



Legislation Text

File #: ID 21-0323, **Version:** 1

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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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.