

Item Title: Affordable Housing Funding Requests from Habitat for Humanity of Wake County

Specific Action Requested:
That the Board of Commissioners:

1. Approves a grant not to exceed \$135,000 in Housing Affordability and Community Revitalization Special Revenue and Housing Affordability and Community Revitalization CIP funds to Habitat for Humanity of Wake County (Habitat Wake) for acquisition of an undeveloped parcel in Knightdale, NC, subject to the terms and conditions acceptable to the County Attorney, and;
2. Approves a grant not to exceed \$300,000 in Housing Affordability and Community Revitalization Special Revenue and Housing Affordability and Community Revitalization CIP funds to Habitat for Humanity of Wake County (Habitat Wake) for acquisition of an undeveloped parcel in Garner, NC, subject to the terms and conditions acceptable to the County Attorney.

All awards are contingent upon developments receiving local approvals including site plan approval and all necessary permits from the local municipality. In addition, all awards are contingent upon the basic terms identified in the project descriptions, including funding commitments from the financial partners as identified.

Item Summary:

Purpose: The Board of Commissioners appropriates all funds and approves all real estate transactions, including affordable housing transactions.

Background: Wake County solicits a continuous call for affordable housing projects. This agenda item approves and appropriates funds for two proposed projects.

In May 2018, Habitat Wake applied for funds for the Kelley Meadows Development in Knightdale. Habitat Wake is requesting a grant of \$135,000 for land acquisition on a 2.29-acre tract of undeveloped land in Knightdale. The total project cost is roughly \$2.4 million and will construct 17 single family units.

In September 2018, Habitat Wake applied for funds for the Creech Road Development in Garner. Habitat Wake requests a grant of \$300,000 for land acquisition on a 47-acre tract of undeveloped land in Garner. The total project cost is roughly \$13.7 million and will construct 97 single family units. Both projects target the 60% area median income (AMI) range.

Board Goal: This Board action complements housing affordability initiatives in the Social and Economic Vitality goal area.

Fiscal Impact: \$435,000 is appropriated in the Housing Affordability and Community Revitalization Special Revenue Fund and the Housing Affordability and Community Revitalization CIP Fund. This action has no additional fiscal impact.

Additional Information:

Habitat Wake targets households earning between 30-80% of AMI (as of June 2019, the HUD income limits for a family of four between 30-80% is \$27,800-\$74,150). All Habitat Wake homebuyers are first-time buyers or have not owned a home in the last three years. Habitat Wake homebuyers contribute “sweat equity” by working alongside with Habitat Wake staff and volunteers during the construction of their home.

This application was reviewed by the Housing Affordability and Community Revitalization staff, and the staff has concluded that this application has met the County’s threshold requirements of:

- Affordable homeownership opportunities for families making less than 80% AMI.
- Habitat Wake has site control for each development site.
- Habitat Wake provides ongoing supportive services.
- Support and approval of development from the municipality.

County staff members from Budget and Management Services, Facilities, Design, and Construction, Finance, and Tax Administration departments helped with vetting this application. Additionally, the Housing Advisory Committee reviewed these applications at the October 17, 2019 meeting. The Housing Advisory Committee recommends funding the Kelley Meadows and Creech Road developments. Deed Restrictions will be placed on the property to ensure a 30-year affordability period.

Kelley Meadows

Sources		Uses	
Habitat Wake	\$ 2,248,250	Lot Acquisition	\$ 135,000
County Grant	\$ 135,000	Planning & Design	\$ 36,550
		Site Improvements	\$ 34,000
		Construction	\$ 1,864,900
		Fees and Charges	\$ 5,100
		Development Cost	\$ 205,700
		Non-development Cost	\$ 102,000
Total	\$ 2,383,250	Total	\$ 2,383,250

This proposed development is located at the intersection of Kelley Meadows Road and Flowers Street, a quarter of a mile east of North 1st Avenue (REID # 0060563). A total of 17 single-family units is proposed, and the average size of each unit is 1,150 sq. ft. The average selling price for each unit is estimated at \$140,000, and most of the buyers will have an average area medium income (AMI) below 60% (Habitat Wake allows up to 80% AMI). The total project cost is estimated at \$2,383,250. This represents an investment/subsidy of \$7,941 per unit versus an overall per unit project cost of \$140,191.

The completion date for this development is November 2021.

Creech Road

Sources		Uses	
Habitat Wake	\$ 13,437,950	Lot Acquisition	\$ 900,000
County Grant	\$ 300,000	Planning & Design	\$ 208,550
		Site Improvements	\$ 194,000
		Construction	\$ 10,349,900
		Fees and Charges	\$ 29,100
		Development Cost	\$ 1,474,400
		Non-development Cost	\$ 582,000
Total	\$ 13,737,950	Total	\$ 13,737,950

This proposed development is located off Creech Road where Gatewood Drive intersects with Creech Road (REID# 0027938). This subdivision will be developed in two phases, and the first phase is scheduled to start in January 2020. When fully developed, a total of 97 single-family units is proposed, and the average size of each unit is 1,150 sq. ft. The average selling price for each unit is estimated at \$140,000, and most of the buyers will have an average area medium income (AMI) below 60% (Habitat Wake allows up to 80% AMI). The total project cost is estimated at \$13,737,950. This represents an investment/subsidy of \$3,093 per unit versus an overall per unit project cost of \$141,628.

The completion date for this development is December 2023.

Funding Availability

Funding is available through the Affordable Housing Development Program which contains the 9% Low-Income Housing Tax Credit (LIHTC) Program, the 4% LIHTC Program, and the Continuous Call for Affordable Housing Projects. The Habitat Wake request was submitted through the Continuous Call for Affordable Housing Projects and will be funded through the remaining balance of the 2019 cycle of funding.

Affordable Housing Development Program – 2019 Cycle	
Fund 2200: Housing Special Revenue Fund	4,384,722
Fund 4700: Housing CIP Fund	8,200,574
2019 Cycle Funding Total	\$12,585,296
Prior 2019 Cycle Active Development Commitments	(11,141,296)
Habitat Wake Kelly Meadows	(135,000)
Habitat Wake Creech Road	(300,000)
Uncommitted Balance for Future Projects	\$1,009,000

Attachments:

1. Habitat Kelley Meadows Application
2. Kelley Meadows Development Site Map
3. Habitat Creech Road Application
4. Creech Road Development Site Map