

Resolution #19-0241
Resolution Book 1, Book 1

**RESOLUTION AUTHORIZING MODIFICATION OF
TWO CITY LOANS TO Y-STAIR APARTMENTS, LLC**

WHEREAS, the City of Winston-Salem and Y-Stair Apartments, LLC (“Owner”) entered into a loan agreement on November 13, 2009 to provide permanent financing, structured as an acquisition loan and a rehabilitation loan, for the acquisition and rehabilitation of four buildings in the 1400 and 1600 blocks of North Cherry Street as 13 units of rental housing; and

WHEREAS, due to market conditions in the area, the Owner has been unable to charge the rents originally projected for the development; and

WHEREAS, in January 2015 the City allowed a reduction in monthly payment on both the acquisition and rehabilitation loans to continue for 36 months; and

WHEREAS, the Owner has requested a permanent modification to the loans’ terms, to include (i) continued loan payments at the reduced level, (ii) allowing the sale of the property to a third party at appraised value or market value, whichever is higher, and (iii) giving the City Manager (or his designee) the authority to facilitate the sale of the property by the Owner to a buyer under then-current market conditions by allowing the City to accept less than the full balances owed on the acquisition and rehabilitation loans in repayment of these two loans and to write down the difference between the sales price (less transaction costs) and the outstanding loan principal upon sale.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Winston-Salem authorize the above modifications of the City’s acquisition and rehabilitation loans to Y-Stair Apartments, LLC requested by the Owner.

BE IT FURTHER RESOLVED that the Mayor and City Council authorize the City Manager to execute agreements or other documents necessary to carry out said modifications of the loan documents.