



Legislation Details (With Text)

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On agenda: 5/4/2021 **Final action:** 5/4/2021
Title: Resolution Authorizing a Commitment of \$1,500,000 to Affordable Housing Management, Inc., \$920,000 to FGM Development, LLC, and \$1,100,000 to Trinity Housing Development, LLC for Multi-Family Affordable Housing Development Projects

Sponsors:

Indexes:

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Attachments: 1. 2021 Project Summary of MF AHD RFP Recommendations 4_22_2021.pdf, 2. City Council RFP Recommendations 5_4_2021.pdf, 3. MWBE Memo for AHD for NDD.pdf, 4. 21-0254 RES Multi-Family Affordable Housing.pdf

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|--------|--------|
| 5/4/2021 | 1 | City Council | adopt | Pass |

Resolution Authorizing a Commitment of \$1,500,000 to Affordable Housing Management, Inc., \$920,000 to FGM Development, LLC, and \$1,100,000 to Trinity Housing Development, LLC for Multi-Family Affordable Housing Development Projects

Council Priority: Maintain Infrastructure and provide Sustainable Growth Opportunities

Department: Neighborhood Development
Council District: 1, 2 and 5

Public Hearing: No
Advertising Date/By: N/A

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PURPOSE:

City Council consideration is requested for allocation of federal HOME program and 2016 Housing Bond funds to multi-family affordable housing development projects which are competing for awards of Low Income Housing Tax Credits from the North Carolina Housing Finance Agency.

BACKGROUND:

In February 2021 the City issued a request for proposals for multi-family affordable housing development projects limited to those projects which had filed a preliminary application with the North Carolina Housing Finance Agency [NCHFA] for Low Income Housing Tax Credits [LIHTC]. Four applications were received. The proposals were reviewed under a competitive scoring system and financial underwriting review. Three projects are recommended for financial commitments at this time:

- **Vandalia Acres** - 2985 W. Vandalia Rd - Affordable Housing Management, Inc.
\$1,500,000 Housing Bond or HOME funds for new construction of 96 units for families between 30% and 60% AMI, \$16.1 million total development cost; 0% interest, 20 year term
- **Yanceyville Place** - 2005 Mitchell Ave - FGM Development, LLC
\$920,000 HOME funds for new construction of 84 units for families between 30% and 80% AMI, \$13.5 million total development cost; 2% interest, 20 year term
- **The Lofts at Elmsley Crossing** - 506-511 Kallamdale Rd - Trinity Housing Development, LLC
\$1,100,000 HOME funds for new construction of 84 units for families between 30% and 80% AMI, \$14.8 million total development cost; 2% interest, 20 year term

The projects meet the City Council priority of creating units affordable to households under 30% of Area Median Income and under 60% of the Area Median Income and are consistent with the City's adopted HousingGSO ten year plan for affordable housing.

The projects will require a City commitment letter to accompany their final Low Income Housing Tax Credit application to the North Carolina Housing Finance Agency. The City will issue a time-limited commitment for the Vandalia Acres, Yanceyville Place and The Lofts at Elmsley Crossing projects conditioned on the projects receiving LIHTC awards from NCHFA, all necessary financing, M/WBE compliance documentation, HUD environmental review compliance for federally funded projects, and availability of City funds.

The City's M/WBE Office has reviewed the MWBE participation on the development teams. Project goals will be established when the LIHTC awards are made.

One additional project application was submitted for a 4% LIHTC and state housing bond funded project which will be considered for recommendation after it has completed its required City re-zoning.

BUDGET IMPACT:

Funds are available in the following accounts:

| | | |
|--------------------|-------------------------|----------------------|
| \$ 605,058 | 213-9018-02.5282 | HOME |
| \$1,038,098 | 213-9019-02.5282 | HOME |
| \$ 376,844 | 213-9020-02.5282 | HOME |
| <u>\$1,500,000</u> | <u>483-2201-01.5282</u> | <u>Housing Bonds</u> |
| \$3,520,000 | | |

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council authorize financing commitments of \$1,500,000 for Affordable Housing Management, Inc. for Vandalia Acres, \$920,000 for FGM Development, LLC for Yanceyville Place, \$1,100,000 for Trinity Housing Development, LLC for The Lofts at Elmsley Crossing, subject to projects receiving LIHTC awards from NCHFA and meeting all financing conditions, and to authorize the City Manager to execute loan closing documents for these multi-family affordable housing development projects in conformity herewith the applicable federal and City regulations associated with the source of funding.