

## City Council – Action Request Form

**Date:** November 9, 2020

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

**From:** Tasha Logan Ford, Assistant City Manger  
Marla Y. Newman, Community Development Director

**Council Action Requested:**

Resolution Authorizing Financial Assistance for Essex Place Multi-Family Housing Development

**Strategic Focus Area:** Livable Neighborhoods

**Strategic Objective:** Expand Housing Assistance Programs

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

Past the Mall, LLC (PM) is requesting gap financing to support the development of Essex Place, an affordable 48-unit multi-family housing development located at 4784 Essex Country Lane. Maps showing the location of the development, along with a site plan and overview of amenities, is attached to this item.

The development will consist of 8 one-bedroom units, 32 two-bedroom units, and 8 three-bedroom units. Unit sizes are 712 square feet for the one-bedroom units, 958 square feet for the two-bedroom units, and 1,165 square feet for the three-bedroom units. Rents will range from \$293 per month for a one-bedroom unit for a household at 30% area median income (AMI) to \$888 per month for a three-bedroom unit rented to a household at 60% AMI.

Total development costs are \$7,944,451 and financing consists of Low Income Housing Tax Credits, a Workforce Housing Loan from the North Carolina Housing Finance Agency, and permanent debt. A financing gap exists in the amount of \$350,000, for which City assistance is requested.

**Committee Action:**

<b>Committee</b>	Finance 11/9/2020 CDHGG 11/10/2020	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

MP is a joint venture between Sylvan Partners, LLC (Linwood L. Davis, Jr.), Shelter Investments Development Corporation (Ned Fowler), and Third Wave Housing (Richard Angino) and is located in Winston-Salem. Previous development experience of the venture partners includes Rowan Pointe in Mocksville, Coit Village in Florence, SC, and the Retreat at Statesville in Statesville, NC.

The development is 100% affordable, and targets persons whose incomes are between 30% and 60% of AMI.

Proposed financing for the development consists of a conventional bank first mortgage loan, a Workforce Housing Loan Program loan from NCHFA, City funds as a second subordinate mortgage, and funds derived from the tax credits. The sources are summarized as follows:

\$5,175,982	Federal Tax Credit Equity
2,150,000	First Mortgage Bank Loan
367,783	Deferred Developer Fee
350,000	Requested City Mortgage Loan
<u>\$250,000</u>	Workforce Housing Loan Program Loan
\$8,293,765	TOTAL

As City funds are provided as “gap” financing, the final rate and terms will be backed into upon completion of the financing package.

A resolution to provide a \$350,000 subordinate mortgage loan for Essex Place is presented for consideration. The proposed fund source is Housing Finance Assistance Funds.