

Item Title: Assumption of Multifamily Affordable Housing Loan

Specific Action Requested:

That the Board of Commissioners:

- 1. Approves the execution of the assignment & assumption agreement with the current loan balance to allow IPI Courtyard Commons Limited Partnership to assume the loan for property at 324 West Jones Street, Fuquay-Varina, NC, subject to terms and conditions acceptable to the County Attorney; and**
- 2. Authorizes the Chairman to execute required documents subject to terms and conditions acceptable to the County Attorney.**

Item Summary:

In January 2002, the Board of Commissioners approved a loan of \$250,000 in HOME funds to Regency Development Corporation, on behalf of the ownership entity, Courtyard Commons Limited Partnership, to develop Courtyard Commons Apartments. The building was vacant and owned by the Fuquay-Varina Community Development Corporation, a non-profit organization formed to revitalize the Consolidated School campus and surrounding area. The building was rehabilitated into a 17 unit apartment complex for Seniors age 55 years and older with incomes at or below 60% AMI. The apartments are located at 324 W. Jones Street in Fuquay-Varina.

The terms of the County loan are variable annual payments at 0% interest for 25 years. The County holds second lien position. In addition to the County loan, the project was leveraged with approximately \$1,750,000 in LIHTC and private funds.

In October, Housing & Community Revitalization was informed that IPI Courtyard Commons Limited Partnership ("IPI") was purchasing the ground lease on property and intended to assume the County loan. "IPI" is composed of:

- FFAH V Courtyard Commons, LLC.,
- IPI Properties 4 LLC., and
- Kumar Koneru Separate Property Trust.

Housing & Community Revitalization, Finance, FD&C, and the Stuart Law firm reviewed the documents. There will be no change in lien position or terms of the Wake County loan. NCHFA has approved of the transfer. Additionally, approval will allow Housing & Community Revitalization to add deed restrictions to ensure affordability for the remaining term of the County loan through year 2029.

Attachments:

1. July 9, 2001 Board Agenda Item
2. Deed of Trust & Promissory Note
3. Real Estate Purchase Agreement
4. NCHFA Approval