

**Item Title:** Multi-Family Affordable Housing Rehabilitation Loans and Grants

**Specific Action Requested:**

**That the Board of Commissioners approves the following loans and grants:**

- 1. A grant in an amount not to exceed \$75,000 in Federal CDBG funds for Turnberry Apartments, an affordable Senior housing development in Wake Forest, NC;**
- 2. A grant in an amount not to exceed \$75,000 and a loan in an amount not to exceed \$225,000 in Federal CDBG funds for Beechridge I Apartments, an affordable Family housing development in Apex, NC;**
- 3. A grant in an amount not to exceed \$23,436 in Federal CDBG funds for Huntington Spring Apartments, an affordable Senior housing development in Wake Forest, NC;**
- 4. A grant in an amount not to exceed \$75,000 and a loan in an amount not to exceed \$162,082 in Federal CDBG funds for Silver Spring Apartments, an affordable Senior housing development in Zebulon, NC; and**
- 5. A grant in an amount not to exceed \$75,000 and a loan in an amount not to exceed \$28,003 in Federal CDBG funds for Cedar Spring Apartments, an affordable Senior housing development in Wendell, NC.**

**All funding commitments and awards are subject to terms and conditions acceptable to the County Attorney. In addition, all awards are contingent upon the basic terms as identified in the project descriptions, the Request for Proposals, and any applicable Federal funding requirements.**

**Item Summary:**

Wake County's Housing and Community Revitalization program (HCR) distributed a Request for Proposals (RFP) for affordable housing multifamily rehabilitation in August 2017 with applications due back on September 15, 2017. Funds will be used to make essential repairs needed to maintain the habitability and affordability of existing housing units for ten years. Wake County received five applications in response to the RFP.

All applications were reviewed by staff from Wake County Housing and Community Revitalization and the Facilities, Design and Construction Department. The criteria used for review were:

- **Cost Reasonableness-**Project rehabilitation needs, the reasonableness of project costs and the relevance of the project to the housing quality need will all be considered during the evaluation. Note that after the project has been completed, the developer must furnish the Housing and Community Revitalization with a cost certification.
- **Project Timeline:** Project completion on or prior to February 2018 is desirable.

- Rehabilitation Quality: Projects must meet all Wake County housing and building codes, as well as basic Housing Quality Standards as defined in 24 CFR part 982.
- Energy Star Standards-Commit to Energy Star standards or higher. Third party verification required.
- Favorable County Monitoring for developments that have received previous Wake County funding.

<b>Evaluation Criteria</b>	<b>County Points</b>
Cost Reasonableness	25
Project Timeline	25
Rehabilitation Quality	25
Energy Star	5
Favorable County Monitoring	20
<b>Total</b>	<b>100</b>

All applications met the County's threshold requirements of a complete application, are affordable to seniors and families who earn at or below 60% of area median income (Seniors earning at or below \$38,520 for a household of two and Families earning at or below \$48,120 for a family of four). The five development rehabilitation applications were scored based on the review criteria specified above. Each applicant scored above 75 points and is therefore eligible for funding. The five recommended rehabilitation projects are:

**1) Turnberry Apartments, Wake Forest – 40 units for Seniors  
Developer: DHIC, Inc.**

DHIC, Inc. has requested grant funding of up to \$75,000 for the rehabilitation of Turnberry Apartments. Turnberry is located in Wake Forest on South White Street. The funding source for this grant would be Federal CDBG funds.

The rehabilitation includes replacing shower head and toilets with WaterSense Certified units and to replace unit and interior lighting with new E-Star LED fixtures.

DHIC, Inc. expects rehabilitation to be complete in 60 days.

**2) Beechridge I Apartments, Apex – 40 units for Families  
Developer: DHIC, Inc.**

DHIC, Inc. has requested funding in the total amount of \$300,000, up to \$75,000 of which would be funded through a grant and the remaining \$225,000 would come in the form of a 0% interest loan with repayment term not to exceed ten years for the rehabilitation of Beechridge I Apartments. Beechridge is located in Apex at 610 Upchurch Street. The funding source for this grant and loan would be Federal CDBG funds.

The rehabilitation includes replacing building roofs, toilets, water heaters and heat pumps.

DHIC, Inc. expects rehabilitation to be complete in 90 days.

**3) Huntington Spring Apartments, Wake Forest – 84 units for Seniors**  
**Developer: Evergreen Construction**

Evergreen Construction has requested grant funding of up to \$23,436 for the rehabilitation of Huntington Spring Apartments. Huntington Spring is located in Wake Forest at 1887 South Franklin Street. The funding source for this grant would be Federal CDBG funds.

The rehabilitation includes installing an Energy Control System.

Evergreen expects rehabilitation to be complete in 30 days.

**4) Silver Spring Apartments, Zebulon – 33 units for Seniors**  
**Developer: Evergreen Construction**

Evergreen Construction has requested funding in the total amount of \$237,082, up to \$75,000 of which would be funded through a grant and the remaining \$162,082 would come in the form of a 0% interest loan with a repayment term not to exceed 10 years for the rehabilitation of Silver Spring Apartments. Silver Spring is located in Zebulon on 601 Pony Road. The funding source for this grant and loan would be Federal CDBG funds.

The rehabilitation includes installing an Energy Control System, exterior signage, carpet, water heater & HVAC replacement in approximately 31 units, tree limb trimming, VCT, carpet for common areas, and hallway painting.

Evergreen expects rehabilitation to be complete in 90 days.

**5) Cedar Spring Apartments, Wendell – 20 units for Seniors**  
**Developer: Evergreen Construction**

Evergreen Construction has requested funding in the total amount of \$103,003, up to \$75,000 of which would be funded through a grant and the remaining \$28,003 would come in the form of a 0% interest loan with repayment term not to exceed 10 years for the rehabilitation of Cedar Spring Apartments. Cedar Spring is located in Wendell at 110 Hollybrook Road. The funding source for this grant and loan would be Federal CDBG funds.

The rehabilitation includes installing an Energy Control System, carpet, painting, HVAC replacement in approximately 11 units, hallway painting and tree limb trimming.

Evergreen expects rehabilitation to be complete in 90 days.

All funding commitments awarded herein are subject to receipt and availability of funding from the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG). As a condition to receipt of funding, all recipients must certify affordability of the multi-family complex for a minimum period of ten (10) years and are subject to Wake County annual monitoring for compliance. Further, grant recipients will be required to enter into a grant funding agreement and loan recipients will be required to enter into loan agreements with Wake County.

**Attachments:**

1. Multifamily Rehabilitation Presentation
2. Multifamily Rehabilitation Request for Proposals