

Item Title: Subordination of Deed of Trust Associated with the Terrace at Rock Quarry Housing Development

Specific Action Requested:
That the Board of Commissioners:

- 1. Consent to Subordinate +/- 25,175 SF of Public Street Right of Way Easement to be conveyed by Terrace at Rock Quarry Limited Partnership to the City of Raleigh for the development of Terrace at Rock Quarry in Raleigh; and**
- 2. Consent to Subordinate a Utility Placement Easement 5 feet in width to be conveyed by Terrace at Rock Quarry Limited Partnership to the City of Raleigh for the development of Terrace at Rock Quarry in Raleigh; and**
- 3. Consent to Subordinate a variable width Sanitary Sewer Easement to be conveyed by Terrace at Rock Quarry Limited Partnership to the City of Raleigh to assist in the development of Terrace at Rock Quarry in Raleigh; and**
- 4. Consent to Subordinate a 20' x 10' Waterline Easement to be conveyed by Terrace at Rock Quarry Limited Partnership to the City of Raleigh to assist in the development of the Terrace at Rock Quarry in Raleigh, and**
- 5. Authorizes the Chair to execute the Consent and Subordination sections of the four aforementioned Easements (along with any other supporting documentation), subject to the terms and conditions acceptable to the County Attorney.**

Item Summary:

Purpose: The Board of Commissioners must approve Wake County's property transactions.

Background: In December 2021 and August 2023, the Board of Commissioners approved a \$2 million loan to South Creek Development to develop The Terrace at Rock Quarry. This new 132-unit affordable multifamily development for seniors will be located near the intersection of Rock Quarry and Sunnybrook Roads. As a result of this development, Terrace at Rock Quarry Limited Partnership is required to convey certain easements to the City of Raleigh for the development of the project. The easements are needed before installing street, utilities, and water and sewer infrastructure.

Strategic Plan: This action supports routine County operations.

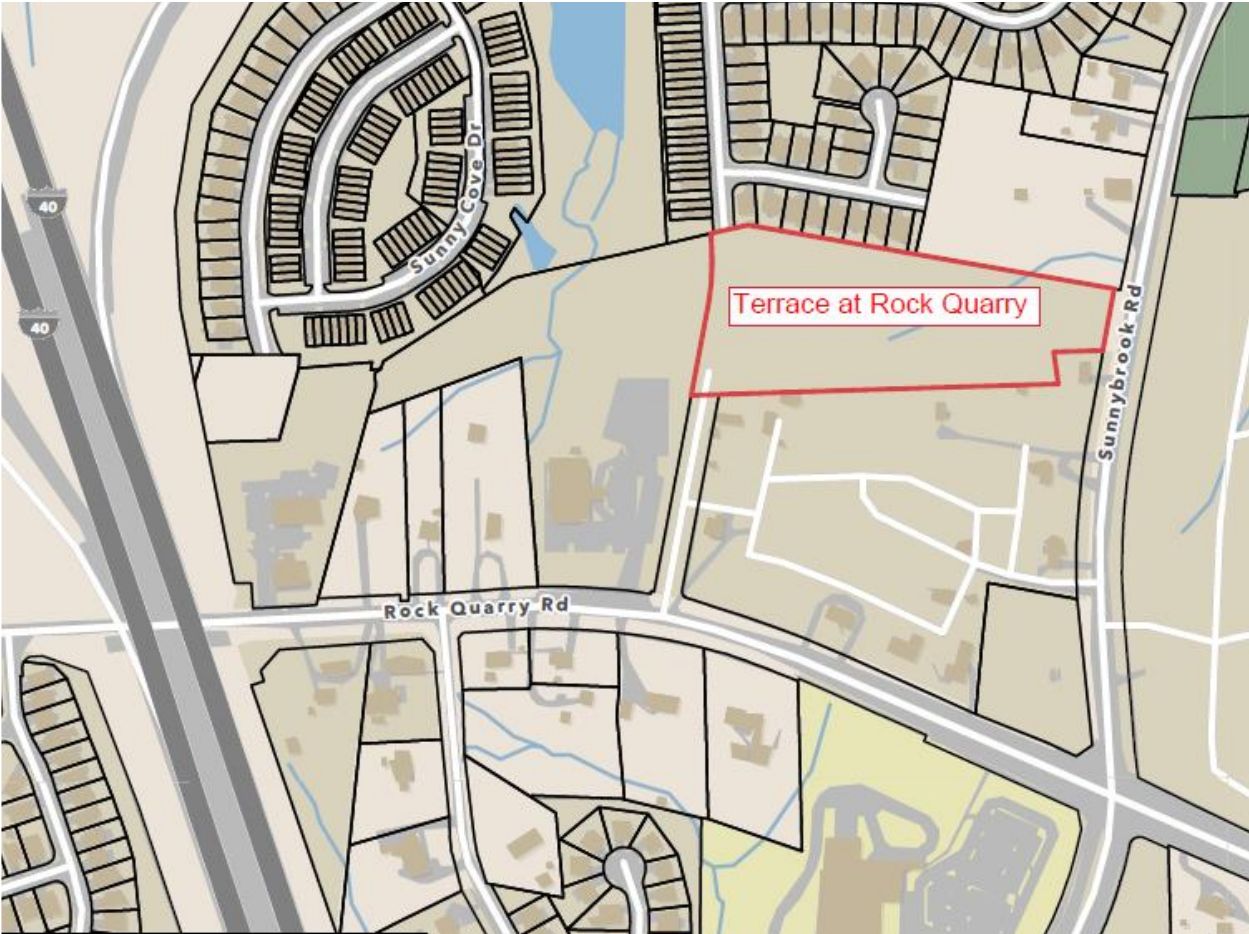
Fiscal Impact: There is no fiscal impact to the County associated with the execution of the easement subordinations. The developer shall be responsible for recording fees of the documents.

Additional Information:

Annually, the Housing Affordability and Community Revitalization (Housing) Department advertises a Request for Proposals (RFP) to provide gap financing to developers for the production and preservation of affordable housing. This Affordable Housing Development Program (AHDP) leverages Federal, State and local funding, as well as low-income housing tax credits. Wake County recommends funding commitments for qualified proposals which are then submitted by developers to the NC Housing Finance Agency for competitive tax credit awards.

In June 2024, South Creek Development contacted Wake County regarding the Terrace at Rock Quarry project, (see attached letter to Housing Affordability & Community Revitalization). The location of the Terrace at Rock Quarry development is shown on the vicinity map on the following page. As a condition of funding, the County secured a Deed of Trust on the Terrace at Rock Quarry property. Wake County is the named beneficiary in the attached deed of trust DB 19533 PG 752 recorded in the Wake County Registry. With this Deed of Trust, consent and subordination of the easement conveyance from the County is required.

As a result of the Terrace at Rock Quarry development, Terrace at Rock Quarry Limited Partnership is required to convey certain easements to the City of Raleigh for the development of the project. There is a public street right of way easement of approximately 25,175 square feet being conveyed to the City of Raleigh. A Utility Placement Easement 5 feet in width is being conveyed to the City of Raleigh along with a variable width sanitary sewer easement and 20' x 10' waterline easement. The easements conveyed to the City of Raleigh will assist in the development of the Terrace at Rock Quarry project. The attached map labeled "Easement Dedication Plat" shows the exact locations of the easement areas being conveyed. As a condition of the easement request, it is necessary for all lienholders to provide their consent and agree to a subordination which is included within the four easement documents. South Creek Development has requested that Wake County as the lienholder, execute the consent and subordination portion of the attached four City of Raleigh easements. Once executed by the County and other lienholders, the easements will be recorded at the Wake County Register of Deeds office by the developer.



The Terrace at Rock Quarry development project proposed easement locations have been reviewed by County staff from Housing Affordability & Community Revitalization, Facilities Design & Construction, and the County Attorney Office. Staff has concluded that these easement conveyances will have no long-term negative impacts on the property or the County's ability to recoup funds associated with the previously mentioned loan. Staff recommends approval of the specific actions requested, subject to the terms and conditions acceptable to the County Attorney.

Attachments:

1. County Deed of Trust DB 19533 PG 752
2. South Creek Development Request Letter
3. Easement Dedication Plat
4. COR-Deed of Easement for Public Street Right of Way
5. COR-Deed of Easement for Utility Placement
6. COR Deed of Easement for Sanitary Sewer
7. COR Deed of Easement for Waterline