

ID 17-0668

289-17

RESOLUTION APPROVING LOANS FOR MULTI-FAMILY AFFORDABLE HOUSING
DEVELOPMENT PROJECTS FOR RYAN RIDGE APARTMENTS, LLC, AND
PARTNERSHIP HOMES, INC.

WHEREAS, the City Council previously approved conditional financing commitments in May 2017 for multi-family affordable housing development projects which were seeking additional funds for development through the North Carolina Housing Finance Agency [NCHFA].

WHEREAS, projects have been selected by NCHFA for Low Income Housing Tax Credit and Supportive Housing Development program funding and need approval of final City loan terms.

WHEREAS, Ryan Ridge Apartments, LLC seeks funding for Ryan Ridge Apartments, located at 4410-4412 Rehobeth Church Road, to consist of 60 one, two and three bedroom new construction Low Income Housing Tax Credit units for households under 60% of area median income.

WHEREAS, Due to a reduction in the market value of Low Income Housing Tax Credits, the recommendation is to increase the City loan to Ryan Ridge Apartments, LLC, to \$880,000 in City Housing Bond funds at 0.5% interest for a 20 year term with annual fixed payments and a balloon at the end of the term. The City loan will be in second position.

WHEREAS, Partnership Homes, Inc., seeks funding for Partnership Place Apartments, located at 603 W. Terrell Street, consisting of 37 two bedroom townhouse units to be rehabilitated to include permanent supportive housing for households under 60% and 50% of area median income. NCHFA will provide a \$500,000 Supportive Housing Development Program Loan and project based rental voucher assistance to eight units.

WHEREAS, The recommendation is to provide \$532,423 to Partnership Homes, Inc., in City Housing Bond funds at 0% interest for 15 years with payment terms to be negotiated with NCHFA and a balloon at the end of the term. The existing City loan will remain in third position behind the construction/permanent lender and current NCHFA loan. The proposed new City loan of \$532,423 will be immediately behind the current City loan. The proposed new NCHFA loan will be behind the new City loan.

WHEREAS, Partnership Homes, Inc., will assume existing City debt principal of \$411,570.54 from the current owner, Kingsgate Housing, LLC, and the City will forgive approximately \$79,064 in accrued unpaid interest. The interest, loan term and payment terms of the existing loan will be modified following negotiation between NCHFA and City. Kingsgate Housing, LLC, will sign a modification to the restrictive covenants terminating the expired HOME program restrictions.

WHEREAS, funds are available in the following housing bond sources:

\$880,000	483-2201-03 – Multi-family Affordable Housing Development
\$532,423	483-2201-07 – Supporting Housing Units for Homeless/Disabled/Veterans

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That it authorizes financing commitments for the affordable housing development projects as recommended, assumption of Kingsgate Housing, LLC, loan by Partnership Homes, Inc., termination of expired HOME restrictive covenants, and forgiveness of accrued loan interest, placement of the City loan position in the third and fourth positions and the City Manager to sign appropriate closing documents.

THE FOREGOING RESOLUTION WAS ADOPTED
BY THE CITY COUNCIL OF THE CITY OF
GREENSBORO ON THE 17TH DAY
OF OCTOBER, 2017.

APPROVED AS TO FORM



CITY CLERK



CITY ATTORNEY