

| Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: CONSENT AGENDA

Meeting Date: October 11, 2022

Item Details

Presenter(s): Christopher "C.J." Valenzuela, Housing Program Manager

Department(s): Planning and Community Development

Requested Motion

Motion to approve change to previously approved loan term related to the Town's loan lien position for the affordable housing project known as Broadstone Walk.

Approval Recommended?

Yes

Item Details

On December 15, 2020, November 9, 2021, and January 11, 2022, the Town Council approved a loan to DHIC, Inc. for a total of \$1,850,000 for construction and permanent financing from the Town's Affordable Housing Fund (AHF) for the Broadstone Walk affordable housing project. In committing to the loan, the Town agreed to the Town's lien being in the third position; subordinate to the bank loan and Wake County's loan. In order to finalize underwriting and loan closing for the entire Broadstone Walk affordable housing project, the Low-Income Housing Tax Credit (LIHTC) investor, Enterprise Housing Partners XLI Limited Partnership (EHP 41) and syndicator, Enterprise Housing Credit Investments (EHCI) are requiring the Town's loan lien position change from third lien to fourth lien position in order for EHP 41 to meet their LIHTC minimum gain threshold and maintain a sufficient share of tax credits for the entire period. The Town's loan will be subordinate to the following loans; 1) Bellwether (First Lender), 2) Wake County (Second Lender) and 3) General Partner (Third Lender). The lien position change will not affect the Town's payment priority out of cash flow or capital proceeds for any of the loans. The Town's payment priority will remain in third position behind the following; 1) Bellwether (First Lender) and 2) Wake County (Second Lender). The scheduled loan closing deadline for the Broadstone Walk affordable housing project is on or around October 13, 2022.

Attachments

- Staff Report

