

Item Title: Affordable Housing Development Interest Transfer Request from DHIC for Brookridge Housing, LLC

Specific Action Requested:

That the Board of Commissioners authorizes the County Manger to execute all documents necessary to consent to the transfer of membership interest in Brookridge Housing, LLC from RBC Tax Credit Equity National Fund-16, LP., a Delaware limited partnership and RBC Tax Credit Manager II, Inc., a Delaware corporation to Community Revitalization and Preservation Corporation (CRPC).

Item Summary:

Purpose: The Board of Commissioners approves all Wake County real estate transactions, including ownership transfers of properties that have received loans from the County.

Background: In 2007, the Board of Commissioners approved a \$600,000 loan to DHIC on behalf of the ownership entity, Brookridge Housing, LLC, to construct Brookridge Apartments, a 41-unit affordable development in Raleigh, NC, designed to serve vulnerable residents in supportive housing. The loan currently carries a balance of \$600,000. It is deferred for 30 years, with the principal and accrued interest totaling \$960,000 due and payable on March 16, 2041.

RBC Tax Credit Equity National Fund-16, LP., a Delaware limited partnership and RBC Tax Credit Manager II, Inc., a Delaware corporation (collectively the Investor Member), wish to transfer 100 percent of their ownership interest in Brookridge Housing , LLC to Community Revitalization and Preservation Corporation (CRPC), a North Carolina non-profit corporation and affiliate of DHIC. CRPC will be the sole member of the ownership entity. Brookridge will continue to operate as an affordable rental property until 2041. There will be no changes to the County loan terms or repayment.

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 be contributing additional funding. No new County debt will be issued.

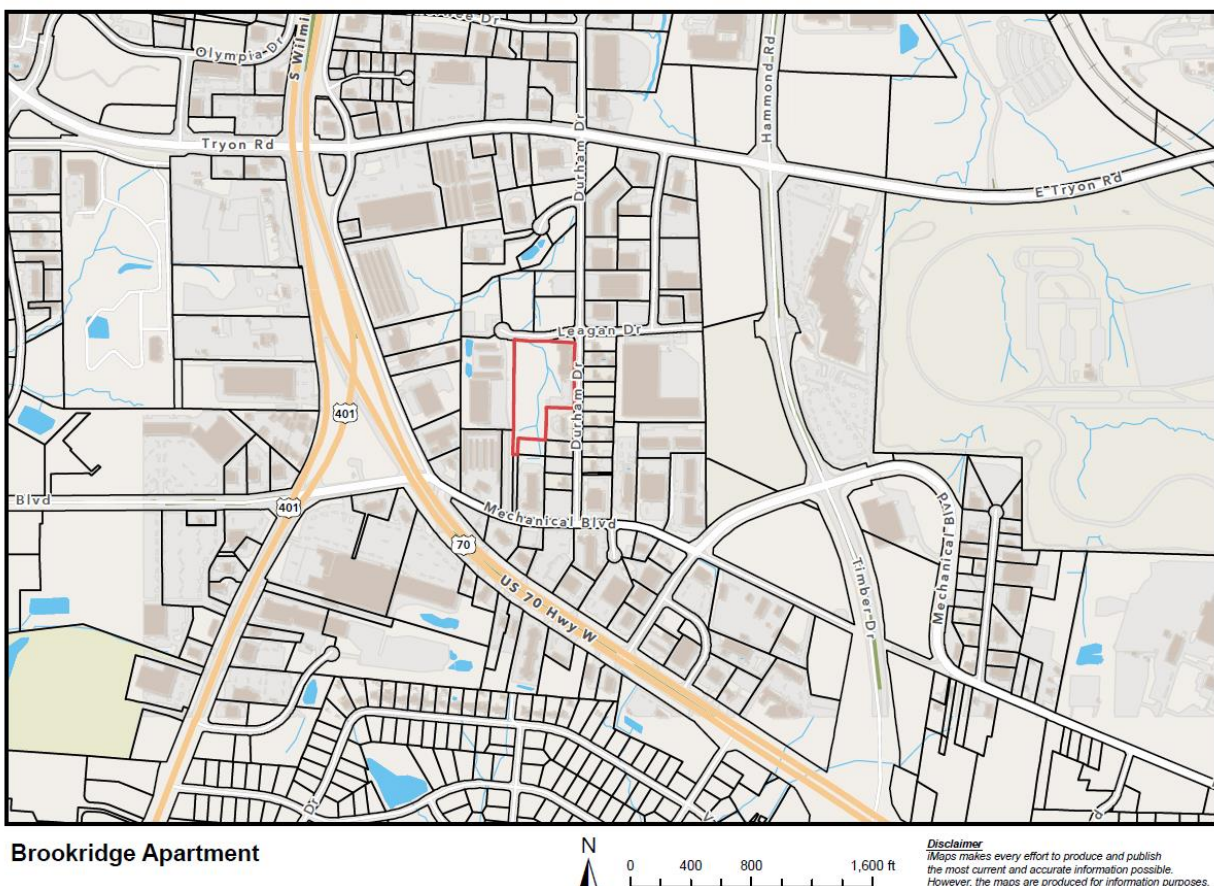
Additional Information:

In 2006, The Board of Commissioners approved a \$600,000 loan at 2% interest for 30 years to DHIC on behalf of the ownership entity, Brookridge Housing, LLC, to construct Brookridge Apartments a 41-unit affordable rental property located at 3930 Durham Road in Raleigh, NC. Brookridge was placed in service in 2010 and will complete its initial 15-year compliance period under the Low Income Housing Tax Credit (LIHTC) program in September 2025. At the end of the compliance period, the original equity investor partners

of Brookridge Housing, LLC., RBCTax Credit Equity National Fund-16, LP., and RBC Tax Credit manager II, Inc., will no longer have a role to play in management of the property and will transfer 100% of their ownership interest in the partnership to CRPC. This is a routine and expected part of the life cycle of tax credit properties.

The Board of Directors of Community Revitalization and Preservation Corporation is made up of the executive committee members of the DHIC Board of Directors. DHIC has completed this same transaction with 21 properties in the past, eleven of which included County funds and required Board of Commissioners approval. The interest transfer for Brookridge will make the ownership structure consistent with the other properties, allowing DHIC to manage all of them more consistently and cost-effectively. Brookridge Housing, LLC will continue as the borrower of the County loan and the ownership entity of Brookridge Apartments. The terms and repayment of the loans will not change, and Brookridge Apartments will continue to operate as an affordable rental property until at least 2041.

A map of the property is below.



Attachments:

1. Statement of Lender Consent – Brookridge Housing, LLC