Affordable Housing Bond Status Report

March 9, 2021
• Update on bond launch preparation
• Possible participation in local affordable housing acquisition/preservation fund with Wake County
• Other updates
Affordable rental development primary use of bond funds:

- 520 units.
- Multiple projects.
- Largest single project was Washington Terrace which was also the first 4% bond project supported by the City.
Washington Terrace
Washington Terrace
# Bond Package Elements

<table>
<thead>
<tr>
<th>Bond Elements</th>
<th>Percent Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit-Oriented Site Acquisition</td>
<td>20%</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Public-Private Partnerships</td>
<td>35%</td>
<td>$28,000,000</td>
</tr>
<tr>
<td>LIHTC Gap Financing</td>
<td>30%</td>
<td>$24,000,000</td>
</tr>
<tr>
<td>Owner-Occupied Home Rehabilitation</td>
<td>7.5%</td>
<td>$6,000,000</td>
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<tr>
<td>Down Payment Assistance</td>
<td>7.5%</td>
<td>$6,000,000</td>
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</tbody>
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**Total Bond Package - $80 million**
Transit-Oriented Site Acquisition
$16 Million

$6 million annually in each of the first two years for direct acquisition of sites for tax credit development

• Interdepartmental team assessing opportunities in proximity to four BRT corridors

• Opportunities for collaboration with brokerage community being assessed
Transit-Oriented Site Acquisition
$16 Million

$2 million annually in each of first two years for acquisition and preservation of existing affordable units.

**Option 1:** Direct funding by City to affordable housing entities by way of RFP process.

**Option 2:** Participate with Wake County in a local affordable housing acquisition/preservation fund.

- Managed by fund administrator
- Potential Wake County contribution is $10 million
- Such funds exist in Durham, Charlotte and many other locations
- Local efforts being guided by HR&A advisors
Potential Advantages of Fund

• Allows for nimble responses to market opportunities
• Creates mechanism for leveraging institutional and philanthropic resources in the community
• Can be coupled with federal loan products focusing on the preservation of affordable units
Other Fund Considerations

- Will need to work closely with bond counsel to ensure fit with bond orders and parameters
- Wake County anticipates a March RFP to select fund administrator
Public-Private Partnerships
$28 Million

• **FY 22:** $3 million for Healing Transitions. (Term sheet being finalized)

• **FY 22:** $7 million for permanent supportive via pending RFP process.
  - CASA’s King’s Ridge, targeting chronically homeless and families living in hotels (100 units).
  - Partners with CASA: City of Raleigh, Wake County, Raleigh Housing Authority and Wake Housing Authority

• **Beginning in FY 22:** $2 million annually for small scale non-profit projects via pending RFP process (one-third 30% AMI targeting).
LIHTC Gap Financing
$24 Million

$4.8 million annually for each of the five years

- Strong pipeline of projects along New Bern and Southern BRT corridors
- Strong development interest and frequent communications with staff
key questions for today

• Does Council wish for staff to continue coordinating with Wake County on a local affordable housing acquisition/preservation fund?

• Affordable Housing Bond information on City’s website being updated.
  • Better communicate how bond complements local and federal funding to support affordable housing.
  • Are there other specific questions that we should try to address?
Discussion