

Item Title: Proposed Issuance by the Housing Authority of the County of Wake of Not to Exceed \$40,000,000 Multifamily Housing Revenue Bonds for Bennett Apartments North

Specific Action Requested:

That the Board of Commissioners adopts a resolution approving the issuance by the Housing Authority of the County of Wake (the "Authority") of not to exceed \$40,000,000 Multifamily Housing Revenue Bonds for Bennet Apartments North, for purposes of meeting the requirements of the Internal Revenue Code of 1986, as amended (the "Code").

Item Summary:

Purpose: Under the Internal Revenue Code, Wake County must approve the Housing Authority of the County of Wake's issuance of tax-exempt bonds for public projects within Wake County. The Housing Authority requests the Board's approval to issue tax-exempt multifamily housing revenue bonds for the acquisition, construction and equipping of Bennet Apartments North in Wake County.

Background: Federal tax law requires that tax-exempt bonds issued to finance multifamily residential rental projects be approved by the elected legislative body of the governmental unit that (a) controls the issuer of the bonds and (b) has jurisdiction over the area in which the facility is located after a public hearing (Code Section 147(f)). In this situation, Wake County has jurisdiction over the Housing Authority of Wake County, the facility is within the jurisdiction of the County, and the Board of Commissioners is the governing body of the County.

The Authority proposes issuing \$40,000,000 of bonds to finance the construction of Bennet Apartments North, a 171-unit affordable housing development to be located in Garner. The Authority held a public hearing related to this project on December 18, 2025.

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 have no legal responsibility or liability whatsoever for the payment of principal or interest on the proposed bonds, and the bonds will not affect the County's debt ratios or legal debt limits.

Additional Information:

The Authority, at the request of Bennett North Apartments, LLC, a Virginia limited liability company (the "Company"), proposes to issue its multifamily housing revenue bonds in a principal amount not to exceed \$40,000,000 (the "Bonds") to finance the acquisition, construction and equipping of a 171-unit multifamily residential rental facility to be known

as Bennett Apartments North and to be located at approximately 7100 Fayetteville Road in Garner, North Carolina (the “Development”). The Development will consist of 36 one-bedroom units, 78 two-bedroom units and 57 three-bedroom units located in two residential buildings. The Development will target tenants earning 60% of area median income.

Financing Plan

The Bonds to be issued by the Authority will provide financing for the construction of the Development. The Authority adopted a preliminary resolution for issuance of the Bonds to finance the Development on June 11, 2025. Subject to the respective separate approvals by the Town of Garner and the Board of Commissioners (both to occur on January 20, 2026), the Bonds are expected to be issued in March 2026. The Bonds will be privately placed with Wells Fargo Bank National Association during construction of the Project and privately placed with the Federal Home Loan Mortgage Corporation upon stabilization. The Company expects the total costs for the Development and the financing to be approximately \$57 million. The sources of financing for the Development are shown in the table below.

Funding Source	Amount
Proposed Bonds Issued by Housing Authority	\$ 30,752,000
Low-Income Housing Tax Credits	\$ 16,988,676
Deferred Developer Fee	\$ 943,920
Sponsor Loan	\$ 6,490,608
Owner Investment	\$ 2,500,000
Total Project Sources	\$ 57,675,204

The Company will agree to repay the principal, premium, if any, and interest on the Bonds. Neither the Authority nor the County will have any liability whatsoever for the payment of principal or interest on the Bonds, and the Bonds will not affect the County’s debt ratios or legal debt limit. Because no taxes or other revenues of the County are pledged to pay these Bonds, the staff of the County has made no financial analysis of the Bonds, the Company or any related entities, or the Development.

Requested Board Action

The Board of Commissioners is requested to consider approval of attached resolution approving in principle the issuance of not to exceed \$40,000,000 of Housing Authority of the County of Wake multifamily housing revenue bonds for the benefit of the Company, or an affiliate thereof.

Attachments:

1. Presentation
2. TEFRA Approval Requirement
3. Description of Development
4. Preliminary Approval Resolution – WCHA adopted on June 11, 2025
5. Notice of Public Hearing – WCHA to be held December 18, 2025
6. Certificate & Summary of Public Hearing – WCHA held on December 18, 2025
7. Authorizing Resolution – Town of Garner to be considered on January 20, 2026
8. Draft BOC Authorizing Resolution