

Public Hearing for HUD Section 108 Application

November 5, 2018



Section 108 Program Overview

- Allows local governments to borrow 5 times their annual CDBG allocation.
- Project activity must be eligible under CDBG regulations.
- City will agree to pledge its current and future CDBG funds for security.
- Section 108 obligations are financed through underwritten public offerings.
- Financing between public offerings is provided through an interim lending facility established by HUD.
- Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%).
- Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount.

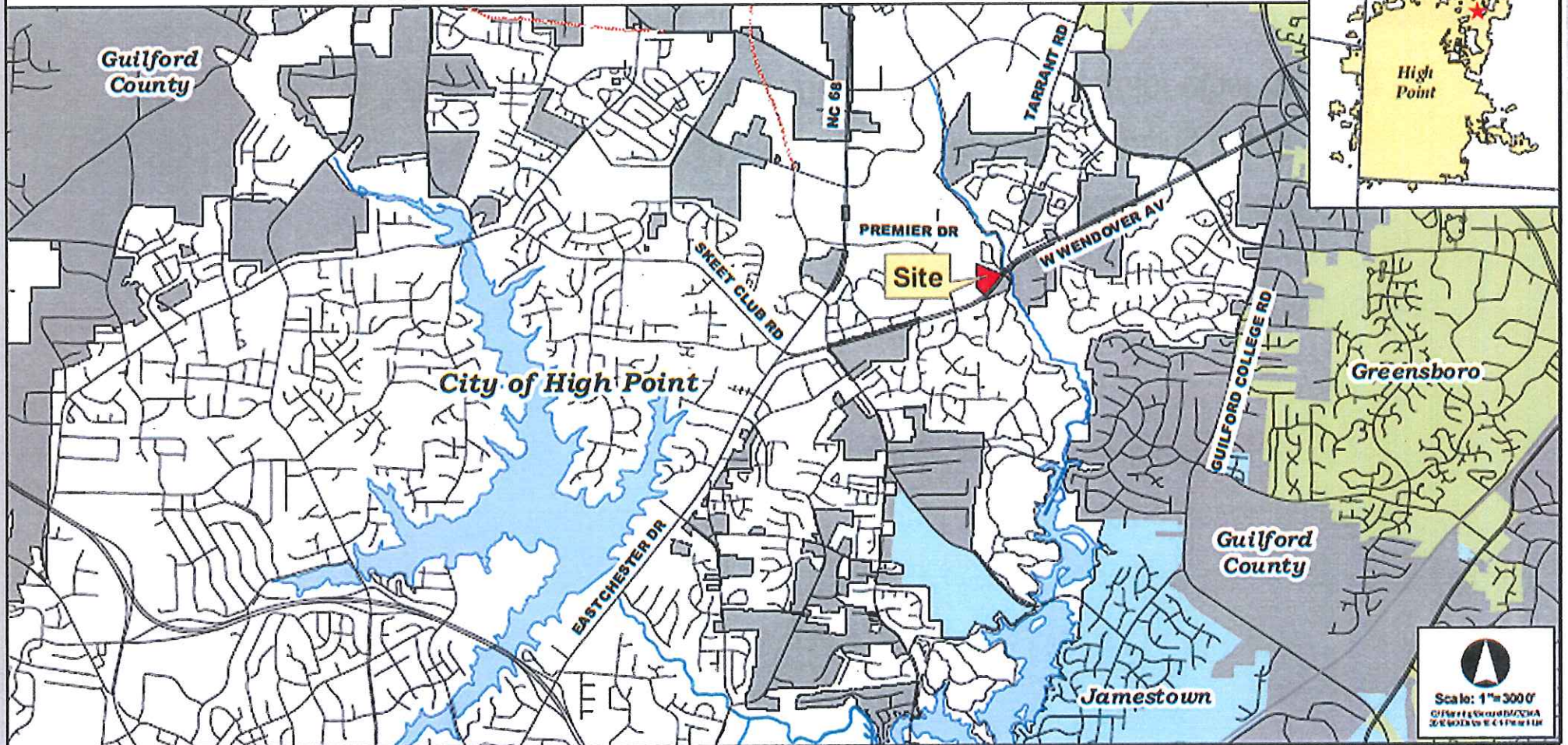
HUD Section 108 Loan Application

- Resources will be used in support of an upcoming multi-family housing development(s).
- Avondale Trace will be the fourth development utilizing Section 108 funds.
- Estimated borrowing capacity:
 - 2018 CDBG allocation of \$932,192 x 5 = \$4,660,960
 - Outstanding principal balances = \$3,664,000 (Addington Ridge, Kirkwood Crossing & Hartley Ridge)
 - Estimated section 108 eligible borrowing capacity = \$4,660,960 – 3,664,000 = \$996,960
- Will request the full eligible Section 108 Loan allocation in the amount of \$996,960
- Section 108 funds will effectively add \$1 million to our affordable housing resources.
- HOME program funds in the amount of \$650,000 will be reallocated for other housing

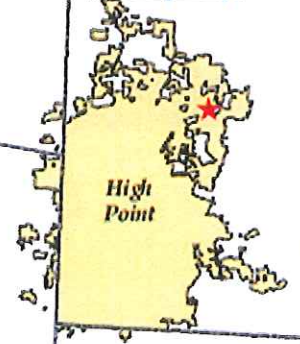
LOCATION MAP

ZONING MAP AMENDMENT ZA-18-01

Applicant: Wynnfield Properties, Inc.



Vicinity Map



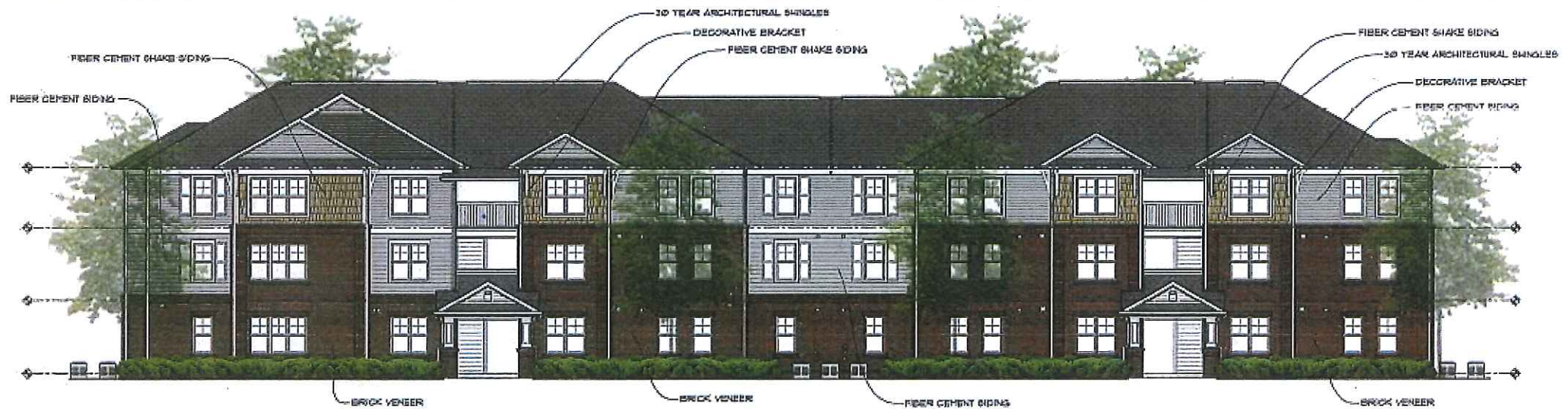
Avondale Trace Apartments

- 5206 W. Wendover Avenue
- 72 multi-family apartments
- 7.75 acre site
- Unit Mix:
 - (12) 1-BR @ 705 sq ft
 - (36) 2-BR @ 967 sq ft
 - (24) 3-BR units @ 1,134 sq ft
- Estimated cost = \$12,648,710
- Requested CHP loan = \$650,000
- Monthly rents range from \$235 to \$795

**Project received the maximum site score possible from NCHFA*



Building Elevation



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