

**Item Title:** Affordable Housing Development Conversion Request from DHIC for The Commons at Highland Village, LLC

**Specific Action Requested:**  
**That the Board of Commissioners:**

- 1. Consents to Community Revitalization and Preservation Corporation (CRPC), a non-profit affiliate of DHIC, as the sole member and manager of The Commons at Highland Village, LLC; and**
- 2. Authorizes the Chair to execute the statement of lender consent subject to terms and conditions acceptable to the County Attorney.**

**Item Summary:**

**Purpose:** The Board of Commissioners approves all Wake County real estate transactions, including ownership transfers of properties that have received loans from the County. Approval by the Board of Commissioners is necessary prior to the conversion for DHIC to remain compliant with the Wake County's Deed of Trust.

**Background:** In November 2002, Wake County issued a \$290,000 loan to DHIC, Inc. on behalf of the ownership entity, Highland Seniors Limited Partnership, to develop The Commons at Highland Village, a 68-unit affordable senior development in Cary, NC. This project has completed the 15-year compliance period under the low-income housing tax credit program. DHIC's non-profit affiliate, Community Revitalization and Preservation Corporation (CRPC) will assume management of the project to keep the development affordable for 15 more years and satisfy the terms of the loans to the project from the County and other lenders.

Nationwide Affordable Housing Fund IX and RBC Community Investments Manager II, Inc. (the Special Limited Partner) wish to transfer 100 percent of their ownership interest to Community Revitalization and Preservation Corporation ("CRPC"), a non-profit affiliate of DHIC, Inc. in order to preserve the long-term affordability of the development. The ownership entity, Highland Seniors Limited Partnership, will convert to The Commons at Highland Village, LLC.

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

**Fiscal Impact:** This item has no financial impact on the County. The County will not contribute funding, issue new debt, and annual debt service payments remain consistent.

**Additional Information:**

The Commons at Highland Village is a 68-unit affordable senior property located at 1500 Highland Village Drive in Cary, NC. In November 2002, Wake County issued a \$290,000 loan to DHIC, Inc. on behalf of Highland Seniors Limited Partnership to develop the property. The Commons at Highland Village has met its 15-year low-income housing tax credit compliance period. As a result, the original equity investors - Apollo Tax Credit Fund – XXXI Limited Partnership and RBC Community Investments Manager II, Inc. – no longer have a role to play in management of the property and will exit the partnership. This is a normal and common occurrence in the life cycle of tax credit properties when the compliance period has been met. CRPC, a non-profit affiliate of DHIC, Inc. will assume management of the property and will be sole member of the new ownership entity, The Commons and Highland Village, LLC.

The Board of Directors of CRPC is made up of the executive committee members of the DHIC Board of Directors. DHIC has completed this same transaction with fifteen properties in the past; only Weston Trace, Beechridge Limited Partnership, Madison Glen, Beechridge II, and Lennox Chase required consent by Wake County. The other properties do not contain County funds, so no County approval was required for the Conversion. The conversion of The Commons at Highland Village will make the ownership structure consistent with these other properties, allowing DHIC to manage all of them more consistently and cost-effectively. The Village at Highland Commons, LLC will continue as the borrower under the County's loan and no action will be required to cause the loan to continue to be in full force and effect. There will be no changes to the loan terms, lien position, or repayment of the County loan.

**Attachments:**

1. DHIC Transfer Consent Request