

Item Title: Habitat for Humanity Development Agreement Addendum

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to execute a Second Addendum to the Development Agreement between Habitat for Humanity of Wake County and Wake County for the purpose of extending the deadline related to the construction a home on one remaining lot subject, to terms and conditions acceptable to the County Attorney.

Item Summary:

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

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 October 2016, Habitat for Humanity of Wake County submitted a proposal to purchase four vacant County owned lots at a nominal fee.

The Wake County Board of Commissioners approved the sale of the four lots on January 17, 2017. Wake County receives payment for each lot at the time the homebuyer closes with their lender. In May 2018, Wake County executed a first addendum to remove one lot due to poor soils and extend the Agreement deadline for the remaining lots. As of the date of this action, Habitat has completed construction and closed on two lots located at 120 Lawrence Street and 201 W. Jones Street in Fuquay Varina. One lot located at 507 N. Gill Street in Zebulon, NC has not yet closed.

Habitat has encountered delays related to obtaining title insurance on the final lot located at 507 N. Gill Street in Zebulon due to their issues. Habitat requests an extension for the loan closing to June 30, 2019.

Board Goal: This Board action complements housing affordability initiatives in the Social and Economic Vitality goal area.

Fiscal Impact: No fiscal impact change. The County will still receive \$13,500 in CDBG program income funds for the purchase of the lot located at 507 N. Gill Street in Zebulon.

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.

In February 2018, Habitat for Humanity of Wake County and Wake County were in contact regarding the closing of the final lot located at 507 N. Gill Street in Zebulon.

Due to unforeseen delays related to completion of a title search and obtaining title insurance, the Agreement needs to be extended from November 30, 2018 to June 30, 2019. Habitat anticipates that the closing for 507 N Gill Street in Zebulon will occur approximately the week of March 25, 2019.

Attachments:

1. Second Addendum to Habitat for Humanity Development Agreement
2. First Addendum to Habitat for Humanity Development Agreement
3. Board of Commissioners Agenda Item - January 17, 2017