



Winston-Salem

Housing Trust Fund Options for Winston-Salem

Patrice Y. Toney, Interim City Manager, 9/25/2023

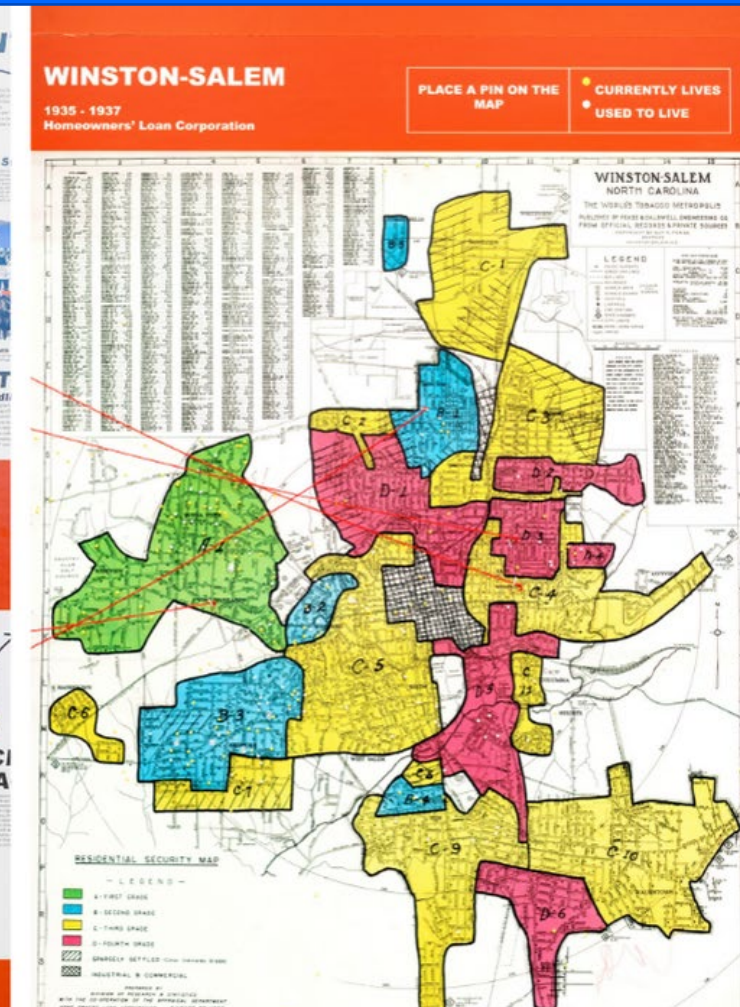
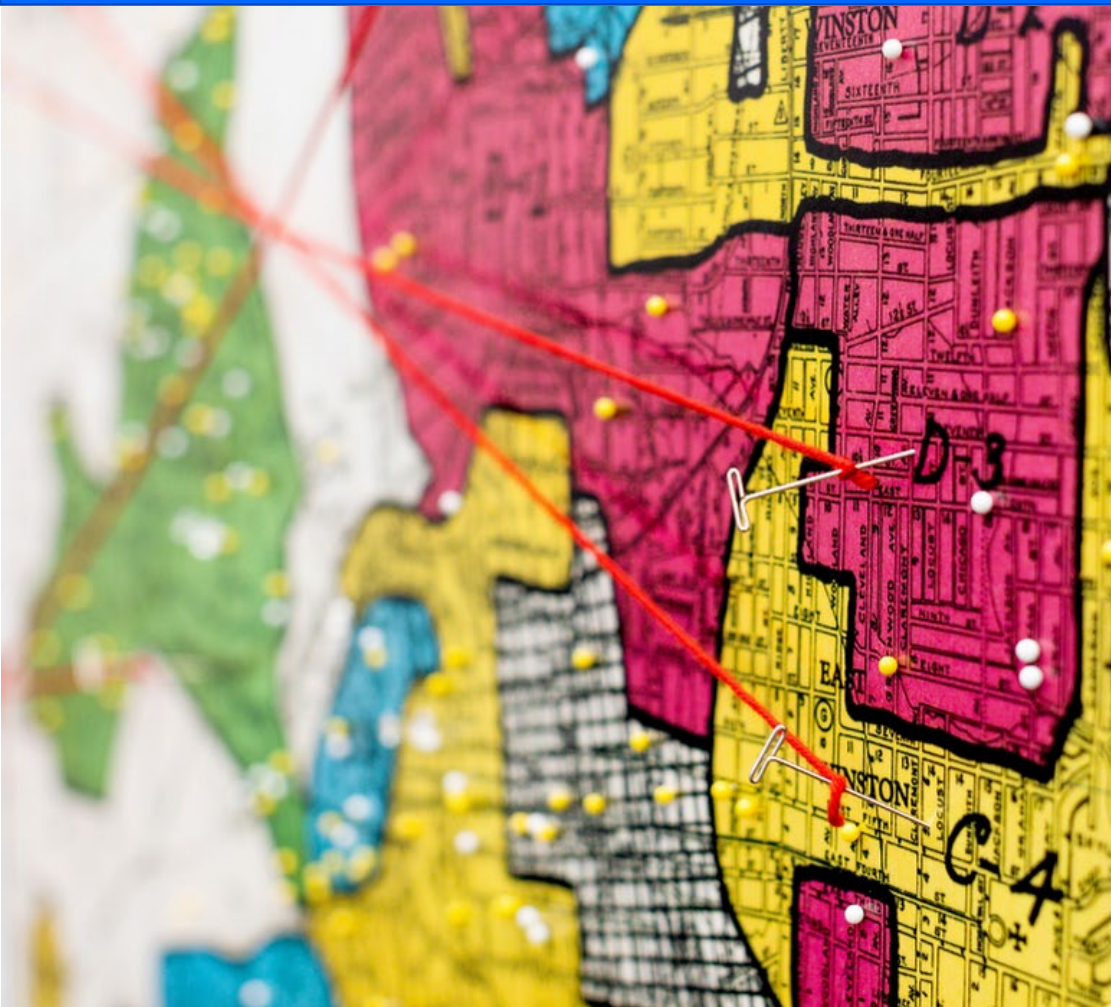


Housing Trust Fund

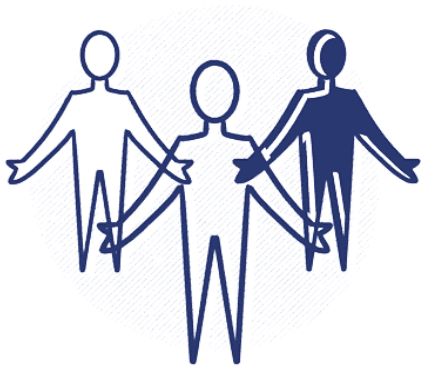
[ˈhaʊ-zɪŋ ˈtrʌst ˈfʌnd]

A publicly financed program specifically designed to increase affordable housing.

Overview and History of Housing in Winston-Salem



Current Housing Need & Market



Demographics



Interest rates



The economy



Government
policies/subsidies



16,000 Affordable Housing Shortfall
(rental units)

Affordable Housing Development Resources and Progress

ARPA-ENABLED FUNDS (\$24,417,030)	Project Budget	Total Units
Housing Assistance: Choice Neighborhoods Phase 2	\$4,495,340	72
Habitat for Humanity: Stone Terrace Development	800,000	75
S.G. Atkins CDC Salem Cohousing Project	600,000	5
NE Ward Land Acquisition	450,000	TBD
Whole Man Ministries Housing 4 Our Heroes	420,000	4
Christ Rescue Temple Apostolic Church Systems	410,000	34
Boston-Thurmond Community Network	300,000	TBD
NE Ward Habitat Garages	80,000	4
Lofts at Motor Rd	6,579,000	216
<i>Residences at Indiana Avenue (Pending future approval)</i>	<i>4,850,000</i>	<i>180</i>
<i>Flats at Peters Creek (Pending future approval)</i>	<i>1,000,000</i>	<i>62</i>
<i>Choice Neighborhoods Initiative - Phase 3</i>	<i>1,470,000</i>	<i>42</i>
ARPA-Enabled Funds Remaining	\$2,962,690	632

State ARPA (\$10 M)	Project Budget	Total Units
The Flats at Peters Creek	\$2,170,000	62
Ridgewood/True Homes	N/A	31
<i>Liberty East Redev.</i>	<i>\$120,000</i>	<i>4</i>
<i>Glabex Consortium</i>	<i>\$120,000</i>	<i>4</i>
<i>Happy Hill</i>	<i>2,158,000</i>	<i>13</i>
<i>Southeast Ward Project</i>	<i>960,000</i>	<i>17</i>
<i>North Ward Project</i>	<i>710,000</i>	<i>22</i>
State ARPA Remaining	\$3,762,000	122
Total Funded and Pipeline Units		847

Total Remaining Uncommitted ARPA Funds \$6.7 M

Asheville

Housing Trust Fund

Created	2000
Type	Government
Management/Staffing	City Staff
Oversight	City Council
HTF Fund Source(s)	General Fund; Bonds
Income(s) Served	<80%; minimum 20% of units; Homeownership - 100% AMI
Housing Types	MF & SF Rental; Homeownership; Manufactured; Modular; Container Homes; Tiny Homes; Adaptive Reuse
Affordability Period	3/15/20/30 based on loan type
Affordability Maintained	Deed Restrictions; Conditional Zoning
Eligible Applicants	Non-Profit; For-Profit; PHAs; State & Local Govt
Per Project Cap(s)	<10% of Total Direct Costs - rental; higher for homeownership
Fund Type(s)	Acquisition/Rehab; Construction; Permanent; Downpayment Assistance
Priorities	Permanent affordability; <30% AMI; Density; Green/Energy Efficiency
Application Fee	\$300



Winston-Salem

Charlotte

Housing Trust Fund

Created	2001
Type	Government
Management/Staffing	City Staff
Oversight	Appointed Housing Advisory Board
HTF Fund Source(s)	GO Bonds, Federal Funds
Income(s) Served	<80%; includes 20% at 30% AMI
Housing Types	MF Rental and Homeownership; Naturally Occurring Affordable Housing (NOAH) Preservation; Supportive Housing
Affordability Period	20/30/40+ based on other funds
Affordability Maintained	Deed Restrictions
Eligible Applicants	Non-Profit & For-Profit
Per Project Cap(s)	3 million
Fund Type(s)	Gap
Priorities	Varies from RFP to RFP
Application Fee	\$0



Winston-Salem

CHOIF

Charlotte Housing Opportunity Investment Fund

Created	2019
Type	Non-Govt/Private
Management/Staffing	Local Initiative Support Corp. (LISC)
Oversight	Local Advisory Committee (LISC)
HTF Fund Source(s)	Philanthropy; Banks; Healthcare
Income(s) Served	94% of the units created by the CHOIF will be homes for families earning 80% or less (AMI) and 25% of those units are reserved for households making at or less than 30% AMI."
Housing Types	MF Rental; Naturally Occurring Affordable Housing (NOAH) Preservation; Supportive Housing
Affordability Period	
Affordability Maintained	Deed Restrictions and project-based vouchers
Eligible Applicants	Non-Profit & For-Profit
Per Project Cap(s)	2 million
Fund Type(s)	Loans, gap and land donations
Priorities	Aims to reach households making 30-120% AMI, targeting at least 20% of the units at or below 30% AMI and 50% at or below 80% AMI.
Application Fee	\$0



Winston-Salem

Wake County

Housing Trust Fund

Created	2019
Type	Hybrid
Management/Staffing	Self-Help Ventures Fund
Oversight	Wake County, City of Raleigh
HTF Fund Source(s)	Public; Banks; CDFI
Income(s) Served	<80% AMI
Housing Types	MF Rental and Preservation
Affordability Period	10/20 based on loan type
Affordability Maintained	Deed Restrictions
Eligible Applicants	Non-Profit and For-Profit
Per Project Cap(s)	Non-Profit & Certified MWBE - 100% Acquisition +10% Repair or 25%; Non-MWBE - 90% or 20%; Additional 5% for areas of economic opportunity
Fund Type(s)	Acquisition; Refinance; Rehabilitation; Preservation
Priorities	60% AMI households; avoiding displacement
Application Fee	\$2,500, credited towards 1% origination fee



Winston-Salem

Proposed

Winston-Salem

Housing Trust Fund

Considerations

Administration

- Internal Restricted Fund
 - Appropriation of funding for the development of affordable housing.
 - Managed internally
- Legal Trust Fund
 - Third-party manages the fund on behalf of the City
 - Cannot unwind

Dedicated Funding Source

Seed Funding

3rd Party to Leverage Funds



Winston-Salem

Dedicated Recurring Funding Source(s)

Sales Tax Funding

- Prior to 2001, the City set aside 20% of Article 40 Local Option Sales Tax distributions for housing purposes.
- Currently, this would generate approximately \$2.90 million dollars annually.

Property Tax Funding

- 1 penny of the current property tax rate from the debt service fund for housing purposes.
- This would generate approximately \$2.74 million dollars annually.

Debt Issuances

- Potential 2026 GO bond referendum (to include Housing)
- This is not a recurring funding source unless a plan of future debt obligations is considered.



Potential Housing Trust Fund “Seed Funding”

Selected Housing Project Balances Funded by Debt

Project or Project Type	Remaining Amount
First Time Homebuyer's Assistance	\$170,025
Housing Production	183,993
Housing/Neighborhood Development (Holding Code)	447,780
Acquisition & Site Prep	853,702
Employer-Assisted Housing Pilot	250,000
Development Incentives	523,870
For Everyone Home	553,507
Housing Production Plan	322,000
TURN (All Wards)	2,597,476
Total – Selected Non-ARPA-Related Housing Funds	\$5,902,353
Community Investor	\$5,000,000
Total Potential Trust Fund Seed Funding	\$10,902,353



Proposed

Winston-Salem

Housing Trust Fund

Creation	2023-2024
Type	Government
Fund Administration	Internal Restricted Fund
Management/Staffing	City Staff (Manage)
Oversight	City Council
HTF Fund Source(s)	Community Investor (\$5M) & Repurposed Bond Funds (\$5M); 2026 Bond Referendum (TBD); Federal Funds
Leverage Funding	Non-Profit Ventures Fund
Income(s) Served	<80% AMI
Housing Types	MF Rental; SF Homeownership; and Rehab/Preservation
Affordability Period	15-years Single-family; 30-years Multi-family
Affordability Maintained	Deed Restrictions
Eligible Applicants	Non-Profit and For-Profit
Per Project Cap(s)	<\$50k per door (SF); <\$30k (MF); \$3M Total Gap Fin.
Fund Type(s)	Gap Financing; Acquisition; Rehabilitation/Preservation
Priorities	New Units; Revitalization; Focus on Distressed Neighborhoods
Application Fee	\$0



Winston-Salem