

Acquisition of 266-unit Charlotte Woods apartments to help preserve, increase supply of affordable housing in Mecklenburg County

CHARLOTTE, Sept. 11, 2023 – PNC Bank’s recent \$8 million equity investment in Housing Impact Fund II (HIF II) is helping bring tangibility to the fund’s vision to preserve Naturally Occurring Affordable Housing (NOAH) in Charlotte and Mecklenburg County. With the support of PNC and other local investors, HIF II completed on Fri., Sept. 8, its acquisition of Charlotte Woods.

The 266-unit apartment property, located near Myers Park and Park Road Shopping Center, is the first acquisition to be completed as part of the scope of the recently raised \$66.8 million HIF II, with the fund investing \$12.85 million toward the \$37 million acquisition and \$5 million in planned renovations and upgrades. Ascent Housing, which serves as the operating partner for HIF II, enlisted city and county funding sources and a senior mortgage from Freddie Mac to round out the financing.

A relatively new strategy to bolster the supply of affordable housing in Mecklenburg County, NOAH preservation represents a less expensive and faster way to deliver affordable housing units than new construction and also mitigates the loss of affordable housing units and displacement of low- and moderate-income residents.

“Delivering on the local housing challenge requires creativity, collaboration and a shared vision among public and private sectors – including developers, funders and business leaders,” said Weston Andress, PNC regional president for Western Carolinas. “PNC is committed to driving prosperity within the communities we serve, and we are confident that our investment in HIF II will create positive and lasting impact for Charlotteans.”

Current residents of Charlotte Woods will be protected from displacement through rent stabilization, and the adoption of long-term covenants will help ensure housing remains affordable for households of various income levels over time.

“Housing Impact Fund’s NOAH preservation strategy is two-fold: Protecting existing residents from rising rents and creating new opportunities for low- and moderate-income households when units become available through natural turnover,” said Mark Ethridge, principal at Ascent Housing. “We’re grateful for PNC Bank’s investment in HIF II and for its commitment to be part of the solution to Mecklenburg County’s affordable housing challenge.”

PNC’s investment in HIF II was facilitated by PNC’s Community Development Banking group, which works

to improve the quality of life in low- and moderate-income neighborhoods through affordable housing, community development lending, economic development, financial education and customized financial solutions.

Other investors in HIF II include Truist, Atrium Health, Honeywell, the Leon Levine Foundation and numerous other companies, foundations and individuals.

About Housing Impact Fund II

Housing Impact Fund II is a \$66.8 million social impact equity fund raised to preserve naturally occurring affordable housing in Mecklenburg County. HIF II acquires, renovates and sets long-term affordability covenants on large-scale apartment communities vulnerable to gentrification. The fund will set aside 30% of its portfolio for households earning less than 30% of area median income (AMI), 50% of units to households earning less than 60% AMI and 20% of units to households earning less than 80% AMI. HIF II follows the success of the initial Housing Impact Fund which preserved over 800 apartments in opportunity-rich areas of Charlotte housing more than 2,000 residents. Like HIF I, HIF II expects more than 90% of its work to be performed by minority-led contractors. HIF II is managed by Erskine Bowles and Nelson Schwab and operated in partnership with Ascent Housing.

About PNC Bank

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CONTACT:

Karyn Ostrom
(919) 788-5794
karyn.ostrom@pnc.com

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