

**RESOLUTION AUTHORIZING LOAN MODIFICATION FOR SALE AND
REHABILITATION OF 316 S. ENGLISH STREET AND 225 BINGHAM STREET**

WHEREAS, in 1990's, the City had a rental housing investment program aimed at the rehabilitation of existing units in distressed areas;

WHEREAS, in 1993 the City loaned Greensboro Episcopal Housing Ministry, Inc. [GEHM] \$215,000 of federal HOME Program and Nussbaum Housing Partnership funds for the purchase and rehabilitation of the units located at 316 S. English Street and 225 Bingham Street;

WHEREAS, that when GEHM filed bankruptcy, the City asked Affordable Housing Management, Inc.[AHM] to take ownership of the properties and assume the outstanding bank and City loans;

WHEREAS, the federal HOME Program required affordability period of 5 years has expired;

WHEREAS, under AHM the units successfully served very low income tenants for 17 years but have reached the end of their economic life and need to be recapitalized;

WHEREAS, AHM has requested the City to approve a purchase offer of \$189,000 which is 90% of the appraised value and has further requested the City to allow AHM to recoup \$75,938 for their bank loan payoff and tree removal from closing proceeds;

WHEREAS, if approved, the City would reduce the current balance of the loan from \$213,752.79 to \$113,062 with 69% of the proceeds to be HOME program income and 31% to be Nussbaum Housing Partnership program income.

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

That the City Council approve the reduction in loan value for 316 S. English Street and 225 Bingham Street from \$213,752.79 to \$113,062 and the City Manager is authorized to sign the required documents.