



Staff Recommended Funding Plan Overview

2023 9% Low-Income Housing Tax Credit/Town Prioritized Project






Fiscal Year 2023

On November 16, 2022 Council approved the allocation of \$2 million in affordable housing funding to a 9% Low Income Housing Tax Credit or other Town prioritized project. The Tanyard Branch Trace project has submitted an application for 2023 9% Low Income Housing Tax Credits (LIHTC), is on a parcel the Town has prioritized for affordable housing development, and has received a perfect site score by the North Carolina Housing Finance Agency. The below funding recommendation is contingent on the project being awarded 9% Low Income Housing Tax Credits in 2023.

| Organization | Project | Subsidy Request | Value of Leased Land | Total Town Contribution | Units | Subsidy Per Unit | Total Project Cost | % Funded by Town | Cost Per Unit | Outside Leverage | Type | Affordability Period |
|------------------|-----------------------------------|-----------------|----------------------|-------------------------|-------|------------------|--------------------|------------------|---------------|------------------|------|----------------------|
| Taft-Mills Group | Tanyard Branch Trace (Jay Street) | 1,950,000 | 1,680,000 | 3,630,000 | 48 | 40,625 | 15,818,583 | 12% | 329,554 | 13,868,583 | Loan | 99 years |

Project Overview and Recommendation

| | | |
|---|---|--|
|   | <p><u>Tanyard Branch Trace</u> Staff Funding Recommendation: \$1,950,000 Request: \$1,950,000</p> <p>Tanyard Branch Trace is planned to be a new construction, multifamily project consisting of 48 permanently affordable one-, two-, and three- bedroom apartments for families well-located adjacent to the Northside Neighborhood, a mile from downtown, and easily accessed by two bus lines and a greenway trail. 100% of units will be affordable to households making less than 60% of area median income (AMI), including 12 units affordable to 30% AMI households and 8 units affordable to 50% AMI households. The approved site plan includes a community clubhouse with on-site management, fitness and business centers, ADA accessible connection to the Tanyard Branch Greenway, secure bike storage, and an EV Charging station. TMG is co-developing the site with local affordable housing partner Community Home Trust, who has been leading the project’s community engagement efforts.</p> <p>Recommendation: Staff recommend fully funding the request. The project scored very highly due to its requested loan structure, deep levels of affordability, and high leverage as a proposed LIHTC project.</p> |  |
|---|---|--|