

Item Title: Deed of Trust and Note Assignment to Habitat for Humanity of Wake County

Specific Action Requested:

That the Board of Commissioners:

- 1. Approves the execution of the assignment of a Deed of Trust and Note to Habitat for Humanity of Wake County for a loan on property located at 1117 Thelonious Drive in Raleigh, NC, and;**
- 2. Authorizes the Chair to execute required document subject to terms and conditions acceptable to the County Attorney.**

Item Summary:

Purpose: The Board of Commissioners approves all real estate transactions associated with Wake County affordable housing loans.

Background: Wake County partners with Habitat for Humanity to increase the stock of affordable housing in the county and to provide homeownership opportunities to low income individuals. In July 2003, Wake County provided a \$10,000 down payment assistance loan to Wilma Hayes for the purchase of a home constructed by Habitat for Humanity of Wake County in the Biltmore Trace Subdivision in Raleigh, NC. This loan is a forgivable loan (self-amortizing in the amount of \$41.67 per month until the balance is zero). Wake County holds fourth lien position.

Habitat for Humanity notified Wake County in April 2018 that they have initiated foreclosure proceedings on the Hayes property due to non-payment. They requested that the County assign its Deed of Trust and Note so that they may foreclose on all liens at the same time. The North Carolina Housing Financing Agency and the City of Raleigh hold second and third lien position and will also assign their Deeds of Trust.

Board Goal: This Board action supports routine County business.

Fiscal Impact: The County may not receive payment for the outstanding loan balance of roughly \$2,500. However, Habitat for Humanity will sell this home to another qualified low-income family in order to preserve its affordability.

Additional Information:

Habitat for Humanity targets all households earning 30-60% of area median income (currently \$25,300-\$50,580 for a family of 4). All of Habitat's homeowners are first time

homebuyers or have not owned a home in three years. Habitat homeowners contribute “sweat equity” by working alongside volunteers for the construction of their home. The average home sale price is \$140,000.

Habitat for Humanity has roughly 665 homes in Wake County, of which about 590 have mortgages. Habitat staff report that the organization forecloses on less than one percent of these mortgages per year.

Habitat staff report the family living in the Thelonious Drive home vacated the house. The staff have attempted to contact Wilma Hayes and the family without success.

Attachments:

1. Assignment of Note and Deed of Trust