

Item Title: Modify Affordable Housing Development Program Awards

Specific Action Requested:

That the Board of Commissioners authorizes the use of Affordable Housing Development Program (AHDP) awards for site acquisition costs for Barton Oaks, Burrell Lofts, Maple Ridge Apartments and The Villas at White Oak Apartments (collectively, the “Projects”) prior to issuance of building permits.

All awards are subject to terms and conditions acceptable to the County Attorney. All awards are contingent upon the basic terms as identified in the project descriptions, including funding commitments from the financial partners as identified.

Item Summary:

Purpose: The Board of Commissioners approves all Wake County real estate transactions.

Background: On April 15, 2024, the Wake County Board of Commissioners approved construction-to-permanent gap financing for Burrell Lofts (fka Hoke Street Apartments) and The Villas at White Oak Apartments. On September 16, 2024, the Wake County Board of Commissioners approved construction-to-permanent gap financing for Barton Oaks (fka Strickland Apartments), and Maple Ridge Apartments.

Typically, the Count does not provide funds to developers until site plan reviews are complete and construction permits are issued. Funding sources associated with these commitments have spending deadlines that may pass before these steps are completed for the Projects. Site acquisition costs are an eligible use of these funding sources but were not specified as a use in the original funding awards to the Projects. In the identified four projects, providing funds for site acquisition costs prior to permit issuance will ensure that spending deadlines are met. Staff request authorization to modify the Projects’ funding awards to allow loan proceeds to be used for site acquisition costs and for funds for this purpose to be disbursed prior to receipt of building permits. Loan terms and total funding amounts for the projects will not change.

Strategic Plan: This action supports Community Health and Wellbeing Goal 1: Create and preserve 2,500 affordable housing units by 2029.

Fiscal Impact: The County will not contribute additional funding or issue any new debt.

Additional Information:

Affordable housing development projects must adhere to all state and local requirements to begin construction, including completing municipal permitting processes including site and architectural plan reviews. These processes can take up to one year and often delay the timeline to close on project financing. Wake County will typically not close on construction-to-permanent financing for affordable housing development projects until the permitting process is complete to mitigate risk that a project will not move forward. To date, there have not been any projects awarded funding that failed to move forward due to the permit review process.

The Projects contemplated in this item have received their Low-Income Housing Tax Credit awards and have begun their respective permit review processes. There is no indication that any of the Projects will fail to obtain the necessary permits and move forward, but terms will be included in the acquisition funding documents requiring early repayment should permitting become an issue. Allowing AHDP award funding to be used for site acquisition costs for these projects prior to permit issuance will ensure that spending deadlines are met. The Projects will close on the entirety of their funding awards between July and October 2025, with estimated completion by early to mid-2027.

Attachments:

None