

Item Title: Assumption of a Housing Rehabilitation Loan for 600 Industrial Drive in Wendell, NC

Specific Action Requested:
That the Board of Commissioners:

- 1. Approves the cancellation of the previous Deed of Trust and Promissory Note on 600 Industrial Drive to which Wake County is a beneficiary, and;**
- 2. Approves the execution of a new Deed of Trust and Promissory Note with the current loan balance to allow Deshaun Sellers to assume the loan for property located at 600 Industrial Drive, Wendell, NC subject to terms and conditions acceptable to the County Attorney.**

All real estate transactions are subject to terms and conditions acceptable to the County Attorney.

Item Summary:

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

Background: In 2011, Inez Watson applied for and received \$43,944 loan funded by Community Development Block Grant (CDBG) funds to repair her home located at 600 Industrial Drive in Wendell, NC (REID #0200927). The loan was made at 0% interest and deferred until the owner sold the property, no longer resided at the property as their primary residence, or passed away. The Housing Department will allow a qualified low-income heir to live in an assisted home after the primary beneficiary has passed away, as long as they have an ownership interest in the property.

Ms. Watson has passed away and her two nieces, Vicki Bell Tuck and Annette Elaine Whitely, have inherited the property. Ms. Watson's son, Roger Evans, was living in the home while she was alive and wishes to continue living in the property. Mr. Evans would be a qualified heir but does not have an ownership interest in the property. Ms. Tuck and Ms. Whitely wish to transfer their interest to Ms. Watson's nephew, Deshaun Sellers, who has agreed to provide a lifetime right to the property to Mr. Evans. This would make him a qualified heir and allow him to continue residing in the home.

To complete this process, the existing Deed of Trust and Promissory Note would need to be cancelled a new Deed of Trust and Promissory Note would need to be executed for the current loan balance of approximately \$39,741 plus attorney fees, less any payments made before closing. If transacted, the loan will be at 0% interest with monthly payments of \$400 until the principal balance is

repaid in full. Staff recommend executing this process to prevent displacing a low-income County resident.

Strategic Plan: This action supports Community Health and Well Being Goal 1: Create and preserve 2,500 affordable housing units by 2025.

Fiscal Impact: Revenue from this loan is already appropriated in the FY 2024-2025 Wake County Housing Affordability and Community Revitalization Special Revenue Fund budget. The County will not be contributing additional funding.

Additional Information:

Since 1992, Wake County Housing Affordability and Community Revitalization has managed a homeowner rehabilitation program providing loans and grants to low-income families needing repairs to their homes. Until 2012, loan payments were amortized or deferred for elderly or very low-income families, with the loan due and payable upon a change in residential status. Wake County Housing staff manage a portfolio of these loans to ensure that at upon a change in residential status, either the loan is repaid or a qualified heir resides at the property.

Based on income, Mr. Roger Evans meets the criteria of a qualified heir who is eligible to reside in the property if he has an ownership interest. If approved, the existing Deed of Trust and Promissory Note will be cancelled and a new Deed of Trust and Promissory Note will be executed with Mr. Deshaun Sellers and conferring lifetime rights to the property to Mr. Evans. A title search on the property was performed by the Stuart Law Firm. Nothing was found that would supersede the County loan.

Attachments:

None.