

Item Title: Additional Affordable Housing Funds for Biltmore Hills in Raleigh, NC

Specific Action Requested:

That the Board of Commissioners:

1. **Approves up to \$400,000 in additional financing for the preservation of Biltmore Hills, an affordable housing development located in Raleigh, NC; and**
2. **Authorizes the County Manager to execute necessary loan and regulatory documents for the approved project.**

All funding commitments are subject to terms and conditions acceptable to the County Attorney. Awards are also contingent upon the development receiving local approvals including site plan approval, all necessary permits from the local municipality and an award of tax credits from the North Carolina Housing Finance Agency (NCHFA). 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, including recommended funding commitments for affordable housing development projects.

Background: Wake County routinely considers gap funding requests for affordable housing projects. In April 2025, Wake County approved a \$1,400,000 loan to Preservation of Affordable Housing, Inc. (POAH) to rehabilitate Biltmore Hills, a 50-unit affordable rental project for families located at 2227 Garner Road in Raleigh. The terms of the approved loan are 1.0% interest for 40 years with variable annual payments and a balloon payment at the end of the term. The Developer will preserve the development as affordable for 99 years. As originally approved, Wake County would hold fourth lien position during the construction and permanent phases.

The developer has requested an additional \$400,000 from Wake County to cover a gap due to increased construction and other project costs triggered by the use of federal funds in the project. Staff recommend approving the additional funding request. If approved, Wake County will hold third lien position during the construction and permanent phases behind a commercial bank construction loan to be replaced with a permanent loan in first lien position, and loan from the Wake Affordable Housing Preservation Fund (WAHPF) in second position. The City of Raleigh would hold fourth lien position.

Strategic Plan:	This action supports Community Health and Wellbeing Goal 1: Create and preserve 2,500 affordable housing units by 2029.
Fiscal Impact:	The Board previously appropriated funds for Affordable Housing Development Program proposals in the Housing Affordability and Community Revitalization Special Revenue Fund and the Affordable Housing CIP Fund. Sufficient funding remains available.

Additional Information:

In April 2024, Preservation of Affordable Housing, Inc. (POAH) used a short-term loan from the Wake Affordable Housing Preservation Fund (WAHPF) to acquire and preserve Biltmore Hills, a 50-unit affordable rental development for families located at 2227 Garner Road in Raleigh. In April 2025, Wake County approved a loan of up to \$1,400,000 to POAH to support the long-term rehabilitation and preservation of the property through the Low-Income Housing Tax Credit program. Upon rehabilitation, the development will include three units serving households earning up to 20% of the Area Median Income (AMI), eight units serving households earning up to 30% AMI, 14 units serving households earning up to 50% AMI and 25 units serving households earning up to 60% AMI. For a family of four living in Wake County, 20% of the AMI is \$26,540, 30% of the AMI is \$39,800, 50% of the AMI is \$66,350 and 60% of the AMI is \$79,620. A minimum of 5 units will be reserved for Wake County Rental Assistance Housing Program (RAHP) voucher clients in addition to 5 units set-aside for North Carolina Housing Finance Agency (NCHFA) Key program for households with behavioral health needs. The developer was also awarded 25 project-based rental assistance vouchers from the Raleigh Housing Authority to help keep very low-income renters in place.

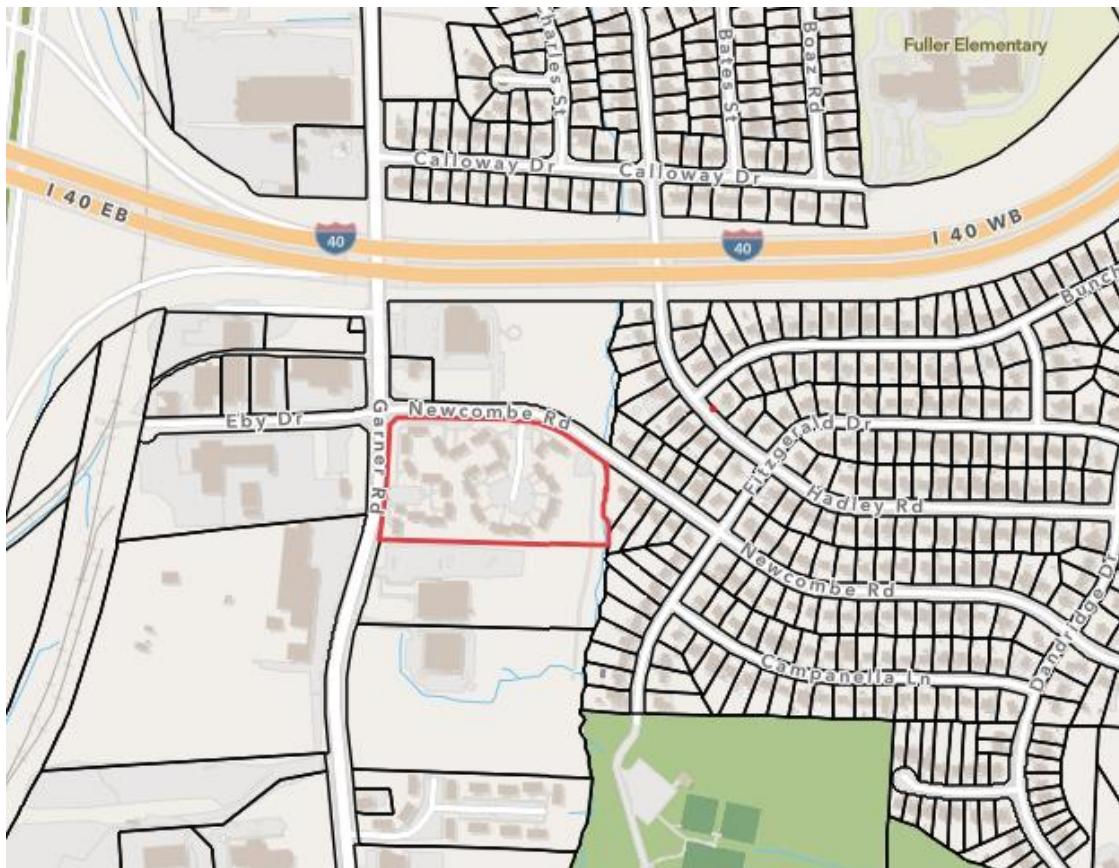
In November 2025, POAH requested an additional \$400,000 from Wake County to cover a gap created by increased construction costs. Construction cost increases are due in part to required compliance with the Build America, Buy America Act, triggered by the investment of, federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds in the project. Additionally, federally-funded rehabilitation projects are required to comply with the Uniform Relocation Act and may be required to provide relocation assistance to temporarily displaced tenants. The developer proposes to conduct an in-place rehabilitation whereby tenants will temporarily relocate within the development while their units are under construction.

Wake County Housing staff have reviewed this additional funding request and recommend approving the additional \$400,000. If approved by the Board of Commissioners, Wake County will invest a total of up to \$1,800,000 to support this project. The Wake County loan will be in third lien position during the construction and permanent phases, and the loan would remain at 1.0% interest for 40 years with variable annual debt service payments and a balloon payment at the end of the term. If approved, the developer is targeting construction to start by the second quarter of 2026, with an estimated 10-month construction period.

A table summarizing the sources of funds is below.

Biltmore Hills Capital Summary	Funding Amount
Bank (approx.)	\$ 2,250,000
Self-Help Credit Union (WAHPF)	\$ 3,800,000
Wake County AHDP	\$ 1,800,000
City of Raleigh	\$ 1,600,000
Federal Tax Credit Equity (approx..)	\$ 6,048,133
POAH Capital Magnet Fund (CMF)	\$ 425,000
Total	\$ 15,923,133

A map of the project site for Biltmore Hills is below.



Attachments:

None.