

Item Title: Disposition of 109 West Barbee Street for the Purpose of Affordable Housing

Specific Action Requested:

That the Board of Commissioners:

1. Authorizes the sale of 109 W. Barbee St, Zebulon (REID # 0022750), to Kimberly Martin for use as affordable housing, for a purchase price of \$190,000; and
2. Directs the County Manager to execute a contract of sale for this property pursuant to N.C.G.S. 160D-1316(4) for affordable housing; and
3. Authorizes the Chair to sign the deed and any other documents necessary to convey the subject property to Kimberly Martin.

All agreements are subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: The Board of Commissioners approves all Wake County real estate transactions.

Background: In 2016, the County acquired the home at 109 W. Barbee Street in Zebulon which was previously served through the Rehabilitation Loan Program. After facilitating the rehabilitation of the property to address structural issues, HACR held a 15-day offer period from August 8 to August 23, 2024, to disposition the property for use as affordable housing in accordance with the Wake County Evaluation and Disposition of County-owned Land for Affordable Housing Policy ("Land Disposition Policy"). In response, Housing received one offer from Kimberly Martin to purchase the home for \$190,000. Housing did not receive any other offers.

Ms. Martin meets all the criteria of Wake County's single-family disposition process as a first-time homebuyer earning less than 80% of the AMI; she was pre-qualified for mortgage financing and agreed to the deed restrictions to be placed on the property. If approved by the Board of Commissioners, Housing staff will work to execute the sales contract with Ms. Martin. 109 W. Barbee Street will remain affordable to subsequent buyers earning less than 80% of the AMI for the next 20 years. The County will also retain a right of first refusal to purchase the property if offered for sale.

Strategic Plan: This action supports Community Health and Wellbeing Goal 1: Create and preserve 2,500 affordable housing units by 2029.

Fiscal Impact: The County will not contribute additional funding to finance the sale of this home. Program income received from the sale or payoff of properties is budgeted annually in the Housing Special Revenue Fund. The proceeds generated as a part of the sale of these properties will become program income for future eligible grant uses.

Additional Information:

Since 1992, Housing has managed a homeowner rehabilitation program. This program provided loans, and now grants, to low-income families needing health, safety, and accessibility repairs to their homes. The program is fully funded through the Community Development Block Grant (CDBG) that is received annually from the US Department of Housing and Urban Development (HUD).

Under the now discontinued rehabilitation program, loan payments were deferred for elderly and very low-income families. The intent of the program was to keep people in their homes to prevent homelessness or prematurely entering assisted living. While no payment was due while the homeowner remained in the home, loans were due and payable upon death, sale, or the homeowner otherwise vacating the home as their primary residence.

James and Beulah Tuck received a deferred payment loan in 1994 for their home at 109 W. Barbee Street in Zebulon. Mrs. Tuck passed away in 2010, and Mr. Tuck no longer resided in the home as of 2014. In November 2016, Wake County took ownership of the home through a foreclosure proceeding.

Beginning in 2019, the County hired third-party contractors to rehabilitate the property, including stabilizing the foundation, installing a new roof, reorienting and updating the interior, and plumbing, electrical, and systems upgrades. This home was originally offered for sale in April 2021 after a bid solicitation process, but the prospective buyer backed out of the sale. Housing undertook additional rehabilitation work in early 2024 prior to offering the home for sale again. The current buyer will be authorized to complete any additional due diligence prior closing in accordance with the terms of the offer to purchase. The property is being sold as is, where is, with no additional warranties and title will be conveyed in the form of a special warranty deed.

The listing and buyer selection process required those submitting offers to meet the following criteria (evaluated based on priorities determined in the Affordable Housing Plan and community needs):

- Individuals and families must be at or below 80% AMI.
- The property must remain the buyer's primary residence, renting is not allowed.
- The property is required to maintain affordability for 20 years through Deed restrictions.
- The individual or family must be a qualified first-time homebuyer.
- Pre-approval loan financing.

Ms. Martin has satisfied all the above pre-requisites.

HACR evaluated the offer based on a selection criterion, that included:

- Income as a percent of Area Median Income.
- Cost burden as a percent of monthly income.
- First-time or HUD first-time homebuyer status.
- Family size.
- Purchase offer amount.

The County extended a conditional acceptance letter to the only offeror, Ms. Martin. If approved, Housing staff will facilitate execution of a purchase contract.

The location and a photo of the home are below.



Federal funding requires the County to utilize Area Median Income (AMI) as a key affordable housing metric to determine program or project eligibility. AMI is defined as the midpoint of a specific area's income distribution. Wake County utilizes the Raleigh Metropolitan Statistical Area (MSA) as the geographical area, identified by the Census Bureau. AMI is updated annually by HUD utilizing American Community Survey (ACS) data and other sources. The specific methodology can be found online at www.huduser.gov.

Attachments:

None.