



Public-Private Partnerships (P3) for Housing Program Overview

In November 2017, North Carolina Emergency Management (NCEM) engaged the Development Finance Initiative (DFI) to assist with attracting private investment for the development of affordable housing for low and/or moderate-income households in Hurricane Matthew-impacted communities. The effort, known as Public-Private Partnerships (P3) for Housing, is now aligned with the NC Office of Recovery and Resiliency (NCORR) and seeks to leverage State resources to create more privately owned affordable rental housing outside flood-prone areas. Priority in all developments will be given to households displaced by Hurricane Matthew.

The University of North Carolina at Chapel Hill's School of Government established DFI in 2011 to assist North Carolina communities with achieving their community economic development goals. Working with local governments and their partners, DFI provides specialized finance and real estate development expertise to attract private investment into transformative projects. (For additional information about DFI, visit www.dfi.sog.unc.edu.)

The P3s for Housing program seeks to identify local government partners in areas designated by the U.S. Department of Housing and Urban Development (HUD) as the Most Impacted and Distressed (MID) by Hurricane Matthew. Local government officials will work closely with DFI to identify sites for housing development.

A site suitable for the P3s for Housing program will meet the following criteria:

- Outside 100-year and 500-year flood zones
- Large enough and zoned (or potential for rezoning) for a minimum of 60 units
- Public ownership or clear path to site control
- Existing connections to public utilities
- Suitable for residential development that meets local public interests
- Meets NC Housing Finance Agency (NCHFA) Qualified Allocation Plan (QAP) site requirements, including:
 - Proximity to amenities (i.e. grocery, pharmacy, shopping, etc.) and appropriate secondary amenities (i.e. healthcare, public facility, school, senior center, etc.)
 - Absence of incompatible uses (i.e. landfill, wastewater treatment, railroad tracks, substation, etc.) and blight
 - Visibility and safe access
 - See QAP (pages 11-16) here: https://www.nchfa.com/sites/default/files/page_attachments/QAP19-FinalQAP.pdf

Once the local government partner confirms or attains site control of a property that meets the above criteria, DFI will conduct a pre-development process to identify a qualified development partner.

DFI's pre-development process includes the following: an affordable housing needs assessment, site analysis and development of conceptual plans, initiation of the local entitlement process (if needed); financial feasibility analysis for private development and identification of amount of State support that may be required; and selection a development partner who will enter into an agreement with the municipality to complete the project.

Local government participation is essential for the success of this program – participation includes endorsing local public interests for development of the site, providing feedback on conceptual plans, conducting a Phase I environmental study of site, conveyance of land, selecting the development partner, executing option or sale agreement with selected development partner, and providing supporting information to developer as needed.

For additional information about the opportunity and to arrange a DFI site visit, please contact Sarah Odio, DFI Project Manager, at odio@sog.unc.edu.