

**Item Title:** Approval of Sale of Surplus Property at 2708 Landis St. Raleigh, North Carolina

**Specific Action Requested:**

**That the Board of Commissioners:**

- 1. Declares the property at 2708 Landis Street surplus property;**
- 2. Accepts the offer of \$56,250 cash for the purchase of 2708 Landis St., Raleigh, NC (REID # 0026230);**
- 3. Directs staff to advertise the property of upset bids in accordance with General Statute §160A-269;**
- 4. Directs the County Manager to execute a contract for sale of that property subject to the terms and conditions acceptable to the County Attorney and in accordance with NCGS §160A-269; and**
- 5. Authorizes the Chairman to sign the deed and any other documents necessary to convey the subject property to the highest bidder, subject to the terms and conditions acceptable to the County Attorney.**

**Item Summary:**

Since 1992, Wake County Housing and Community Revitalization has managed a homeowner rehabilitation program. This program provides loans and grants to low income families needing repairs to their homes. The program is fully funded through the Federal Community Development Block Grant (CDBG) that is received annually from the US Department of Housing and Urban Development (HUD). Loan payments are deferred for elderly and very low income families. The intent of the program is to keep people in their homes and prevent them from becoming homeless or going prematurely to an assisted living facility.

There is no CDBG requirement that funds used for home repairs be repaid by the homeowner. Housing and Community Revitalization structures this assistance as a loan so that it can recoup funds when the property no longer meets the objective of serving low income families.

In 2001, Jerome Greene applied for and received a deferred payment loan, using federal CDBG funds, in the amount of \$75,449 to replace his home, located at 2708 Landis Street in Raleigh, NC. The annual income for Mr. Greene was \$15,156. He passed away in May 2008. The property became heir property. However, per the Deed of Trust and Wake County HCR's Change in Residential Status Policy, loan payments were required.

The heir made inconsistent monthly payments and was unable to keep the account current. After making payment arrangements and not adhering to them, the account became subsequently severely delinquent. Property taxes were also delinquent.

Housing and Community Revitalization initiated foreclosure proceedings on the property. At the foreclosure sale on 3/16/15, no bids were received. The property was deeded to Wake County on 4/2/15.

In May & June 2015, the property was cleaned out and minor repairs were completed. The property requires approximately \$20,000 in repairs to become livable. In October 2015, the property was appraised for a value of \$67,000. Potential buyers were made aware of the appraised value/asking price. In an effort to preserve the affordability of the property, Wake County HCR reached out to the non-profit affordable housing community. Organizations such as the Housing Authority of the County of Wake, expressed an interest in partnering with the County to preserve affordable housing. However, no offers were received for this property.

On 11/5/15, a formal cash offer of \$52,000 “as is” was received. Wake County countered with an offer of \$62,000. The buyer tendered another counter offer in the amount of \$56,250.

The buyer is a Section 8 landlord with plans to keep this home in that program. Additionally, based upon the location, condition of the house, appraisal and the advice of County staff from Revenue and Facilities/Design/Construction, this offer is deemed to be acceptable. Based on the new 2016 valuation, the tax value of the property was set at \$93,228.

The approximate total amount invested in the property is summarized below.

<b>Cost</b>	<b>Amount Federal CDBG</b>
Original Loan Amount	\$ 75,449
Foreclosure Attorney Fees to date	\$ 8,265
Insurance, Clean Up, Locks, Lawn Maint.	\$ 6,112
Delinquent Taxes	\$ 1,516
Appraisal	\$ 400
<b>Total</b>	<b>\$ 91,741</b>

Although Wake County HCR will not recoup all of the funds invested in this project, the rehabilitation loan met its programmatic goal by enabling Mr. Greene to live independently in his home.

**Attachments:**

1. Proposed Contract
2. Map of the Subject Property
3. Notice of Upset Bid Process
4. Property Photograph 1
5. Property Photograph 2
6. Property Photograph 3
7. Property Photograph 4