



Affordable Housing Bond Status Report

March 9, 2021





Agenda

- Update on bond launch preparation
- Possible participation in local affordable housing acquisition/preservation fund with Wake County
- Other updates



Previous Bond 2011 - \$16 million

All funds expended

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





Washington Terrace



Bond Package Elements

Bond Elements	Percent Allocation	Amount
Transit-Oriented Site Acquisition	20%	\$16,000,000
Public-Private Partnerships	35%	\$28,000,000
LIHTC Gap Financing	30%	\$24,000,000
Owner-Occupied Home Rehabilitation	7.5%	\$6,000,000
Down Payment Assistance	7.5%	\$6,000,000

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



Summary

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

