

**Item Title:** Affordable Housing Development Member Interest Transfer Request from Evergreen Construction Company

**Specific Action Requested:**

**That the Board of Commissioners approves the transfer of managing member, Lyle D. Gardner, and the additional interest member, Timothy G. Morgan, over to LIHTC Managers, LLC for eight properties in which Wake County is a lender.**

**Item Summary:**

**Purpose:** The Board of Commissioners approves all Wake County real estate transactions, including ownership transfers of properties that have received loans from the County.

**Background:** Between FY 2000-2008, the Wake County Board of Commissioners approved eight affordable housing development loans to Evergreen Construction Company, on behalf of the following ownership entities consisting of managing member Lyle Gardner and additional interest member Timothy Morgan:

1. Autumn Trace Housing Associates, LLC
2. Autumn Spring Housing Associates, LLC
3. Cedar Spring Housing Associates, LLC
4. Mingo Creek Housing Associates, LLC
5. Sandy Ridge Housing Associates, LLC
6. Silver Spring Housing Associates, LLC
7. New Hope Village Associates, LLC
8. Weatherstone Spring Housing Associates, LLC

To plan for succession, Evergreen Construction Company will transfer the membership interests of each development to LIHTC Managers, LLC which consists solely of Lyle D. Gardner and Timothy G. Morgan.

**Board Goal:** This Board action directly supports the Board's desire to preserve and increase the County's stock of affordable housing.

**Fiscal Impact:** There is no fiscal impact to the County associated with the approval of the transfer request. The borrower and ownership entity will remain the same on all eight properties and there will be no change to the loan terms.

**Additional Information:**

In August 2019, Evergreen Construction Company contacted the Department of Housing Affordability & Community Revitalization regarding their intent to convert the member interest of eighteen properties, eight of which Wake County is a lender. The transfer to

LIHTC Managers, LLC will align with the structure of Evergreen's more recent tax credit projects, avoid defaults associated with individual interests and is part of general succession planning in event of death.

Staff from Facilities Design & Construction, Housing and the County Attorney's Office have reviewed the request and associated information provided by Evergreen Construction Company. This transfer has no long-term adverse impact to the properties, loan amounts, loan terms or the County's ability to recoup funds associated with the loans. Staff recommends approval of the specific action requested.

**Attachments:**

1. Notice of Intent to Transfer Membership Interest
2. Evergreen Assignment Request