



Legislation Text

File #: ID 20-0331, **Version:** 1

Resolution Authorizing a Commitment of \$1,200,000 to Affordable Housing Management, Inc., \$1,044,878 to Beacon Management Corporation, \$800,000 to Trinity Housing Development LLC, and \$607,236 to Affordable Housing Management, Inc., 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 January 2020 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 for Low Income Housing Tax Credits. Seven applications were received. The proposals were reviewed under a competitive scoring system and financial underwriting review. The project recommendations were considered by the Planning Board at their May 20, 2020 meeting and the following projects are recommended for financial commitments:

- Redhill Pointe - 2983 W. Vandalia Rd - Affordable Housing Management, Inc.
\$1,200,000 HOME funds for new construction of 84 units for families between 30% and 60% AMI, \$13.65 million total development cost; 0% interest, 20 year term
- Appert Farm - 2571 16th St - Beacon Management Corporation
\$1,044,878 HOME funds for new construction of 72 units for families between 30% and 60% AMI, \$11.78 million total development cost; 1% interest, 20 year term
- The Lofts at Elmsley Crossing - 506-511 Kallamdale Rd - Trinity Housing Development LLC
\$800,000 HOME funds for new construction of 84 units for families between 30% and 80% AMI, \$13.65 million total development cost; 2% interest, 20 year term
- Windhill Development - 201 Windhill Court - Affordable Housing Management, Inc.
\$607,236 2016 Housing Bond funds for rehabilitation of 60 units for families under 60%AMI with 10 of

those units reserved as public housing, \$7.49 million total development cost; 0% interest, 20 year term

For the Windhill Development project, an existing City loan on the project of approximately \$366,877 will be assumed by the new development entity and the City is projected to hold third and fourth lien positions behind the permanent bank loan and North Carolina Housing Finance Agency's Rental Production Program loan.

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 Redhill Pointe, Appert Farm, The Lofts at Elmsley Crossing, and Windhill Development 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 projects and assigned goals as follows:
10% MBE and 12% WBE for all four projects

BUDGET IMPACT:

Funds are available in the following accounts:

\$ 641,071	213-9017-02	HOME
\$1,071,143	213-9018-02	HOME
\$ 959,110	213-9019-02	HOME
\$ 20,178	213-9017-05	HOME
\$ 181,554	213-9018-05	HOME
\$ 171,822	213-2019-05	HOME
<u>\$ 607,236</u>	483-2201-03	2016 Housing Bonds - Multi-family
\$3,652,114		

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council authorize financing commitments of \$1,200,000 for Affordable Housing Management, Inc. for Redhill Pointe, \$1,044,878 for Beacon Management Corporation for Appert Farm, \$800,000 for Trinity Housing Development LLC for The Lofts at Elmsley Crossing, and \$607,236 for Affordable Housing Management, Inc. for Windhill Development with assumption of the existing City loan as third and fourth position City liens for Affordable Housing Management, Inc., for the Windhill Development project, subject to projects receiving LIHTC awards from NCHFA and meeting all financing conditions, and authorizes 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.