

| Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: OLD BUSINESS

Meeting Date: January 11, 2022

Item Details

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

Department(s): Planning and Community Development

Requested Motion

Possible motion to provide financial support to DHIC, Inc. for the affordable housing project known as Broadstone Walk in the form of a loan from the Affordable Housing Fund for construction contingent upon final project approval and approve corresponding Budget Ordinance Amendment No. 12.

Approval Recommended?

Yes

Item Details

On November 9, 2021 Town Council approved a DHIC, Inc. funding request of \$500,000 in the form of a loan for construction through Budget Ordinance Amendment No. 9 from the Town's Affordable Housing Fund (AHF) for the Broadstone Walk project. On August 13, 2021 DHIC Inc. was awarded a 4% Low-Income Housing Tax Credit (LIHTC) which includes a tax-exempt bond through the North Carolina Housing Finance Agency (NCHFA). However, due to the following conditions: (1) rising construction costs, (2) decrease in equity pricing, (3) first mortgage loan interest rate increase, and (4) LIHTC investor income averaging requirements requiring deeper affordability, DHIC, Inc. still has a remaining funding gap necessary to complete the project of approximately \$1,000,000. Wake County is considering contributing an additional \$500,000 to DHIC, Inc. for the Broadstone Walk project at their January 3, 2022 Board of Commissioners regular meeting. As a result, the remaining \$500,000 of gap funding would propose to come from the Town's AHF from FY 2021-22 revenues. Funding for the Budget Amendment will include reappropriation of \$150,000 from the Apex Cares Housing Rehabilitation Program (Apex Cares Program) with the remaining \$350,000 pulled from the Fund's reserves.

Attachments

- Staff Report
- Budget Ordinance Amendment No. 12

