

RESOLUTION AUTHORIZING THE USE OF NUSSBAUM HOUSING PARTNERSHIP
FUND BALANCE TO EXTINGUISH CONSTRUCTION LOANS FOR RESIDENTIAL
PROPERTIES LOCATED IN WILLOW OAKS OWNED BY THE GREENSBORO HOUSING
DEVELOPMENT PARTNERSHIP.

WHEREAS, the City of Greensboro has invested in the redevelopment of the Willow Oaks community through grants and infrastructure improvements;

WHEREAS, the Greensboro Housing Development Partnership acting on behalf of the Greensboro Housing Authority and the City owns lots within the development and through ground leases provided for the construction of single family homes by local builders;

WHEREAS, OU Chavis Contracting Company built the single family houses located at 2108 John Tarpley Lane, 2205 Charles Harshaw Avenue, and 812 Green Oaks Street, with construction of these houses financed by construction loans secured by three promissory notes executed by Odysseus and Phyllis Chavis. OU Contracting Company was unable to sell the homes to qualified buyers;

WHEREAS, LSCG Fund 19, LLC, the current holder of the notes, has sued the Company and Odysseus and Phyllis Chavis for repayment of the notes in the amount of \$407,361.78;

WHEREAS, in order to provide clear title to the properties so that they may be sold to and occupied by qualified buyers, the City has negotiated with the current holder of the notes to pay off these three promissory notes in the amount of \$160,000.00;

WHEREAS, funding for payment of the promissory notes will be derived from the Nussbaum Housing Partnership account and as the properties are sold to qualified buyers, the net proceeds will be used to reimburse the Nussbaum account.

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

That the City Manager is hereby authorized to make payment to LS Capital, LLC in an amount not to exceed \$160,000.00 for payment of promissory notes executed by OU Chavis Contracting Company, and to execute any other necessary documents to provide clear title to the properties known as 2108 John Tarpley Lane, 2205 Charles Harshaw Avenue, and 812 Green Oaks Street in the Willow Oaks development in Greensboro.