



Housing Advisory Board Recommended Funding Plan Overview



Affordable Housing Bond



Fiscal Year 2022

The Town’s Housing Advisory Board met on April 12, 2022 to review the funding requests received for the Affordable Housing Bond. The eligible requests were limited to projects applying for 9% Low Income Housing Tax Credits in 2022. The Town received one funding application. The below funding recommendation is contingent on the project being awarded 9% Low Income Housing Tax Credits in 2022.

Organization	Project	Request	Units	Subsidy Per Unit	Total Project Cost	% Funded by Town	Cost Per Unit	Outside Leverage	Type	Affordability Period
DHIC	Indigo	1,350,000	51	26,471	12,438,650	11%	243,895	11,088,650	Loan	30 years

	<p><u>The Indigo</u> Recommendation: \$1,350,000 Request: \$1,350,000 loan</p> <p>The Indigo is planned to be a new construction, multifamily project consisting of 51 one- and two-bedroom apartments for seniors age 55+. Located adjacent to Carraway Village, the community will offer 100% of units to households making less than 60% of area median income (AMI). Thirteen units will be affordable to 30% AMI and eight units will be affordable to 50% AMI. Development plans include on-site management, secure storage, thoughtful community amenities and floor plans for seniors.</p> <p>DHIC is proposing a 20-year, 1% interest loan that would be partially repaid annually based on the cash flow of the project and the level of reserve required by the NCHFA to pay off the debt service (a debt coverage ratio of 1.15). The Town will negotiate the final details of the loan terms with DHIC, if the project receives Bond and 9% LIHTC funding approvals.</p> <p>Recommendation: The HAB recommends fully funding the DHIC request. Some of the reasons cited included: the funding would be provided as a loan, it was a high scoring application, and the project would serve households below 60% AMI.</p>	
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