

Y STAIR APARTMENTS, LLC

COMMUNITY DEVELOPMENT DEPARTMENT

MAY 2019

SUMMARY OF INFORMATION

- 2009 – Loan agreement with Y-Stair Apartments, LLC for acquisition and rehab of 4 buildings
 - 1400 and 1600 blocks of North Cherry Street
 - 13 units of rental housing
 - financing is structured as:
 - acquisition loan - \$87,500, 20-year amortizing at 1% interest per annum
 - rehab loan - \$782,044, 35-year amortizing at 1% interest per annum
- Development occupied in 2010.

AREA OF CONCERN

- Owner, DeWayne (Dewey) Anderson, Jr., unable to charge rents as originally projected:
 - \$525 for a one-bedroom
 - \$625 for a two-bedroom
- Current rents are \$450 and \$575, respectively

CURRENT STATUS

- February 18, 2015 monthly payment for acquisition loan changed to \$135
- Rehabilitation loan changed to \$1,250 monthly beginning January 2015, continued for 36 months, and has now expired
- Property is currently 100% occupied with qualifying tenants
- Owner is current on the loans
- Combined loan balance is \$784,620 with a combined tax value of \$272,700

REQUEST FOR APPROVAL

- Owner requests permanent modification of both loans—
 - Continue payments at the reduced level;
 - Allow sale of property at appraised value or market value, whichever is higher; and
 - Write down difference between sales price (less transaction costs) and outstanding loan principal upon sale
- Approval of these modifications allows property to sustainably operate going forward and owner to sell the property in the future