

# | Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: NEW BUSINESS

Meeting Date: November 9, 2021

## 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, authorize the Town Manager to execute loan and compliance project documentation, and approve corresponding Budget Ordinance Amendment No. 9.

### Approval Recommended?

Yes

### Item Details

On December 15, 2020 Town Council approved two prior DHIC, Inc. funding requests in the form of a loan in the amount of \$1,000,000 for construction and a grant totaling \$165,000 to offset water and sewer capital reimbursement fees 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. has identified a remaining funding gap necessary to complete the project of approximately \$1,500,000. Wake County is considering contributing an additional \$500,000 to the project and the remaining \$1,000,000 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 Program with the remaining \$850,000 pulled from the Fund's reserves.

### Attachments

- Staff Report
- DHIC, Inc. Letter Requesting Support
- Budget Ordinance Amendment No. 9.

