



Legislation Text

File #: ID 17-0084, **Version:** 1

Resolution Approving Private Sale of Property at 2608 Merritt Drive

Department: Neighborhood Development
Council District: 5

Public Hearing: N/A
Advertising Date/By: N/A

Contact 1 and Phone: Cynthia Blue, 336-433-7376
Contact 2 and Phone: Barbara Harris, 336-373-2509

PURPOSE:

City Council is requested to approve the sale of property located at 2608 Merritt Drive to the current lessee, Greensboro United Methodist Housing, Inc., for the purpose of combining and re-financing the affordable housing apartment complexes known as Aldersgate I and Aldersgate II.

BACKGROUND:

In 1978, the City of Greensboro partnered with Greensboro United Methodist Housing, Inc. [GUMH], a local housing non-profit organization, in the development of Aldersgate I and Aldersgate II, which are adjacent affordable housing apartment complexes totaling 118 units located at 2626-2146 Merritt Drive. The City sold the land for the residential units to GUMH, but retained ownership of the land at 2608 Merritt Drive. The City constructed a 2,600sf community center at that location and has leased the facility to GUMH continuously for use as a site office and community space. The City recorded an original capital cost in 1978 of \$201,216.35 in land, appraisal, architectural and building costs. The lease terms required the lessee to maintain the property and make it available as may be needed for community uses. The lessee has made significant capital repairs and improvements over the years and has maintained the facility in excellent condition.

GUMH would like to re-finance their existing mortgages to combine Aldersgate I, Aldersgate II and the community facility under one HUD insured loan. HUD is requiring that the community center be part of the package. GUMH has requested the City to transfer the land and building at its current tax value of \$177,000 in exchange for credit for their capital repairs and improvements totaling \$88,445.24 and a loan for the \$92,554.76 remainder. The loan would be forgiven over a 10 year period, subject to the continued use of the property for affordable housing.

Pursuant to NCGS Section 160A-279, the City may convey by private sale to an entity carrying out a public purpose real property, provided that the property will be used for a public purpose. Pursuant to NCGS Section 160A-267, City Council must authorize the private sale of the property at a negotiated price by resolution. The sale terms will be advertised for a 10 day public notice period prior to closing. The City's forgivable loan will be subordinate to the permanent financing.

BUDGET IMPACT:

The current tax value for the property is \$177,000. The City would accept \$88,445.24 in capital repairs and

improvements and a loan for the \$92,554.76 balance which is forgivable over 10 years.

RECOMMENDATION / ACTION REQUESTED:

The City Council is requested to adopt a resolution approving the private sale of property at 2608 Merritt Drive to Greensboro United Methodist Housing, Inc. for a public purpose as referenced above, and authorizing the Mayor and City Clerk to execute the deed and other financing documents.