

**Item Title:** Affordable Housing Loan Lien Position Change for Lake Haven in Raleigh, NC

**Specific Action Requested:**

**That the Board of Commissioners approves a lien position change for County debt in Lake Haven Apartments in Raleigh, NC.**

**All lien position changes and loan modifications are subject to terms and conditions acceptable to the County Attorney.**

**Item Summary:**

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

**Background:** In April 2023, the Board of Commissioners approved a loan of up to \$700,000 to Lyle Gardner to support the development of Lake Haven Apartments, a 56-unit affordable rental development for seniors to be located in Raleigh. As approved by the Board of Commissioners, loan terms were 2% interest for 30 years with variable annual debt service payments and a balloon at the end of the term. The loan was approved to be in third lien position in the construction and permanent phases, behind a bank loan and a loan from the City of Raleigh, and ahead of a Rental Production Program (RPP) loan from the North Carolina Housing Finance Agency (NCHFA).

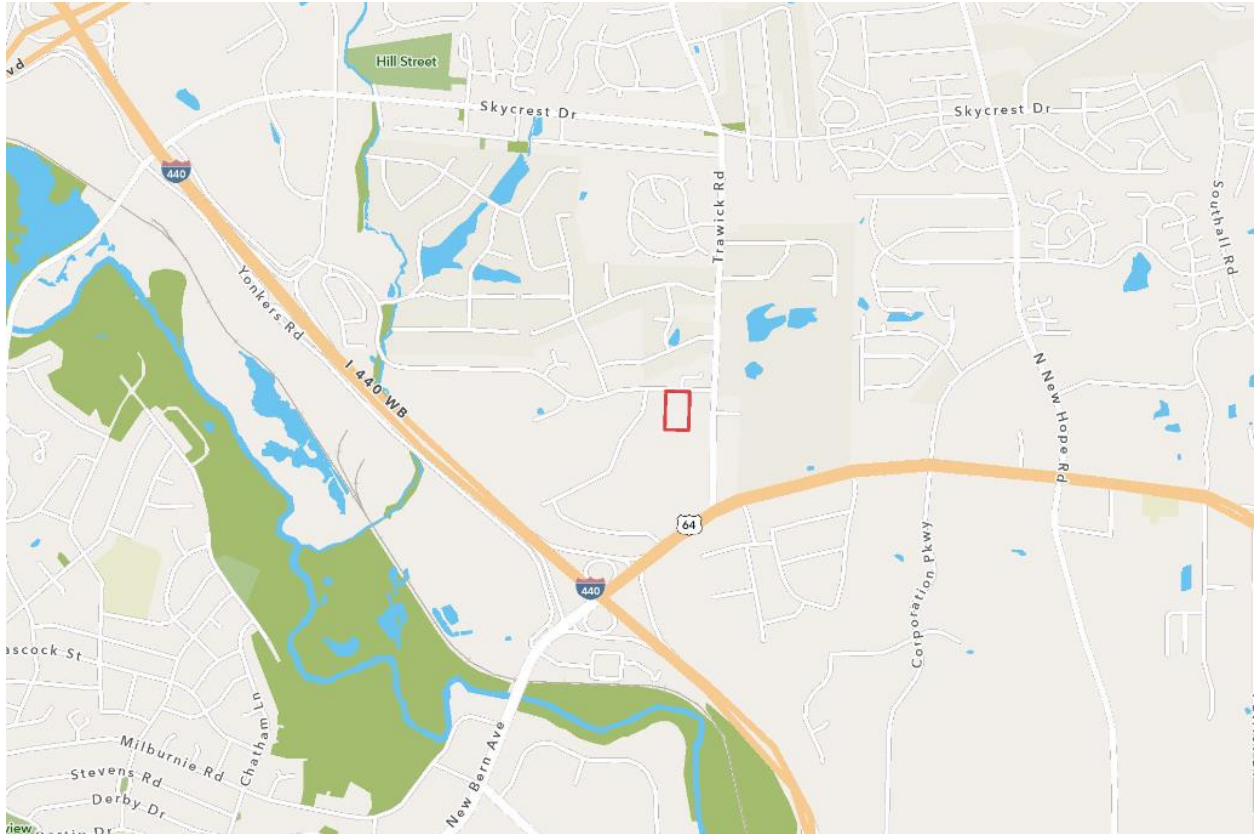
The final RPP loan amount is \$840,000, greater than the County's and the City's commitments. NCHFA will require both the County and the City to subordinate their loans, which will put Wake County into fourth lien position during the construction and permanent phases. County loan terms will remain unchanged. The developer intends to begin construction in the first quarter of 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 not be contributing additional funding.

**Additional Information:**

Lake Haven Apartments will be a 56-unit affordable rental development for seniors located at 3700 Lake Woodard Drive in Raleigh. The project will consist of one- and two-bedroom units serving households earning up to 30%, 40%, 50%, and 60% of the Area Median Income (AMI). The development was awarded 9% Low Income Housing Tax Credits in the 2023 cycle. The developer is currently completing the permitting process with the City of Raleigh, with the goal of beginning construction in the first quarter of 2025 with an estimated completion in mid-2026. A map of the project location is below.



Federal funding requires the County to utilize Area Median Income (AMI) as a key affordable housing metric to determine program or project eligibility. AMI is defined as the midpoint of a specific area's income distribution. Wake County utilizes the Raleigh Metropolitan Statistical Area (MSA) as the geographical area, identified by the Census Bureau. AMI is updated annually by HUD utilizing American Community Survey (ACS) data and other sources. The specific methodology can be found online at [www.huduser.gov](http://www.huduser.gov).

**Attachments:**

None.