



## Legislation Details (With Text)

**File #:** ID 21-0323    **Version:** 1    **Name:**  
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**File created:** 4/23/2021    **In control:** City Council  
**On agenda:** 6/15/2021    **Final action:** 6/15/2021  
**Title:** Resolution Authorizing a Commitment of \$3,550,000 to Taft-Mills Group, LLC for a Multi-Family Affordable Housing Development Project

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Townsend Overview (5-24-21).pdf, 2. City Council RFP Recommendations 6\_15\_2021.pdf, 3. 2021 Project Summary of MF AHD RFP Recommendations 6\_15\_2021.pdf, 4. MWBE Memo for AHD for NDD.pdf, 5. 21-0323 RES Multi-Family Affordable Housing RFP Project.pdf

Date	Ver.	Action By	Action	Result
6/15/2021	1	City Council	adopt	Pass

Resolution Authorizing a Commitment of \$3,550,000 to Taft-Mills Group, LLC for a Multi-Family Affordable Housing Development Project

Council Priority: Maintain Infrastructure and provide Sustainable Growth Opportunities

Department: Neighborhood Development  
Council District: 2

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

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Contact 2 and Phone: Chris Wilson, 373-2002

**PURPOSE:**

City Council consideration is requested for allocation of 2016 Housing Bond funds to a multi-family affordable housing development project which is competing for an award 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 were previously recommended and approved by City Council on May 4, 2021. The fourth project has received its required re-zoning at the May 17 Zoning Commission hearing. NCHFA has granted an extension on the submittal for the project application. The developer has revised his development pro forma to include 9 units affordable to extremely low income households under 30% of area median income. This project is now

presented for consideration of a financing commitment:

- **Townsend Trace** - 2571 Sixteenth Street - Taft-Mills Group, LLC  
\$3,550,000 Housing Bond funds for new construction of 171 units for families under 60% AMI and 9 units under 30% AMI, \$19,722 in City subsidy per unit; \$31.7 million total development cost; loan terms 1% interest, 30 year term.

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

The project 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 Townsend Trace project conditioned on the project receiving a LIHTC awards from NCHFA, all necessary financing, M/WBE compliance documentation, 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.

**BUDGET IMPACT:**

Funds are available in the following accounts:

\$3,000,000    483-2201-01.5282    Housing Bonds

\$ 550,000    483-2201-02.5282    Housing Bonds

\$3,550,000

**RECOMMENDATION / ACTION REQUESTED:**

It is recommended that City Council authorize a financing commitment of \$3,550,000 for Taft-Mills Group, LLC for Townsend Trace, subject to the project receiving a LIHTC award from NCHFA and meeting all financing conditions, and to authorize the City Manager to execute loan closing documents for this multi-family affordable housing development project in conformity herewith the applicable federal and City regulations associated with the source of funding.