

# | Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: CONSENT AGENDA

Meeting Date: November 29, 2022

## Item Details

Presenter(s): Shawn Purvis, Deputy Town Manager

Department(s): Community Development & Neighborhood Connections

### Requested Motion

Motion to approve development agreement with Broadstone Walk, LLC with a loan commitment of \$1,850,000 to partially fund the construction and permanent financing of a residential development which will consist of a 164-unit multifamily affordable housing apartment complex to be located on 950 South Hughes St., Apex, North Carolina to be known as Broadstone Walk Apartments, and authorize the Town Manager to execute the agreement on behalf of the Town.

### Approval Recommended?

Yes

### Item Details

Apex Town Council approved funding a loan to DHIC (Broadstone Walk) in an amount of \$1,000,000 during its December 15, 2020 meeting, \$500,000 on November 9, 2021 and \$350,000 on January 11, 2022 for a grand total not to exceed \$1,850,000. The Town Council has awarded the project a grant of \$165,000 to cover select fees. Due to rising construction costs, decrease in equity pricing, and mortgage loan interest rate increases, DHIC Inc. stills has a funding gap. To close the funding gap DHIC is seeking to alter the affordability mix of the apartments and request additional funding form Wake County. DHIC's original proposal in December 2020 included a weighted average affordability of 58.5% with units across 70%, 60%, 50%, and 40% Area Median Income (AMI) bands. When DHIC made its second funding request in January 2022, their proposal included deeper affordability with all units at the 60% AMI level or lower. To help address the current funding gap, DHIC is proposing to shift some units back to the 70% AMI range. The new proposed weighted average affordability is 60%.

### Attachments

- Development Agreement

