

Multifamily Affordable Housing Funding Requests

Wake County Board of Commissioners

May 9, 2018



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Annual RFP for Production and Preservation of Affordable Housing

- Leverages Federal Housing and Urban Development (HUD) funds with County Capital and Low Income Housing Tax Credits (LIHTC)
- Aims to create housing at affordability levels the market will not naturally create
- Serves vulnerable populations including low-income families and those with special needs or experiencing homelessness
- Accomplishes Board Goal. SEV 1.1 “Work collaboratively with all partners to preserve and increase the County’s affordable housing inventory, reduce homelessness, and improve the wellbeing of our most vulnerable citizens.”

A stylized, light blue map of Wake County is centered in the background of the slide. The map shows the county's irregular shape with various indentations and protrusions.

Overview of Process


Modifications to the 2018 Process

1. Updated Request for Proposals

- a. Subdivided criteria into 2 groups
- b. Decreased Energy Star point value
- c. Added Affordability Targeting point value prioritizing:
 1. Units at or below 40% AMI for 9% projects
 2. Units at or below 50% AMI for 4% projects

2018 Evaluation Criteria	
Criteria	Points
I. Project Viability	
Financial Feasibility	30
Development Quality	10
Development & Management Team	10
II. Wake County Policy Goals	
Affordability Targeting	15
Location	15
Special Needs	15
Energy Star	5
TOTAL	100

Additional Modifications

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2. Created Objective Scorecard
 3. Robust Financial Analysis
 4. Developer Engagement and Negotiation
 5. Request Additional 10% of units for County Permanent Supportive Housing Clients

Request for Proposals Timeline

- January 2018 – Released RFP
- February 9, 2018 – Responses Received
 - 6 proposals received and reviewed
 - Proposals are reviewed by Wake County Revenue, Budget, FD&C, and Finance Departments; as well as consultation by HR&A
- April 2018 - Review Team scored the proposals
- April 2018 - Housing Advisory Committee supports project ranking

Current & Projected Funds Available

SOURCE	CURRENT AVAILABLE	PROJECTED FY18-19	TOTAL
CIP	\$ 1,302,051	\$ 643,193	\$ 1,945,244
HOME	\$ 260,490	\$ 306,712	\$ 567,202
HOME (CHDO)	\$ 91,742	\$ 91,743	\$ 183,485
HOPWA	\$ 250,000	-	\$ 250,000
TOTAL	\$ 1,904,283	\$ 1,041,647	\$ 2,945,930

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Application Review

Application Summary

Project (LIHTC 9%/4%)	Location	Type	Total Units	Supportive Units			Wake County Loan	Loan Request per Unit
				Wake	NCHFA /Other	Total (%)		
Pine Trace by Woda (9%)	Wake Forest	Elderly	68	7	7	14 (20%)	\$680,000	\$10,000
Zebulon Green by United (9%)	Zebulon	Family	72	7	8	15 (21%)	\$1,000,000	\$13,889
Isles of Wake by Gardner/Halcon(9%)	Wake Forest	Elderly	64	6	7	13 (21%)	\$640,000	\$10,000
Beacon Ridge by DHIC (4%)	Raleigh	Family	120	6	6	12* (10%)	\$2,477,000	\$20,642
Pennington Grove by DHIC (9%)	Garner	Elderly	60	3	6	9 (15%)	\$1,050,000	\$17,500
Hampton Spring by Evergreen (9%)	Raleigh	Elderly	56	0	6	6 (11%)	\$540,000	\$9,643
Total			440	29	40	69	\$6,387,000	\$14,516

*Provided updated material following the review and recommendation period further clarifying proposal for PSH units from 12 to 18.

Pine Trace

by the Woda Group, Inc.

Request Details

Location: Wake Forest

68 units – 9% LIHTC

50% AMI and below: 11 units

30% AMI and below: 17 units

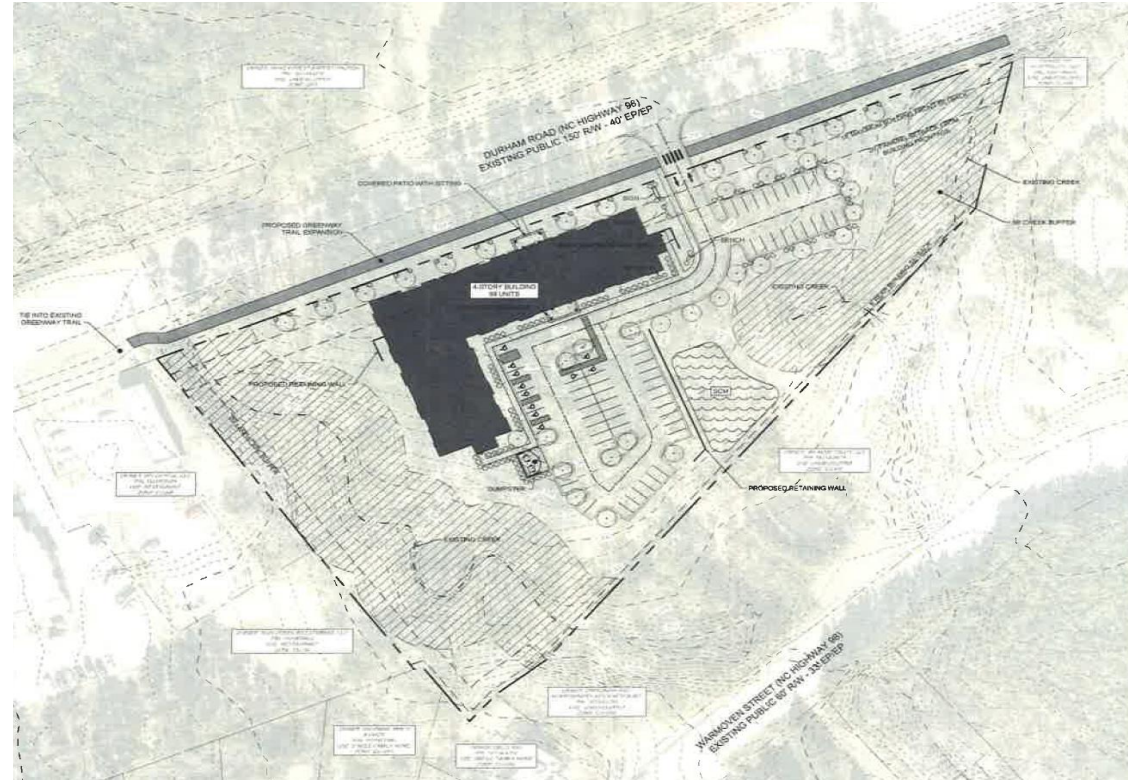
Target: Elderly

Type: New Construction

Financing: \$680,000

Terms: 30 year @ 1%, amortized

Supportive Units: 20%



Zebulon Green by United Developers

Request Details

Location: Zebulon

72 units – 9% LIHTC

50% AMI and below: 10 units

30% AMI and below: 19 units

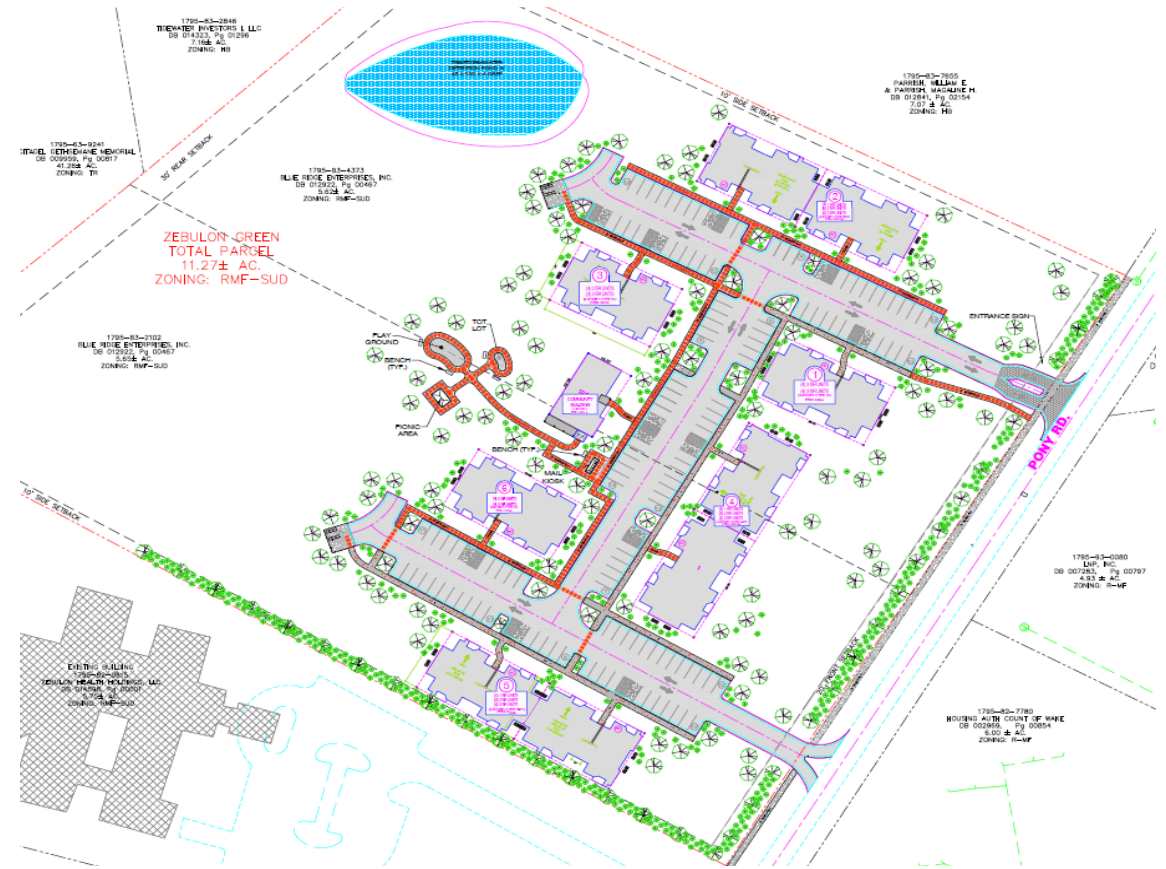
Target: Family

Type: New Construction

Financing: \$1,000,000

Terms: 30 year @ 2%, amortized

Supportive Units: 21%



Isles of Wake

by Gardner Capital & Halcon

Request Details

Location: Wake Forest

64 units – 9% LIHTC

50% AMI and below: 10 units

30% AMI and below: 16 units

Target: Elderly

Type: New Construction

Financing: \$640,000

Terms: 30 year @ 1%, balloon

Supportive Units: 21%



Beacon Ridge

by DHIC, Inc.

Request Details

Location: Raleigh

120 units – 4% LIHTC

50% AMI and below: 12 units

30% AMI and below: 0 units

Target: Family

Type: New Construction

Financing: \$2,477,000

Terms: 30 year @ 1%, balloon

Supportive Units: 10%



Pennington Grove by DHIC, Inc.

Request Details

Location: Garner

60 units – 9% LIHTC

50% AMI and below: 9 units

30% AMI and below: 15 units

Target: Elderly

Type: New Construction

Financing: \$1,050,000

Terms: 20 year @ 1%, balloon

Supportive Units: 15%



THIS GRAPHIC IS FOR ILLUSTRATIVE PURPOSES ONLY AND IS SUBJECT TO CHANGE.

Hampton Spring by Evergreen Construction

Request Details

Location: Raleigh

56 units – 9% LIHTC

50% AMI and below: 8 units

40% AMI and below: 4 units

30% AMI and below: 14 units

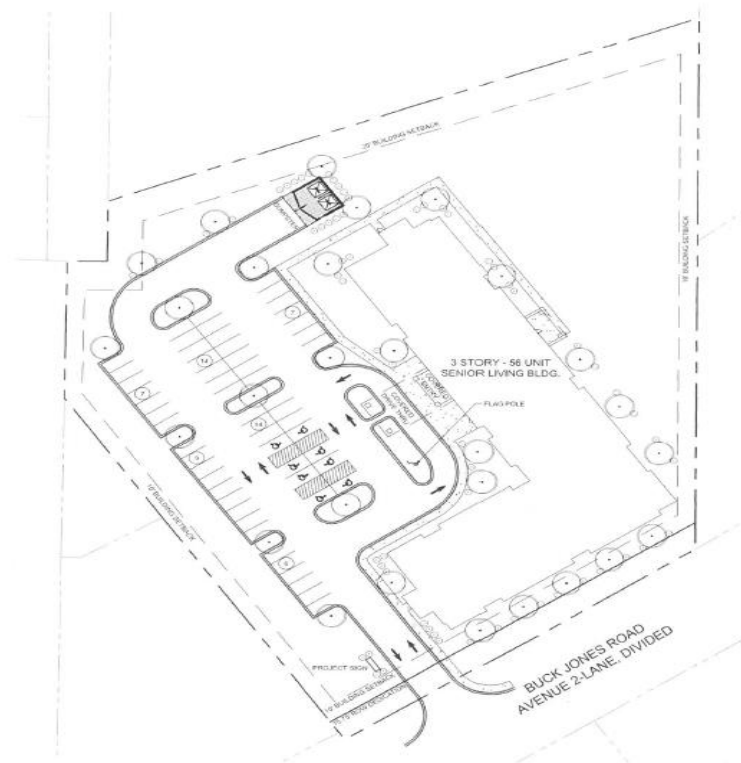
Target: Elderly

Type: New Construction

Financing: \$540,000

Terms: 30 year @ 2%, balloon

Supportive Units: 10%





Ranking & Recommendations

Project Name (LIHTC 9%/4%)	Developer	Location	Target Resident	Total Units	Supportive Units			Wake County Loan Request	Request per Unit	NCHFA Site Score	Wake County Final Rank
					NCHFA	County	Total (%)				
Pine Trace (9%)	Woda	Wake Forest	Elderly	68	7	7	14 (20%)	\$680,000	\$10,000	60	1
Zebulon Green (9%)	United	Zebulon	Family	72	8	7	15 (21%)	\$1,000,000	\$13,889	60	2
Isles of Wake (9%)	Gardner Halcon	Wake Forest	Elderly	64	7	6	13 (21%)	\$640,000	\$10,000	60	3
Tier 1 Total Funding				204				\$2,320,000	\$11,373		
Beacon Ridge (4%)	DHIC	Raleigh	Family	120	6	6	12 (10%)	\$2,477,000	\$20,642	57*	4
Pennington Grove (9%)	DHIC	Garner	Elderly	60	6	3	9 (15%)	\$1,050,000	\$17,500	60	5
Tier 2 Total Funding				180				\$3,527,000	\$19,071		
Hampton Spring (9%)	Evergreen	Raleigh	Elderly	56	6	--	6 (11%)	\$540,000	\$9,643	59*	6
Tier 3 Total Funding				56				\$540,000	\$9,643		
Total – All Tiers				440				\$6,387,000	\$14,516		

*NCHFA perfect site score is 60 points. 9% LIHTC projects are highly competitive; thus projects with site scores less than 60 are less viable to receive funding. 4% LIHTC projects are less competitive; thus site scores typically do not affect the viability of project funding.

Recommended Funding – Tier 1

Source	Current Available	Projected FY18-19	Total	Amount Proposed	Balance of Funding
CIP	\$ 1,302,051	\$ 643,193	\$ 1,945,244		
HOME	\$ 260,490	\$ 306,712	\$ 567,202		
HOPWA	\$ 250,000	\$ 0	\$ 250,000		
Total	\$ 1,812,541	\$ 949,904	\$ 2,762,445		
Amount Not Recommended for Funding					\$ 4,090,000
Deficit of Funding (includes CHDO)					\$ (3,464,070)

Takeaways

- All projects meet minimum requirements
- Available budget does not allow for funding of all projects
- Tier 1 projects provide 204 total units, including 42 supportive units and 52 units at or below 30% AMI, at a cost of \$2.3 M
- Projects not recommended were less competitive to receive LIHTC funding or scored lower due to financial feasibility, affordability targeting and special needs.

Next Steps

- May 9, 2018 – Board of Commissioners Approval
- May 11, 2018 – Tax Credit Final Application
- August 2018 – Tax Credit Award Notification
- Debrief and Continue Modifications for Next Cycle



Questions