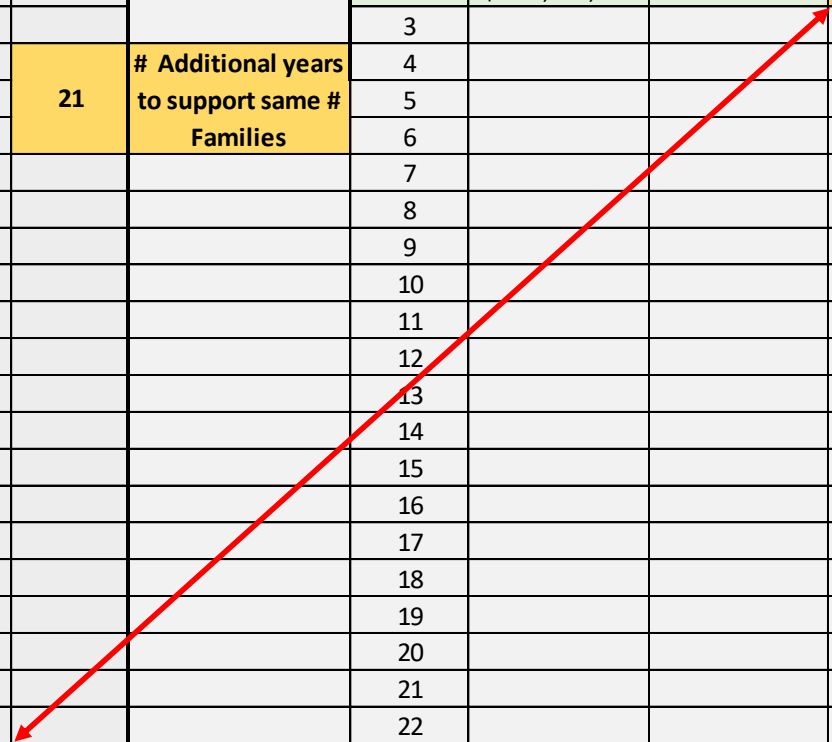
Assumptions:

- Total Contribution \$11,000,000
- Average Annual Voucher Required: \$6,420
- Avg Monthly Voucher Cost/Person \$535
- Average # Months Subsidy Received 17
- Average Total Amount of Family Subsidy \$9,095

Scenario 1 - Contribute into Endowment			
Total Endowment Balance		\$ 11,000,000	
Assume Endowment Earnings Rate		5%	
YR	\$ Spent on Vouchers	# Families Assisted	Cummulative Families Assisted
1	0	0	-
2	0	0	-
3	0	0	-
4	\$ 550,000	60	60
5	\$ 550,000	60	121
6	\$ 550,000	60	181
7	\$ 550,000	60	242
8	\$ 550,000	60	302
9	\$ 550,000	60	363
10	\$ 550,000	60	423
11	\$ 550,000	60	484
12	\$ 550,000	60	544
13	\$ 550,000	60	605
14	\$ 550,000	60	665
15	\$ 550,000	60	726
16	\$ 550,000	60	786
17	\$ 550,000	60	847
18	\$ 550,000	60	907
19	\$ 550,000	60	968
20	\$ 550,000	60	1,028
21	\$ 550,000	60	1,089
22	\$ 550,000	60	1,149
23	\$ 550,000	60	1,209

21 # Additional years to support same # Families

Scenario 2 - Direct Expense Spend over 2 years			
YR	\$ Spent on Vouchers	# Families Assisted	Cummulative # Families Assisted
1	\$ 5,500,000	605	605
2	\$ 5,500,000	605	1209
3			
4			
5			
6			
7			
8			
9			
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Repurposing County Owned Land

- We strongly support the establishment of an evaluation process to determine where there exist opportunities to repurpose existing County Owned Land for Development of Affordable Housing
 - The examples of the Billingsley Site: Tome Ray & Carlton Watkins Centers would be a great opportunity to assist the Grier Heights Neighborhood.
 - We would suggest developing a evaluation criteria and process for expanding the review of existing and future opportunities.

Residual County-Owned Property (Edge Conditions)

- We appreciate the creativity of looking for opportunities for repurposing part of an existing county property by exploring “Edge Development of Affordable Housing”.
- The first example of Firestone Park would be a great 'test case' to develop a repeatable process with underlying detail information to make decisions.
 - For example asking:
 - Is the existing park ‘underutilized’?
 - How do we determine?
 - What is the opinion of current surrounding residents?
 - What % of the current space is being repurposed?
 - What is the impact on the Neighborhood in total?
 - Do the Existing Neighborhood Demographics suggest the need for additional Affordable Housing in the Neighborhood?
 - What are the alternatives for the residents to receive the benefits (e.g. Park Access) originally envisioned?
- A defined process would help move us more to a planning community and away from 'transaction' debates/discussions.



Property Tax Relief for Affordable Housing Developments & NOAH Rehabilitation

- We strongly believe that this is an opportunity to assist in the County wide development and rehabilitation of Affordable Housing Units.
- Enabling a Development/Redevelopment to maintain the previous property valuation during the period of required affordability (deed restriction) is a very cost effective method to lower the ongoing cost of operating the units enabling a lower rent.
 - **\$1 Dollar** of lower Annual Property Tax Reduction = **\$15 in public equity funding** of the project.
 - E.g. If the property taxes for a new development were based upon old valuation with a reduction of \$200,000 / yr. that would be the equivalent of investing \$3 million in 'Gap Financing'.

Partnering with the City of Charlotte

- We strongly encourage the County Commissioners Intergovernmental Committee to begin working with the City Intergovernmental committee to explore partnership opportunities in combating the Affordable Housing Crisis.
- Suggested Areas of Partnership Include:
 - Leveraging the Existing City *Housing Charlotte Framework* to develop a true Community Wide plan (including LISC) for attacking the Affordable Housing Crisis and establishing joint goals and measurements.
 - Coordinating code enforcement for substandard housing units.
 - Integrating County Social “Wrap Around Services” to all Community Affordable Housing Efforts.
 - Potential coordination of programs providing Downpayment assistance, home repair, expedited Affordable Development process and other programs.

In Addition, we support the following County Manager proposed Items :

- Expand Funding for Eviction Assistance
- Exploring creative solutions to leveraging Tax Foreclosures for Affordable Housing
- Exploring the County providing Conduit Financing as a service to community organizations. Particularly if enhanced governance is developed to ensure ongoing compliance.