

May 15, 2006**ITEM # 10**

Item Title: Recommendations from the Wake County Human Services Board's Housing Committee on the Award of Multi-family Housing Development Loans

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Specific Action Requested:
That the Board of Commissioners

- 1) Approves a loan of \$585,000 to DHIC, Inc. for Wakefield Manor Apartments;**
- 2) Approves a loan of \$320,000 to DHIC, Inc. for Dacian Glen Apartments;**
- 3) Approves a loan of \$367,738 to CASA, Inc. for Hester St. Apartments**

Item Summary:

Wake County's Housing and Community Revitalization Division (HCR) in partnership with the City of Raleigh's Community Development Department distributed a request for proposals for affordable housing development on October 30, 2005. Currently HCR has a total of \$1.46 million to allocate for the development of affordable rental housing.

HCR received 3 proposals with funding requests totaling \$1,272,738. A description of each proposal received is attached. The proposals were reviewed by the Housing Committee of the Human Services Board using the following criteria:

- Affordability: The number of units in the development that are affordable to families earning less than \$30,000/year
- Developer experience
- Wake County subsidy per unit

The housing committee recommends the following:

- A loan of \$585,000 at 2% interest to DHIC for Wakefield Manor Apartments. This development will add 39 units of housing affordable to elderly persons earning less than \$30,000/year. DHIC, Inc. has a good track record for developing affordable housing. The Wake County per unit subsidy is \$15,000, and the loan will be repaid with interest over a 20-year period, with a balloon payment in year 20.
- A loan of 320,000 at 2% interest to DHIC for Dacian Glen Apartments. This development will add 18 units of housing affordable to families earning less than \$30,000/year. DHIC, Inc. has a good track record for developing affordable housing. The Wake County per unit subsidy is \$17,777 and the loan will be repaid with interest over a 20-year period, with a balloon payment in year 20.
- A loan of \$367,738 at 3% interest to Community Alternatives for Supportive Abodes (CASA) for Hester St. Apartments. The development will add 8 units of housing affordable to persons who are mentally ill earning less than \$30,000/year. The units are targeting persons who attend Club Horizon in Knightdale. CASA has a good track

record for developing affordable housing. The Wake County per unit subsidy is \$45,967 and the loan will be fully repaid with interest over a 30-year period.

Attachments:

1. Descriptions of Proposals
2. Location Maps
3. Project Elevations
4. Letter from City of Raleigh re: Commitment of City Funds to Wakefield Manor Apartments
5. Letter from City of Raleigh re: Commitment of City Funds to Dacian Glen Apartments
6. Excerpt from 2005 Affordable Housing Action Plan