

# CITY OF HIGH POINT

## AGENDA ITEM

**Title: HUD Section 108 Loan Application****From:** Michael E. McNair, Director**Public Hearing:** Yes**Attachments:**

Site Plan

Advertisement

**Meeting Date:** 11/5/2018**Advertising Date:** 11/1/2018**Advertised By:** High Point Enterprise

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**PURPOSE:**

Reprogram the source of a loan previously authorized by Council in the amount of \$650,000 to Wynnefield Properties to construct Avondale Trace apartments (72 units). HUD Section 108 funds would be utilized instead of HOME Investment Partnership Program funds. The HOME funds could then be reallocated to other local affordable housing activities.

**BACKGROUND:**

The increase in our 2018-19 CDBG allocation (by \$105,997) also resulted a greater borrowing capacity for HUD Section 108. Entitlement cities are eligible to borrow up to five times their allocation less any outstanding debt. However, an application couldn't be submitted before the action plan was approved by HUD and the grant agreement was executed by all by both parties. Since those required steps have occurred, the current eligible section 108 borrowing capacity for the City is estimated to be \$996,960. This request was reviewed with the Community Housing Neighborhood Development and Public Safety Committee and the Citizens Advisory Council.

**BUDGET IMPACT:**

The 2018-19 Annual Plan budget would be increased in the amount of \$996,960 upon completion of the application process and an award letter from HUD. \$650,000 of the Section 108 proceeds would be reserved for Avondale Trace Apartments. The remaining \$346,960 in Section 108 authorization would be reserved for a future LIHTC development expected to be part of the 2019-20 Annual Action Plan.

**RECOMMENDATION / ACTION REQUESTED:**

The Community Development and Housing Department recommends authorizing staff to prepare a section 108 loan application for HUD approval and that the appropriate City official and/or employee be authorized to execute all necessary documents.

## Avondale Trace Site Plan

- 5206 W. Wendover Avenue
- 72 multi-family apartments
- Mixture of 1-BR, 2-BR and 3-BR units
- Estimated cost = \$12,648,710
- Approved CHP loan = \$650,000
- Monthly rents range from \$235 to \$795
- \*Project received the maximum site score possible from NCHFA



**CITY OF HIGH POINT  
NOTICE OF PUBLIC HEARING  
PUBLIC REVIEW AND COMMENT PERIOD  
DRAFT SECTION 108 LOAN GUARANTEE PROGRAM APPLICATION  
& AMENDMENTS TO THE 2015-2019 CONSOLIDATED PLAN  
AND 2018-2019 ANNUAL ACTION PLAN**

**ACTION:** Notice is hereby given that a Section 108 Loan Guarantee Program application has been drafted by the Community Development and Housing Department.

**SUMMARY:** The City of High Point intends to submit an application for a Section 108 loan allocation to the U.S. Department of Housing & Urban Development (HUD) in support of a proposed multi-family housing development. The application is in keeping with the Section 108 project eligibility requirements as outlined in 24 CFR 570.703, which includes acquisition of real property; and construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements).

**COMMENT PERIOD:** Under HUD regulations, this Section 108 application constitutes a substantial amendment to the City's 2015-2019 Consolidated Plan and 2018-2019 Annual Action Plan. Substantial amendments require a 30-day comment period to receive citizen input on the amendment. Comments concerning the amendment stated in this notice should be made during the required comment period. The comment period is from Thursday, November 1, 2018 to Friday, November 30, 2018.

**AVAILABILITY OF REVIEW MATERIALS:** Copies of the Section 108 loan application, which includes the City's Consolidated Plan and Annual Action Plan amendments, will be available for public review and comment beginning Thursday, November 1, 2018 at the following locations:

- Community Development & Housing Department, 211 S. Hamilton Street, Suite 312, 3<sup>rd</sup> Floor (City Hall)
- High Point Housing Authority, 500 E. Russell Street
- YWCA, 1112 Gatewood Avenue
- High Point Public Library, 901 N. Main Street
- Community and Neighborhood Development Center, 201 Fourth Street

In addition, the document can be viewed on our website at [www.highpointnc.gov/cd](http://www.highpointnc.gov/cd).

**PUBLIC HEARINGS:** The first public hearing for the Section 108 loan application, Consolidated Plan amendment, and Annual Action Plan amendment will be held Monday, November 5, 2018 at 5:30 p.m. before City Council during their regularly scheduled meeting in the City Council Chambers located at City Hall (211 S. Hamilton Street, High Point, NC 27260).

After the 30-day review and comment period has ended, a second public hearing on these documents will be held Monday, December 3, 2018 at 5:30 p.m. before City Council during their regularly scheduled meeting in the City Council Chambers located at City Hall (211 S. Hamilton

Street, High Point, NC 27260). At the close of the public hearing, the City of High Point will move forward with the process for formal approval of the application and submission to HUD.

Persons with disabilities or who otherwise need assistance should contact Cindy Duncan-Smith at (336) 883-3293 in advance of the public hearing.

**WRITTEN COMMENTS:** The City of High Point will receive written comments until 5:00 p.m., November 30, 2018. Comments can be sent via email to Thanena Wilson at [thanena.wilson@highpointnc.gov](mailto:thanena.wilson@highpointnc.gov), by fax to (336) 883-3355, or mailed to City of High Point Community Development Department, Attn: Thanena Wilson (Public Comment), P. O. Box 230, High Point, NC 27261. All mailed comments must be received in our office no later than November 30, 2018.

Si necesita esta información en español, por favor póngase en contacto con Thanena Wilson (336) 883-3351.