



Memo

To: Randy Vosburg, Town Manager
From: Marla Y. Newman, CDNC Director
Date: May 30, 2025
Subject: Town Council Agenda – June 24, 2025
Homeownership Incentive Pilot Program Recommendation

What is Requested:

A. **AUTHORIZE** the Town to implement a homeownership incentive pilot program to incentivize the inclusion of lower-priced for-sale units within market-rate developments.

B. **AUTHORIZE** the associated budget amendments and transfers of funds of up to \$400,000 for the homeownership incentive pilot program from available funding in the Affordable Housing Fund.

Background:

The typical home value in Apex is \$607,901 according to the market and needs analysis conducted by CommunityScale, the consulting firm leading the update to the Town's 2021 Affordable Housing Plan. A key finding from the plan update indicates that the median home price in Apex exceeds what a household earning the median income can afford by approximately \$125,000. To address this affordability gap, one of the recommended strategies is to stimulate the development of homes priced at levels attainable for households earning at or below the area's median income.

Description of Proposed Homeownership Pilot Program

To encourage the inclusion of lower-priced units within market-rate for-sale developments, the proposed pilot program would offer a \$40,000 per-unit incentive from the Town to support the production of for-sale housing targeted to households earning between 80% and 120% of the Area Median Income (AMI) for the Raleigh-Cary Metropolitan Statistical Area, as published by the U.S. Department of Housing and Urban Development (HUD) in April 2025. This incentive would help reduce the cost of these units to align with the current HUD HOME Value limit of \$382,000, which is considered affordable for buyers at the 80% AMI level. Eligible first-time buyers may qualify for up to \$115,000 in combined down payment assistance from Wake County and the North Carolina Housing Finance Agency (NCHFA), significantly lowering their mortgage and making homeownership more affordable. Eligible first-time and move-up home buyers, with household incomes that don't exceed \$140,000 may qualify for a fixed-rate mortgage and down payment assistance up to 3% of the loan amount through the NCHFA's NC Advantage Mortgage program. The Agency also offers a \$15,000 down payment assistance option for first-time buyers and military veterans.

Incentive funding would be awarded through a competitive process and would initially support the inclusion of ten units.

Recommendation:

The Homeownership Incentive Pilot Program aligns with Town Council's goal to increase affordable housing options in Apex. Implementation of the program would support this goal.

Staff recommends Town Council authorization to implement the Homeownership Incentive Pilot Program and the associated budget amendments and transfers of \$400,000 from available funding in the Affordable Housing Fund.