

RESOLUTION AUTHORIZING LOAN MODIFICATION FOR SALE AND
REHABILITATION OF 1522 WILLOW ROAD

WHEREAS, in 1990 the City provided the homeowner at 1522 Willow Road with a housing rehabilitation loan in the amount of \$10,174 which was deferred with principal and accumulated interest due upon the sale of the property or death of the owner;

WHEREAS, the borrower is deceased and the heirs would like to sell the two bedroom, one bath house with a tax value of \$57,400;

WHEREAS, the house is in dilapidated condition and a buyer has offered \$21,800 and will invest approximately \$24,000 in the rehabilitation of the house for use as affordable rental property;

WHEREAS, the current principal and accumulated interest on the City loan is \$16,758.40 and there are additional back taxes, water liens and code enforcement actions totaling \$6,696.38 as well as additional judgment, commission, legal and repair expenses to be covered by the sale proceeds totaling \$8,800;

WHEREAS, the heirs have requested the City forgive the accumulated interest of approximately \$7,116.40 and reduce the outstanding principal balance on the rehabilitation loan from \$9,642 to \$6,300 in order to keep the costs under the amount of the sale proceeds;

WHEREAS, code enforcement, water liens and property taxes would be paid in full with the heirs being responsible for any tax implications due to debt forgiveness;

WHEREAS, the reduction in anticipated CDBG program income would be from \$16,758.40 to \$6,300 and would be an alternative to foreclosure action.

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

That the reduction of loan proceeds for 1522 Willow Road from \$16,758.40 to \$6,300 is hereby authorized and the loan write off in the amount of \$10,458.40 is hereby approved.