

Item Title: Consent and Subordination in Granting a Sanitary Sewer Easement on Property Secured by a Wake County Housing & Community Revitalization Loan

Specific Action Requested:
That the Board of Commissioners:

- 1. Consent to Wakefield Manor, LLC and Wakefield Affordable Housing, LLC granting a Sanitary Sewer Easement on property located at 10731 Common Oaks Drive to KB Home Raleigh-Durham Inc.; and**
- 2. Release said portion of the Sanitary Sewer Easement Area conveyed to the KB Home Raleigh-Durham Inc. from the Wake County Deed of Trusts recorded in Deed Book 13629, Page 336, Deed Book 13231, Page 105 Wake County Registry; and**
- 3. Authorizes the Chair to execute the Consent and Subordination portion of the Sanitary Sewer Easement and Capacity Agreement (along with any other supporting documentation), subject to the terms and conditions acceptable to the County Attorney.**

Item Summary:

Purpose: The Board of Commissioners must approve of Wake County's property transactions.

Background: In FY 2005 the Board of Commissioners approved a loan of up to \$300,000 in County funds to DHIC, Inc. for the construction of Wakefield Hills Apartments, an 80-unit affordable development for families. In fiscal year 2006, the Board also approved a loan of up to \$585,000 for the construction of Wakefield Manor Apartments, a 96-unit affordable housing development for seniors. The property is located at 10731 Common Oaks Drive, south of Wake Forest off Capital Blvd. As a condition of the funding, the County secured Deeds of Trust on the property. Wake County is the named beneficiary in the attached deed of trusts recorded in the Wake County Registry.

KB Homes, a homebuilder, has asked DHIC to grant them a sewer easement for a new townhome development. DHIC has requested the Board's consent to grant this easement to KB Homes.

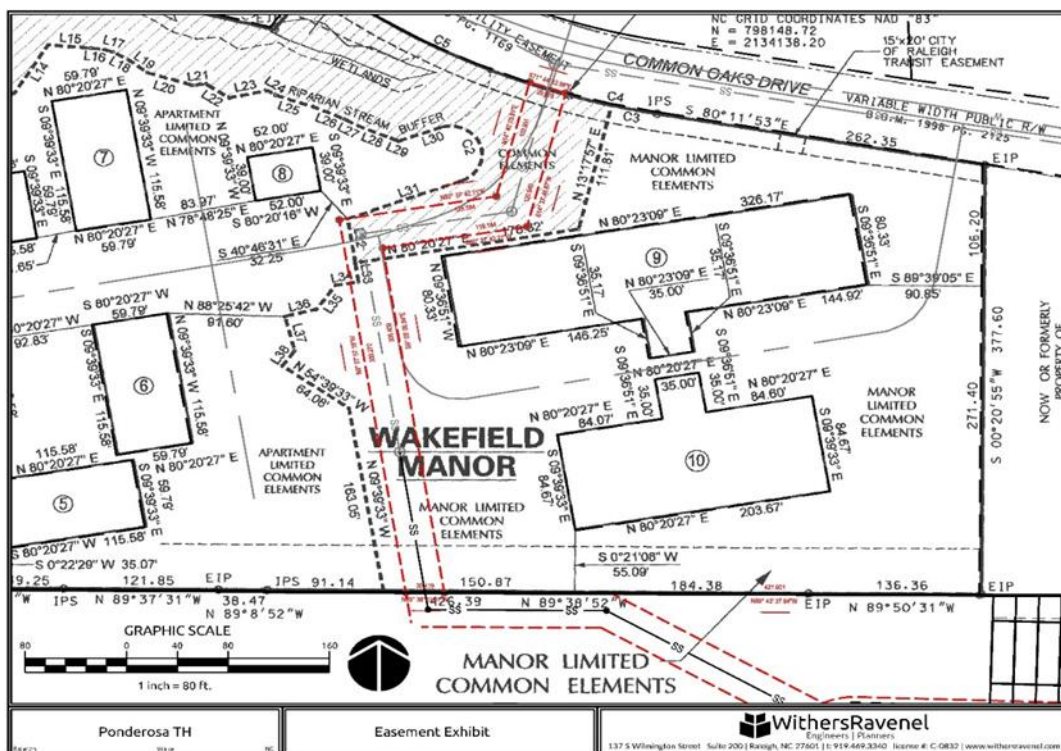
Board Goal: This action supports standard County operations.

Fiscal Impact: There is no fiscal impact to the County associated with the execution of the consent and subordination portion of the sanitary sewer easement and capacity agreement.

Additional Information:

In April 2019, DHIC contacted the County on behalf of Wake Manor, LLC. and Wakefield Affordable Housing, LLC. regarding a sewer easement request they received from KB Home Raleigh-Durham Inc. KB Homes is proposing a new 94-unit townhome development directly south of the subject property referred to as "Ponderosa Townhomes" (see Ponderosa Townhome Exhibit).

DHIC followed up with a formal request to the County in the attached letter dated May 16, 2019. DHIC has informed County staff KB Homes has agreed to compensate Wakefield Manor, LLC and Wakefield Affordable Housing, LLC \$100,000.00 or \$50,000.00 each for granting/conveying 0.371 acres of sanitary sewer easement in support of the proposed townhome development. The map inserted below shows the subject property along with the location of the proposed sanitary sewer easement in (red).



As a condition of the sanitary sewer easement request, it is necessary all lienholders provide their consent and agree to a subordination agreement. The County is one of five lienholders being requested to consent and subordinate their respective Deeds of Trust. Wake County staff has determined the borrowers are not in default and current on annual payments and insurance. The consent and subordination of the lenders is included in a portion of the attached sanitary sewer easement and capacity agreement which will be executed by the aforesaid parties then subsequently recorded at the County Registry.

Staff from Facilities Design & Construction, Housing and the County Attorney's Office have reviewed the request and associated information provided by DHIC. Staff has concluded this conveyance will have no long-term adverse impact to the property or the County's ability to recoup funds associated with the loans. Staff recommends approval of the specific actions requested, subject to the terms and conditions acceptable to the County Attorney.

Attachments:

1. Location Map
2. Deed of Trust DB 13629 PG 336
3. Deed of Trust DB 13231 PG 105
4. Ponderosa Townhome Exhibit
5. DHIC Request Letter 5-16-2019
6. Sanitary Sewer Easement and Capacity Agreement/Consent and Subordination