

Item Title: Public Hearing and Approval of Proposed Issuance by the Housing Authority of the County of Wake of not to Exceed \$4,850,000 in Multifamily Housing Revenue Bonds (Crestfield Apartments), Series 2020

Specific Action Requested:
That the Board of Commissioners:

1. Conducts a public hearing; and
2. Adopts a resolution approving the issuance by the Housing Authority of the County of Wake (the "Authority") of not to exceed \$4,850,000 in Multifamily Housing Revenue Bonds (Crestfield Apartments), Series 2020, for purposes of meeting the requirements of the Internal Revenue Code of 1986, as amended (the "Code").

Item Summary:

Purpose: The Authority seeks to issue tax-exempt Multifamily Housing Revenue Bonds for development of Crestfield Apartments for seniors in Wendell, NC. Issuance of tax-exempt bonds by the Authority for any project within Wake County is required to be approved by the Board of Commissioners under the Code.

Background: Federal tax law requires that tax-exempt bonds issued to finance multifamily residential rental projects be approved by the elected legislative body of the governmental unit that (a) controls the issuer of the bonds and (b) has jurisdiction over the area in which the facility is located after holding a public hearing (Code Section 147(f)). The County has jurisdiction over the Authority, the facility is within the jurisdiction of the County, and the Board of Commissioners is the governing body of the County.

Board Goal: This action supports routine County operations.

Fiscal Impact: The County will have no legal responsibility or liability whatsoever for the payment of principal or interest on the proposed Bonds, and the Bonds will not affect the County's debt ratios or legal debt limits.

Additional Information:

The Authority, at the request of the developer, Crestfield VOA Affordable Housing, LLC (the "Company"), proposes to issue its Multifamily Housing Revenue Bonds (Crestfield Apartments), Series 2020 in a principal amount not to exceed \$4,850,000 (the "Bonds") to finance the acquisition, rehabilitation and equipping by the Company of a 40-unit multifamily residential rental facility for seniors known as Crestfield Apartments and

located at 719 Marshburn Road, Wendell, Wake County, North Carolina (the "Development").

Statutory requirement, which necessitates local town authorization, has been met as the Town of Wendell authorized the financing of the Development by the Authority at its January 27, 2020 meeting. The Authority adopted a preliminary approving resolution for issuance of the Bonds to finance the Development on November 14, 2018 and is expected to adopt a final approving resolution at its April 8, 2020 meeting. Subject to Board of Commissioners approval, the Bonds are expected to be issued in May 2020. Bank of America is acting as the construction lender and the Federal Home Loan Mortgage Corporation is providing the permanent financing. The Company expects the total costs for the Development and the financing to be approximately \$9.3 million. Additional sources of financing for the Development include equity relating to the purchase of the low-income housing tax credits and subordinate financing.

The Company will agree to repay the principal, premium, if any, and interest on the Bonds. Neither the Authority nor the County will have any liability whatsoever for the payment of principal or interest on the Bonds, and the Bonds will not affect the County's debt ratios or legal debt limit. Because no taxes or other revenues of the County are pledged to pay these Bonds, the staff of the County has made no financial analysis of the Bonds, the Company, or any affiliate thereof, or the Development.

At conclusion of the scheduled public hearing on this matter, the Board of Commissioners is requested to consider approval of attached resolution approving in principle the issuance of not to exceed \$4,850,000 of Housing Authority of the County of Wake Multifamily Housing Revenue Bonds (Crestfield Apartments), Series 2020 for the benefit of Crestfield VOA Affordable Housing, LLC, or an affiliate thereof.

Attachments:

1. Presentation
2. TEFRA Approval Requirement
3. Development Description
4. Notice of Public Hearing to be held March 16, 2020 at 2pm
5. Authorizing Resolution – Town of Wendell, NC adopted January 27, 2020
6. Preliminary Approving Resolution – WC Housing Authority adopted November 14, 2018
7. Draft BOC Authorizing Resolution; Summary of Public Hearing