



KENSINGTON VILLAGE

COMMUNITY DEVELOPMENT DEPARTMENT

MAY 2019

INTRODUCTION

- In 2005, the city acquired Kensington Village through HUD foreclosure and transferred title to property to TFG-Forest Ridge Company, LLC (Owner)
- Development agreement for Owner to rehabilitate the 142-unit rental property

FUNDING

FUNDING SOURCE	AMOUNT
Bank Loan	\$4.8 million
Loan from City	\$249,583
HUD Up-Front Grant from City	\$3,306,417
Loan from City	\$500,000
Equity Contribution	\$549,280

TIMELINE

- July 2009 - Rehab completed
- November 2010 - City loan in the amount of \$249,583 converted to a contribution to capital as agreed
- November 2011 & October 2018 - City subordinated its loan to new 1st mortgage and deferred start of loan payment

TFG-FOREST RIDGE COMPANY, LLC



- Owner made up-front principal payment of \$100,000 with each transaction
- Current principal balance of City loan is \$300,000
- Owner has agreed to sell Kensington Village Apartments to Community Housing Partners Corporation of Christiansburg, VA

COMMUNITY HOUSING PARTNERS



- CHP is a 501 (c)(3) CDC founded in 1975, providing housing preservation and development services since 1984
- CHP
 - ❖ Operates in 7 states in Southeast, mostly in smaller cities
 - ❖ Services include multi-family and single-family housing development, property management, weatherization, and resident services

FACTS FOR KENSINGTON VILLAGE



- Kensington Village has consistently maintained a high occupancy rate since it opened in 2009
- Property is well maintained and well-managed

CONCLUSION

- Community Housing Partners (CHP) requests to assume City loan and subordinate it to existing HUD-insured first mortgage, which it will also assume