

Housing Authority of the County of Wake

Crestfield Apartments Bonds

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Crestfield Apartments



Crestfield Apartments

- Existing low-income housing development for seniors built in 1980s
- Located at 719 Marshburn Road in Wendell
- Consists of 40 one-bedroom units in 10 residential buildings plus a community building
 - 17 units @ 30% AMI
 - 23 units @ 60% AMI
- Located within 1 mile of downtown Wendell, Food Lion grocery store, IGA grocery store and Wendell Park
- This will be the first major renovation to the property

Renovation Plans

- Approximately \$69,000 per unit
- In-place rehab – no tenants will have to be moved
- Unit Improvements
 - Kitchen and bath renovations with new appliances
 - Replace all windows and doors
 - Replace HVAC systems
- Site and Exterior Improvements
 - Replace all roofs
 - Improvements to parking areas, sidewalks and landscaping
- Common Area Improvements
 - Renovated and expand community building
 - Add gazebo or picnic shelter

Volunteers of America

- VOA is a faith-based nonprofit organization founded in 1896 that provides affordable housing and assistance services primarily to low-income people throughout the United States. Headquartered in Alexandria, Virginia, the organization includes 32 affiliates and serves approximately 1.5 million people each year in 46 states, DC and Puerto Rico.
- Since inception, VOA has grown into one of the largest and most effective nonprofit housing organizations in the nation after beginning multifamily housing development in 1964. In its 2018 ranking, Affordable Housing Finance Magazine ranked Volunteers of America #4 among nonprofit developers of affordable housing and #29 among the top 50 largest developers (for-profit and non-profit combined) of affordable housing.
- The VOA network of affordable housing facilities now includes almost 500 properties in 40 states and Puerto Rico and consists of nearly 20,000 affordable housing units including large urban complexes, small rural developments, elderly housing, multifamily housing, and housing for those with disabilities.
- VOA is one of the largest nonprofit providers of affordable senior housing and is a leading nonprofit provider of skilled nursing care and assisted living for seniors.

Plan of Finance

- Tax-Exempt Bonds issued by the Wake County Housing Authority
 - Not to exceed \$4,850,000
 - Have received volume cap from the North Carolina Housing Finance Agency
 - Bank of America is construction lender and Freddie Mac is permanent lender
- Equity from 4% Low Income Housing Tax Credits
- Subordinate financing – seller loan and VOA funding

Requirement for Public Hearing and Approval

➤ Governing Body Approval

- Under Section 147(f) of the Internal Revenue Code of 1986, a public hearing must be held with respect to the financed project and the bonds.
- After the public hearing, the elected governmental unit with jurisdiction over the issuer and the site of the project must approve in principle the issuance of the bonds.
- Wake County Housing Authority was created by a resolution of the Board of Commissioners of Wake County and the Board of Commissioners appoints the members of the Authority's Board
- The project to be financed is located entirely within Wake County
- The Board of Commissioners of Wake County is the governing body that qualifies to give the approval

No Financial Liability for Wake County

- Not a Debt of the County
 - The Bonds will not be a debt of the County, or a pledge of the faith and credit of the County. They will be limited obligations of the Housing Authority payable solely from the loan repayments to be made by the Borrower to the Authority
- No Responsibility for Payment
 - Because no taxes or other revenues of the County are pledged to pay the Bonds, the staff of the County has made no financial analysis of the Bonds, the Borrower or the improvements.

Next Steps

- Conduct the public hearing
- Approve the resolution set forth in the agenda package