

Item Title: Updated Affordability Mix for Tryon Station Apartments

Specific Action Requested:

That the Board of Commissioners approves an updated affordability mix for Tryon Station Apartments in Garner, NC.

Item Summary:

Purpose: The Board of Commissioners approves all Wake County real estate transactions.

Background: In December 2022, the Board of Commissioners approved a \$4,960,000 loan and in November 2023 an additional \$1,690,000 loan for a grand total of up to \$6,650,000 of construction and permanent financing to Kelley Development Company and Bradley Developers to develop Tryon Station Apartments (formerly Tryon Pointe Apartments), a 176-unit 4% Low-Income Housing Tax Credit (LIHTC) development for families to be located in Garner. As approved, all of the units at the development will serve households earning up to 60% of the Area Median Income (AMI).

The LIHTC program will allow projects to serve households earning up to 80% of the AMI as long as the overall project weighted average affordability does not exceed 60% AMI. The developer of Tryon Station has requested approval of a revised affordability mix that serves households earning up to 50%, 60%, 70%, and 80% of the AMI with an overall project weighted average affordability of 58.8%. The proposed affordability mix includes 47 units serving households earning 50% of the AMI and below, which is a key priority of the Affordable Housing Development Program (AHDP) and the Housing Department. The updated affordability mix does not negatively impact the proposal's AHDP evaluation score relative to the initial evaluation. The market study for the project indicates strong depth of demand to accommodate the new affordability mix.

The terms of the County's loan commitment will remain the same. The project is currently under construction with anticipated completion in May 2026.

Strategic Plan: This action supports Community Health and Wellbeing Goal 1: Create and preserve 2,500 affordable housing units by 2029.

Fiscal Impact: This project was originally funded in FY2024 with ARPA funds. Wake County is not contributing additional funding beyond the initial award.

Additional Information:

Tryon Station Apartments is a 176-unit affordable rental development for families currently under construction at 1509 Creech Road in Garner. The project will consist of one, two, and three-bedroom units in walk-up, garden-style buildings. The North Carolina Housing Finance Agency has approved the revised affordability mix, and the Town of Garner supports the mix as 70% AMI and 80% AMI units may better serve Town employees looking for housing. The table below illustrates the affordability mix as originally approved, as well as the proposed affordability mix.

Tryon Station Apartments Income Distribution

Income Limit	# Units – Original	# Units - Proposed
50% AMI	0	47
60% AMI	176	108
70% AMI	0	16
80% AMI	0	5
Total	176	176

Overall, the project remains responsive to the County's AHDP criteria and will be a viable project that provides affordable housing units serving very low-income households, including 27 units set aside for Wake County's Rental Assistance Housing Program (RAHP) voucher clients. If approved by the Board of Commissioners, the terms of the County loan would remain 1.5% interest during the construction and permanent phases with variable repayments over a 30-year term with a balloon payment at the end of the term.

Federal funding requires the County to utilize Area Median Income (AMI) as a key affordable housing metric to determine program or project eligibility. AMI is defined as the midpoint of a specific area's income distribution. Wake County utilizes the Raleigh Metropolitan Statistical Area (MSA) as the geographical area, identified by the Census Bureau. AMI is updated annually by HUD utilizing American Community Survey (ACS) data and other sources. The specific methodology can be found online at www.huduser.gov.

The current four-person household AMI for the Raleigh-Cary MSA is \$132,700. The table below illustrates income limits by household size for the project's proposed affordability mix.

Household Size	50% AMI	60% AMI	70% AMI	80% AMI
1 Person	\$46,450	\$55,740	\$65,030	\$74,320
2 People	\$53,100	\$63,720	\$74,340	\$84,960
3 People	\$59,750	\$71,700	\$83,650	\$95,600
4 People	\$66,350	\$79,620	\$92,890	\$106,160

Attachments:

None.