



# Chatham County, NC

## Legislation Text

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**File #:** 22-4264, **Version:** 1

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Vote on a request to approve the recommendation of the Chatham County Affordable Housing Advisory Committee to award Wallick Communities a low-interest loan totaling \$322,851 from the Article 46 Housing Allocation and Housing Trust Fund for the creation of 72 affordable income restricted units.

Action Requested: Approve the AHAC recommendation to award Wallick Communities \$322,851 in the form of a low interest loan from the Article 46 Housing allocation.

### **Introduction & Background:**

In 2019 Wallick Communities was selected as a partner to develop a 9% Low-Income Housing Tax Credit Development or LIHTC development on Technology Way in Siler City. Since then, they have not only been an engaged and transparent partner and have also successfully competed for funds from the Housing Trust Fund and scored the highest for two years in a row. Their recommended award in 2021 of \$85,000 was approved by the board of commissioners and was conditional on the development being selected for tax credits in August 2021. The project was selected, and since August has worked diligently towards closing and beginning construction. They applied once more for Housing Trust Fund monies in order to account for a market driven shortfall that was becoming increasingly evident. Their original request was for \$200,000 and was deferred until more information came available about this foreseeable shortfall caused by unprecedented market conditions. This request was brought forward again for consideration at the April 7, 2022 AHAC meeting.

The shortfall they found is an estimated \$1.4 million, but the development team has made several changes to the project's financial models to in the form of deferred development fees, refinancing, interest savings, improved tax credit pricing, and more to bring that shortfall to an estimated \$600,000. They came before the Chatham County Affordable Housing Advisory Committee on April 7, 2022, to request that a vote be taken on their \$200,000 request.

After much discussion and deliberation, the members of AHAC voted to recommend an award to Wallick of \$322,851 in total from Article 46 Sales Tax Affordable Housing Allocation. This amount represents the \$200,000 originally available for the initial request, and an additional \$122,851 based on the status of that source on April 7, 2022. This amount will be added to their original request.

### **Discussion & Analysis:**

Tax Credit developments or the LIHTC program is the single largest produce of affordable housing in the country. The Oak View development would provide housing for 72 households earning 30-60% AMI behind Chatham Hospital in Siler City. This development would be the largest LIHTC development to occur in Chatham County in over 8 years since Bellemont Pointe Apartments, which awarded credits in 2013, came online in 2015 and has 76 units.

Both staff and the community members of AHAC have reviewed this project thoroughly over the last 3 years and would like to request that the first loan and large award from the Article 46 sales tax housing allocation be awarded to what will be a highly impactful development when it comes online in late 2023.

### How does this relate to the Comprehensive Plan?

Goal 9: Provide equitable access to high-quality education, housing, and community options for all

Goal 10: Foster a Health Community

Budgetary Impact:

\$322,851 from Article 46 Affordable Housing Allocation

Recommendation:

Approve AHAC recommendation to award Wallick Communities \$322,851.

### LIHTC Properties in Chatham County by Year - as of April 2022

Project Name & Owner Name	Units	Year	Type	Target Population
Oak View at Siler City - <i>Online in 2023</i>	72	2021	New Construction	Family
Retreat at Pittsboro	48	2019	New Construction	Family
Siler School Square	44	2018	Adaptive Reuse	Family
Pittsboro Village II	40	2015	Rehabilitation	Family
<b>Bellemont Pointe Apartments</b>	<b>76</b>	<b>2013</b>	<b>New Construction</b>	<b>Family</b>
Powell Spring	48	2009	New Construction	Senior
Cardinal Chase	48	2003	New Construction	Family
Braxton Manor	32	1997	Rehabilitation	Senior
Cateland Place	64	1997	New Construction	Family
Pittsboro Village Phase II	40	1987	New Construction	Family

Source:

<https://www.nchfa.com/rental-housing-partners/rental-developers/find-awarded-projects?>

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