



Legislation Text

File #: ID 15-0190, **Version:** 1

Ordinance in the Amount of \$1,144,081 for Multi-family Loan to Berryman Square Development LLC

Department: Neighborhood Development
Council District: 3

Public Hearing: No
Advertising Date/By:

Contact 1 and Phone: Barbara Harris 373-2509
Contact 2 and Phone: Cynthia Blue 433-7376

PURPOSE:

City Council is requested to approve a budget ordinance in the amount of \$1,144,081 to fund the commitment to recycle a prior City loan investment to Berryman Square Development LLC for the Berryman Square Apartments rehabilitation project, located at 200 Berryman Street.

BACKGROUND:

On May 7, 2014, City Council approved resolution number 0126-14 to reinvest prior City housing bond funds in the rehabilitation of Berryman Square Apartments, which are 44 affordable family units located at 200 Berryman Street. The City signed a commitment letter for the loan in June 2014. In August 2014, the project was approved for an allocation of Low Income Housing Tax Credits from the North Carolina Housing Finance Agency. All other required financing for the project has been committed. The current owner of Berryman Square Apartments is ready to pay off the prior City loan with an estimated closing date of February 24, 2015. The original loan fund source is old City housing bond funds and the payoff amount should be returned to the Nussbaum fund. A budget ordinance is requested to recycle the payoff funds of \$1,144,081 from Nussbaum unallocated fund balance to a FY'15 account in order to close the new City loan.

BUDGET IMPACT:

Anticipated receipt of \$1,144,081 loan payoff on February 24, 2015, plus additional \$78.07 interest per day thereafter if delayed. Amount of \$1,144,081 to be appropriated from the Nussbaum fund balance to a FY'15 account.

RECOMMENDATION / ACTION REQUESTED:

City Council is requested to approve the budget ordinance appropriating \$1,144,081 from the Nussbaum unallocated fund balance to a FY'15 account for use as a loan to Berryman Square Development LLC for the Berryman Square Apartments rehabilitation project.