

## City Council – Action Request Form

**Date:** April 9, 2024

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**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

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**From:** Patrice Toney, Assistant City Manager  
Shantell McClam, Neighborhood Services Director  
Tanya Skillman, Assistant Housing Development Director

**Council Action Requested:**  
Resolution Authorizing Permanent Financing for Development of 60 Units of Affordable Rental Housing for Families Known as Zachary Pointe Apartments (South Ward)

**Strategic Focus Area:** Livable Neighborhoods  
**Strategic Objective:** No  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

Wallick Asset Management, LLC, whose Managing Member is Alexis Dunfee and location is 160 W. Main Street, Suite 200, New Albany OH 43054, is applying to the North Carolina Housing Finance Agency (NCHFA) for Low-Income Housing Tax Credits (tax credits) to construct 60 units of rental housing for families on Stafford Village Road (0 Wharton Avenue) to be known as Zachary Pointe Apartments. The developer is requesting gap financing from the City to ensure feasibility of the project. The tax credit application deadline is May 10, 2024.

Applicants for tax credits proposing to use government gap financing must include a letter of binding commitment from the local government in their full applications to NCHFA. NCHFA may fund one or two proposals from Forsyth County and may not fund any. NCHFA received eight pre-applications from Forsyth County, and the developer is one of three making a request to the City for funding.

**Committee Action:**

<b>Committee</b>	CD/H/GG – 4/8/24 F – 4/9/24	<b>Action</b>	Approval
<b>For</b>	F-CD/H/GG - Unanimous	<b>Against</b>	

**Remarks:**

The proposed development will be three three-story buildings with a community building. It will consist of 12 one-bedroom, 30 two-bedroom, and 18 three-bedroom units and serve families with incomes below 60% of area median income.

<b>Unit Count by Area Median Income</b>			
<b>&lt;30%</b>	<b>31-50%</b>	<b>51-60%</b>	<b>Total Units</b>
15	21	24	60

Amenities include a community room with kitchenette, computer/business center, laundry room, covered picnic area, playground, and three outdoor seating areas and gazebo.

Wallick Communities has been in business for 50 years developing and managing rental housing, including apartments for low-income families and seniors, primarily in Ohio but also Illinois, Indiana, Kentucky, and Michigan. The company is entering the North Carolina market.

Proposed financing for the development consists of a conventional bank first mortgage loan, a City funds as a second subordinate mortgage, deferred developer fee, and funds derived from the tax credits. The preliminary sources are summarized as follows:

\$8,506,679	Federal Tax Credit Equity
2,350,000	First Mortgage Bank Loan
2,000,000	Requested City Mortgage Loan
<u>221,096</u>	Deferred Developer Fee
<b>\$13,077,745</b>	<b>TOTAL</b>

As City funds are provided as “gap” financing, the final rate and terms will be backed into upon completion of the financing package, and as determined by the requirements of NCHFA and the first mortgage loan.

A resolution to provide a \$2,000,000 subordinate mortgage loan for the Zachary Pointe Apartments is presented for consideration. The proposed fund source is HOME funds. This commitment is contingent upon an award of 2024 Low Income Housing Tax Credits by NCHFA, attainment of all other sources of financing, availability of City funds, and completion of construction in compliance with the provisions of the attached Exhibit A to the Resolution.