



City of High Point

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Meeting Agenda Special Called Meeting

Cyril Jefferson, Mayor
Michael Holmes, Mayor Pro Tempore (Ward 6),
Britt W. Moore (At Large), Amanda Cook (At Large), Vickie M.
McKiver (Ward 1), Tyrone Johnson (Ward 2), Monica L. Peters
(Ward 3), Dr. Patrick Harman (Ward 4), and Tim Andrew (Ward 5)

Monday, October 21, 2024

4:00 PM

3rd Floor Conference Room

CALL TO ORDER, ROLL CALL

ADOPTION OF AGENDA

PRESENTATION OF ITEMS

[2024-410](#)

Information Regarding High Point Housing Impact Fund
Staff will provide information on affordable housing needs and current affordable housing efforts.

Attachments: [High Point Housing Fund](#)

[2024-411](#)

Closed Session-Attorney-Client Privilege
Council is requested to go into Closed Session pursuant to N.C.G.S. §143-318.11(a)(3) for Attorney-Client privilege.

ADJOURNMENT



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Master

File Number: 2024-410

File ID: 2024-410	Type: Miscellaneous Item	Status: To Be Introduced
Version: 1	Reference:	In Control: Special Called Meeting
		File Created: 10/16/2024
File Name:		Final Action:
<div><p>Title: Information Regarding High Point Housing Impact Fund Staff will provide information on affordable housing needs and current affordable housing efforts.</p></div>		
Notes:		
Sponsors:		Enactment Date:
Attachments: High Point Housing Fund		Enactment Number:
Contact Name:		Hearing Date:
Drafter Name:		Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

CITY OF HIGH POINT

AGENDA ITEM



TITLE: High Point Housing Impact Fund	
FROM: Thanena Wilson, Director Community Development & Housing	MEETING DATE: October 21, 2024
PUBLIC HEARING: N/A	ADVERTISED DATE/BY: N/A
ATTACHMENTS: Community Development Affordable Housing Presentation Self-Help Ventures Fund Presentation	

PURPOSE: Community Development staff will provide information on affordable housing needs in High Point and current affordable housing efforts underway. There will also be a presentation from Self-Help Ventures Fund (SHVF) Housing Section Leader, JJ Froelich. SHVF is the Community Development Financial Institution (CDFI) that has been selected to administer the housing fund.

In addition, Joe Blosser, Chief Impact Officer, with The Earl & Kathryn Family Foundation will represent the High Point Community Foundation as the organization that will establish the fund and serve as the community leader to manage and raise funds for this effort.

BACKGROUND: In December 2023, City staff brought together a group of interested stakeholders to begin exploring the idea of a housing fund in High Point. Since that time much research has been done studying housing funds in other NC cities to determine the best course for High Point in establishing a housing fund. Affordable housing funds are used across the country to leverage private dollars to expand the capacity for affordable housing development.

BUDGET IMPACT: None

RECOMMENDATION / ACTION REQUESTED: For Information Only





High Point Affordable Housing Development

Community Development & Housing
Special Meeting of the High Point City Council
October 21, 2024



ESTABLISHING UNITS NEEDED

HUD-DEFINED HOUSING PROBLEMS 45,906 OCCUPIED HOUSING UNITS	Data (%)
Lack of complete plumbing facilities	0.0
Lack of complete kitchen facilities	0.5
Occupancy of more than 1 person per room	3.2
¹ Housing cost burden greater than 30% - homeowners	20.3
¹ Housing cost burden greater than 30% - renters	48.9

} AFFORDABILITY
ISSUE

VACANCY RATE 48,438 TOTAL HOUSING UNITS	Data (%)
Occupied housing units	94.8
Vacant housing units	5.2
Homeowner vacancy rate	1.7
Rental vacancy rate	3.4

} SUPPLY ISSUE

INCOME BY COST BURDEN - Renters

RENTERS ONLY (HH)	COST BURDEN > 30%	TOTAL HH	%
Income \leq 30% AMI	2,680	3,905	68.6
Income >30% to \leq 50% AMI	3,035	3,480	87.2
Income > 50% to \leq 80% AMI	<u>2,085</u>	4,705	44.3
Total low-income HH	7,800 AFFORDABLE UNITS NEEDED		
Income > 80% to \leq 100% AMI	250	1,405	17.8
Income > 100% AMI	<u>125</u>	4,510	2.8
	375		

INCOME BY COST BURDEN - Owners

OWNERS ONLY (HH)	COST BURDEN > 30%	TOTAL HH	%
Income ≤ 30% AMI	1,045	1,230	85.0
Income >30% to ≤ 50% AMI	1,030	1,800	57.2
Income > 50% to ≤ 80% AMI	<u>1,680</u>	4,180	40.2
Total low-income HH	3,755 AFFORDABLE UNITS NEEDED		
Income > 80% to ≤ 100% AMI	430	2,285	18.8
Income > 100% AMI	<u>830</u>	15,295	5.4
	1,260		

• AFFORDABLE HOUSING

- Emergency/Urgent Repair/Construction Training
- Operation Inasmuch
- Downpayment Assistance & Incentives
- New Construction – Single and Multi-family



Walnut Ridge Senior Housing

- ❖ 60 units for 55+
 - 30 one BR, 30 two BR
 - 15 units targeted at 30% AMI
 - 9 units targeted at 50% AMI
 - 36 units targeted at 60% AMI
- ❖ Awarded LIHTC in 2022
 - Construction has not started
- ❖ City providing \$500k
- ❖ Located at 1559 Skeet Club



Flats at Old Winston Family Housing

❖ 48 units for families

- 8 one BR, 22 two BR, 18 three BR
 - 12 units targeted at 40% AMI
 - 36 units targeted at 60% AMI

❖ Awarded LIHTC in 2024

- Construction has not started

❖ City providing \$1 mil

❖ Located at the corner of Old Winston Rd. & University Parkway



Brentwood School Conversion

Project



Closed in 1984



1400 Brentwood St.



Similar property

The Lofts at Brentwood 120 units for families

- 18 One BR units
- 54 Two BR units
- 48 Three BR units

- * \$4 mil funding gap
 - 40 units at 50%
 - 40 units at 60%
 - 40 units at 70%

High Point Housing Impact Fund Goals

- Leverage Private Investment
Establish a \$30M – \$40M Fund
City Investment of \$2M – \$2.5M
- Support Workforce /
Affordable Housing
Realize 1000 additional units in
the City
- Support Development
Consistent with the
Comp2045



- **Who could the units serve?**
- **HUD Median Family Income - \$83,000** (GSO-HP MSA / Family of 4)

HOUSEHOLD SIZE

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
LOW-INCOME (80% AMI)	46,500	53,150	59,800	66,400	71,750	77,050	82,350	87,650

Representative careers (depending on household size)

- Teacher, starting salary **\$48,250**
- Police Officer, starting salary **\$55,467**
- Firefighter, starting salary **\$47,915**
- Social Worker, starting salary **\$43,047**
- 120% AMI - **\$99,600**

HIGH POINT LIHTC PROJECTS

<u>Name</u>	<u>Units</u>	<u>Est. Cost</u>	<u>CHP \$\$</u>	<u>Awarded</u>
Admiral Point (senior)	54	5,411,059	560,000	2011
Addington Ridge (family)	58	6,949,799	1,350,000	2013
Kirkwood Crossing (family)	84	10,259,851	2,000,000	2015
Hartley Ridge (family)	84	9,476,893	694,000	2016
Avondale Trace (family)	72	9,885,899	650,000	2018
Walnut Ridge (senior)	60	11,932,085	500,000	2022
Flats at Old Winston (family)	<u>48</u>	<u>11,280,535</u>	<u>1,000,000</u>	2024
Total	460	\$ 53,915,586	\$ 6,754,000	



Thank You

Thanena Wilson, Director
Community Development & Housing Department
336-883-3351
thanena.wilson@highpointnc.gov



High Point Housing Impact Fund Self-Help Ventures Fund Approach

Presented at the Special Meeting of the High Point City Council

October 21, 2024

**Public & Private
Partnership**

**Maximize
Community
Benefit**

Leverage Subsidy for Impact

Image: <https://www.highpointnc.gov/2330/Economic-Development>

SELF-HELP IS A NATIONAL CDFI WITH A MISSION TO CREATE AND PROTECT ECONOMIC OPPORTUNITY FOR ALL. WE CHANNEL OUR MISSION THROUGH A FAMILY OF NONPROFIT ORGANIZATIONS, INCLUDING:

SHCU

Self-Help Credit Union (SHCU), a NC state chartered, federally regulated credit union with branches across NC and in SC, FL and VA. About 87,000 members \$1.9B in assets, \$232M in net worth (12% net worth ratio).

SHVF

Self-Help Ventures Fund (SHVF), a nonprofit loan fund – \$1.0B in total assets; \$603M in net worth (60% ratio) – where we house higher risk commercial lending, home loan secondary market program, real estate development.



Self-Help Federal Credit Union (SHFCU), a federally chartered and regulated credit union with branches in California, Washington, Chicago, Milwaukee. About 97,000 members, \$2.1B in assets, \$313M in net worth (15% ratio).

SHFCU

Center for Responsible Lending (CRL), a research and policy organization devoted understanding and combatting predatory lending practices.

CRL

5 PRIMARY BUSINESS LINES:

Retail services through credit unions – includes checking/savings, consumer loans
Commercial lending – focus on nonprofits and small businesses
Home lending – direct originations and home loan secondary market program
Community focused real estate development – catalytic revitalization projects
Research and policy – Payday lending, mortgage lending, student loans, auto loans

Contact: JJ Froehlich | Housing Sector Leader | John.Froehlich@self-help.org

THE CRITICAL NEED FOR NEW WORKFORCE HOUSING DEVELOPMENT: MEETING THE CHALLENGES OF GROWTH WITH A COMMUNITY ALREADY BURDENED BY HOUSING COSTS

- 45% of High Point renter households are cost burdened, and 18% severely burdened. This is particularly acute for households earning 30% to 80% of Area Median Income with 63% burdened.
- “We’re short at least 10,000-plus units when it comes to those households that are at the lower income bands,” - Community Development and Housing Director Thanena Wilson
- *Cost burden: ratio of housing costs (rent + utilities) to household income. >30% = burdened, >50% = severely burdened*

City of High Point, NC		
Income by Cost Burden - Renters Only		
Household AMI	Cost burden > 30%	Cost burden >50%
< 30% AMI	69%	53%
30%-50% AMI	87%	30%
50%-80% AMI	44%	2%
80%-100% AMI	17%	0%
>100% AMI	3%	1%
Total	45%	18%
30%-80% AMI	63%	14%

HUD's Office of Policy Development and Comprehensive Housing Affordability Strategy dataset 2016-2020

According to the Urban Land Institute (ULI), Workforce Housing is defined as housing affordable to households earning between 60 and 120 percent of area median income (AMI).

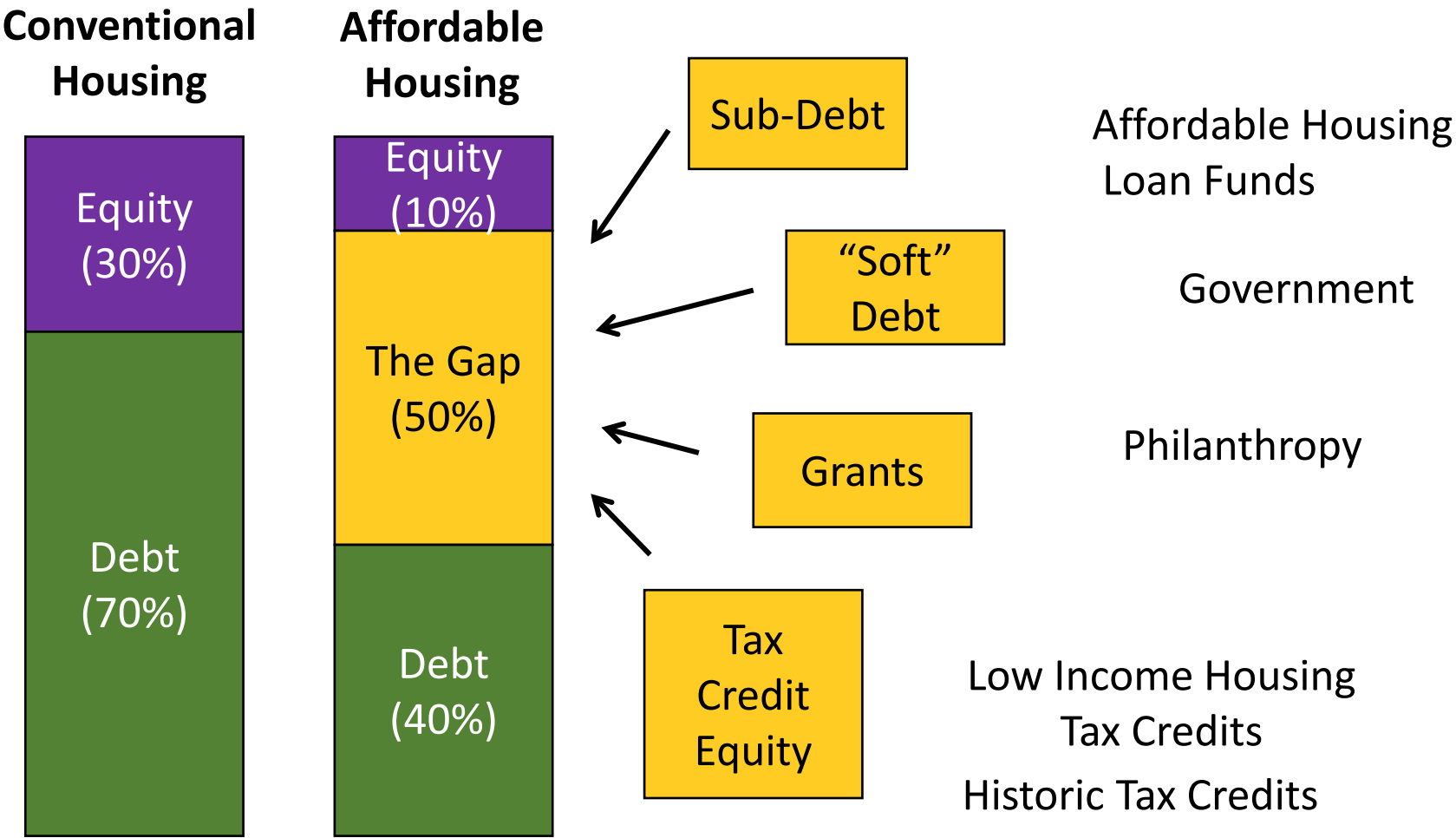
Workforce housing targets middle-income workers which includes professions such as police officers, firefighters, teachers, health care workers, retail clerks, and the like (Parlow, 2015).

Households who need workforce housing may not always qualify for housing subsidized by the Low-Income Housing Tax Credit (LIHTC) program or the Housing Choice Vouchers program (formerly known as Section 8), which are two major programs in place for addressing affordable housing needs.

<https://ced.sog.unc.edu/2018/07/what-exactly-is-workforce-housing-and-why-is-it-important/>

Example: Household of Three (2 Bedroom Apartment) for Greensboro-High Point MSA

US Bureau of Labor Statistics: May 2023 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates – Greensboro-High Point MSA



Acquisition

- Project predevelopment takes 2-3 years to complete with complex and costly structuring
- Stiff competition for properties from market rate developers drives a need for speed.
- **Solution: ready, cost-effective bridge financing to acquire and hold properties for future development**

Gap Financing

- 4% LIHTC and other available approaches finance only 50-70% of project, leaving gaps of over 20% of total costs
- Limited subsidy available with high demand
- **Solution: supportive gap financing that multiplies limited public & philanthropic funding**

High Point Housing Impact Fund

\$40MM, 20-year fund administered by Self-Help Ventures Fund

Bridge financing for acquisition

- \$10MM loan facility
- Low interest, 1 to 5-year terms
- Up to 110% acquisition cost
- Revolves 4x to support 8-10 acquisitions over 20-year life

Gap financing for development

- \$30MM loan facility
- Low interest, 15-year terms
- Up to 25% of total project costs enabling \$120MM of project finance

A flexible tool that can grow and adapt to changing needs over time



- City of Durham

- 243 units preserved, 30+ to be created in first 3 years; targeting 500 units over 10-year life of fund

- Wake County

- 208 units preserved; targeting 3,700 units over 20-year life of fund

- City of Greensboro

- 60-unit LIHTC renovation in underwriting
- 458 units in pipeline

SELF-HELP VENTURES FUND EXPERIENCE

Self-Help staff have the technical background and expertise in raising investments, administering loan funds and providing accountability in our work to multiply a funder's commitment

DURHAM AFFORDABLE HOUSING LOAN FUND

- Launched 2019Q4, \$10MM fund
- Organic convening of funders, non-profit developers, City and SHVF
- Bridge loan for multifamily acquisition
- Fund fully deployed, proposing fund growth and gap financing in 2024

WAKE AFFORDABLE HOUSING PRESERVATION FUND

- Launched 2022Q4, \$61.6MM fund
- Winning response to County RFP
- Bridge loan to long-term subsidized financing
- Gap financing to create a stable platform for long-term affordability
- Preservation of existing housing only

GREENSBORO HOUSING FUND

- Launched 2023Q3, \$13MM+ (pending new investments)
- Catalyzed by Community Foundation
- Gap financing for acquisition and rehabilitation or new construction
- Co-administrator deploying \$8MM+ small scale development product
- Anticipate addition of bridge financing and \$10MM in 2025

CHAPEL HILL HOUSING FUND

- Launched 2024Q4, \$20MM
- Risk capital from Town and UNC Health System

JACKSONVILLE, FL HOUSING FUND (pending City Council)

- 2025, \$40MM fund
- Mayor's Office initiative
- Bridge loan for land acquisition
- Gap financing for low-income housing tax credit funded developments

INVESTORS IN SELF-HELP'S EXISTING FUNDS

Leverage of top loss investments with senior lenders; relationships, guarantees backed by strong balance sheet and credible lending experience

TOP LOSS INVESTORS



SENIOR LENDERS

Faith-based non-profit

Community land trust

Community housing trust

Regional non-profit

Supportive housing provider

Local non-profit

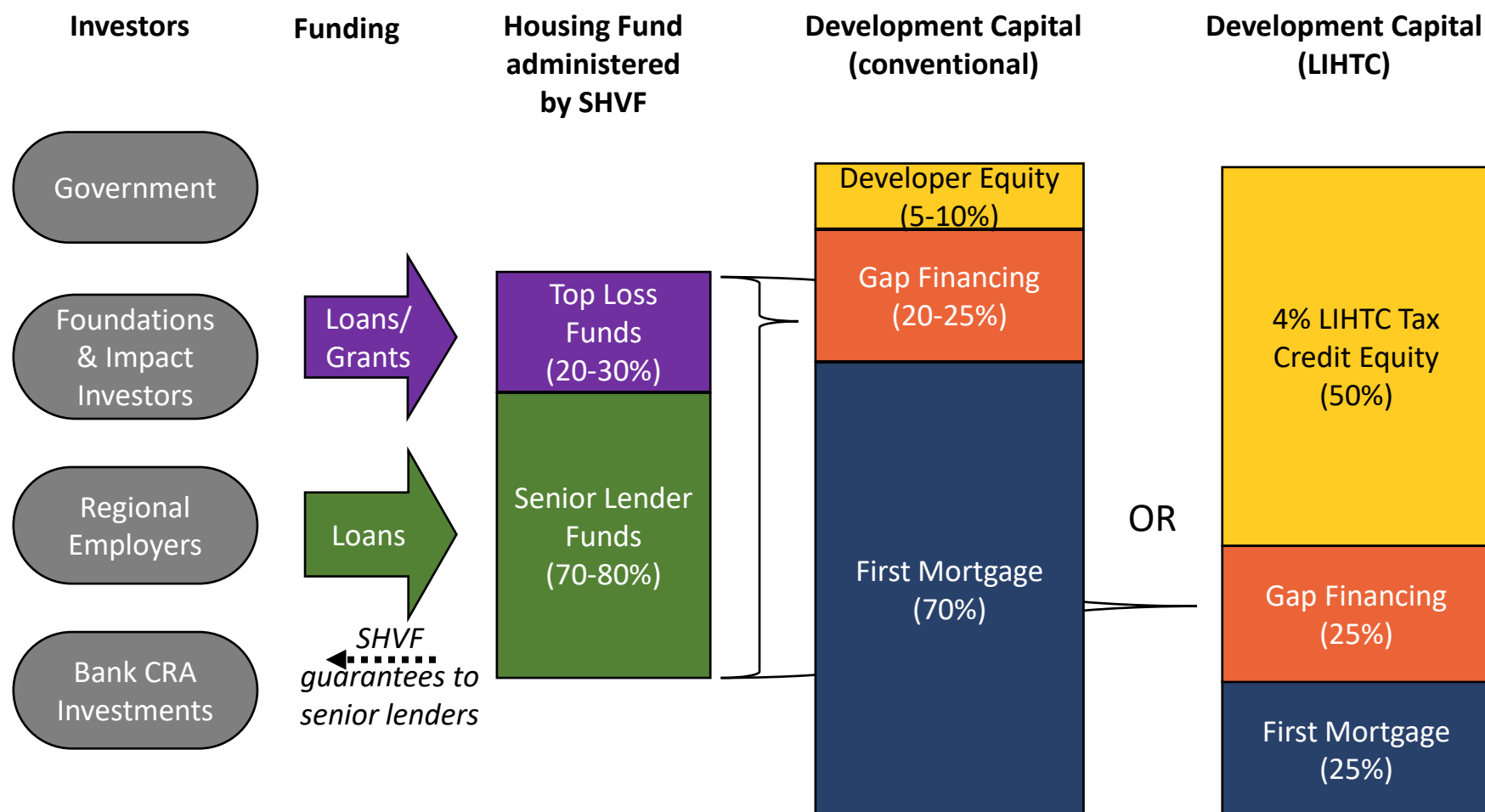
For-profit LIHTC developer

National non-profit LIHTC developer

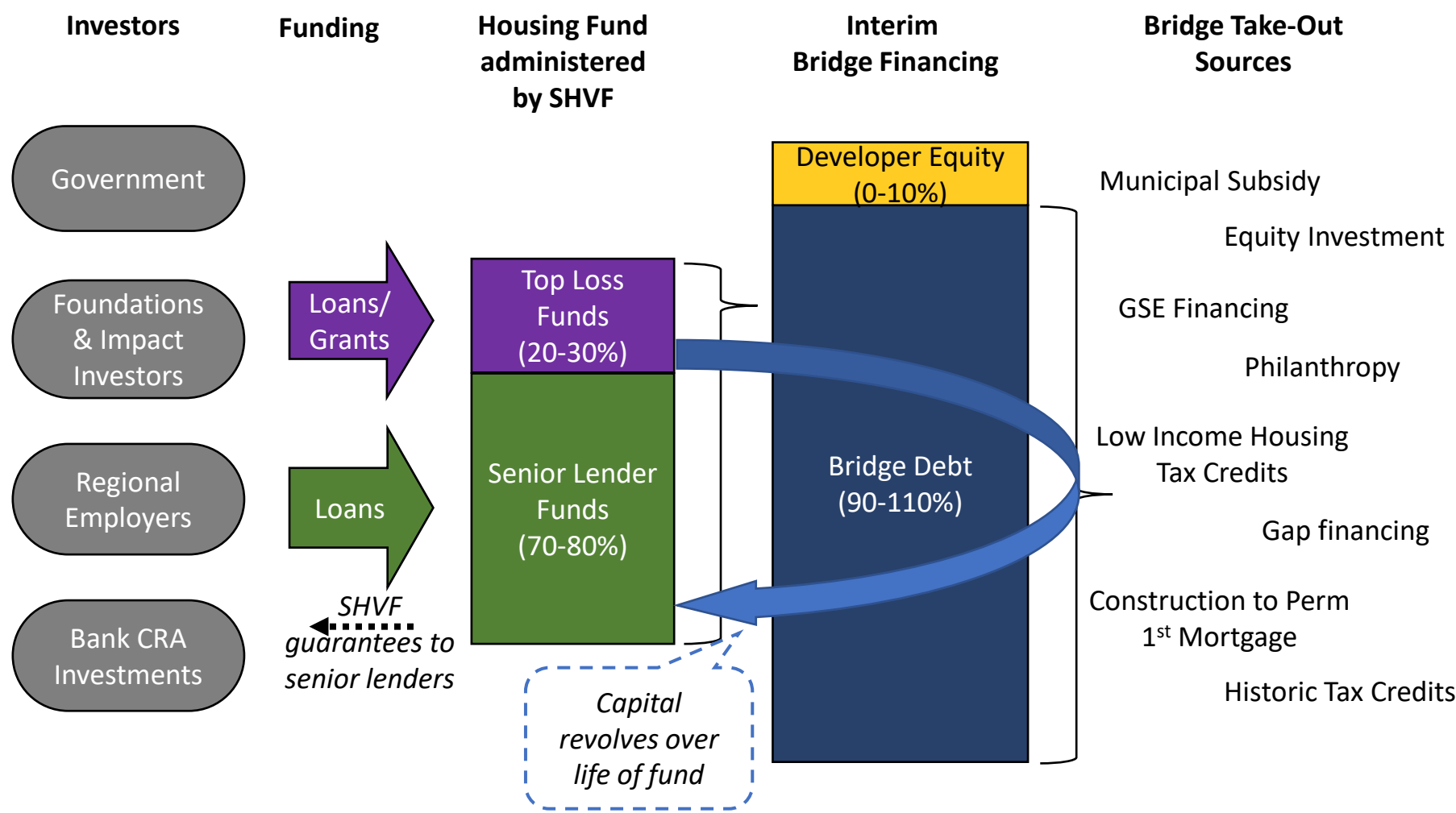
Housing Authority

STRUCTURING - GAP FINANCING MODEL

Housing loan funds are operated out of Self-Help Ventures Fund (SHVF, a well capitalized nonprofit loan fund).



STRUCTURING – ACQUISITION BRIDGE FINANCING MODEL
SHVF provides meaningful guarantees to senior lenders, driving lower interest rates, longer terms and other flexibility to support fund goals.



STRUCTURING EXAMPLE – GAP FINANCING PRODUCT RATE BUILDUP
For discussion only – rate to borrower dependent on actual sources and product

Funders & Investments	Non-recourse to admin (Top Loss/Risk Capital)			Recourse to admin: Self-Help Ventures Fund (Senior Lenders)				Total/ Blended
	City	County	Donor Advised Funds	National Bank	Regional Bank	Health System	University	
Min Term	20	20	20	20	20	20	20	
Recourse to Admin	No	No	No	Yes	Yes	Yes	Yes	
Investment	2,500,000	2,500,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	40,000,000
Rate to Fund	0.00%	0.00%	1.00%	2.00%	3.00%	2.50%	3.00%	2.06%
Admin Spread								
Admin	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	
Servicing	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
Recourse	0.50%			0.50%	0.50%	0.50%	0.50%	
Rate to Borrower	1.25%	1.25%	2.25%	3.75%	4.75%	4.25%	4.75%	3.69%



Self-Help Housing Fund Contacts:

Investment:

James Ruggiero

Director of Capital Development

james.ruggiero@self-help.org

Lending:

Katie Burket

Housing Program Associate

katie.burket@self-help.org

JJ Froehlich

Housing Sector Leader

john.froehlich@self-help.org



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