

88-09

**A RESOLUTION**  
**NO. 88-09**

**A RESOLUTION AUTHORIZING THE PURCHASE OF 801 9<sup>TH</sup> STREET A/K/A TAX MAP 019 010 005 FROM FOURTH STREET TOWERS, INC., IN THE LIBERTY DISTRICT, IN COLUMBUS, MUSCOGEE COUNTY, GEORGIA (SEE TAX MAP).**

**WHEREAS**, 801 9<sup>th</sup> Street a/k/a Tax Map 019 010 005 is to be acquired to preserve existing housing as a Senior Living Facility; and,

**WHEREAS**, the total acreage of property is 1.96 +/- acres; and,

**WHEREAS**, it has been determined the price of \$1,000,000 is fair and equitable; and,

**WHEREAS**, funding for this purchase would be made from the 1999 SPLOST – Liberty District Fund.

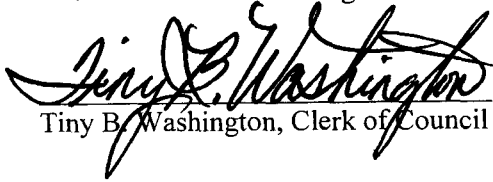
**NOW, THEREFORE, THE COUNCIL OF COLUMBUS, GEORGIA, HEREBY RESOLVES AS FOLLOWS:**

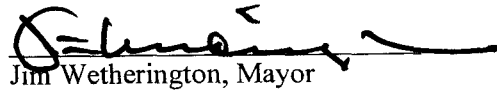
That the City Manager is hereby authorized to purchase the 17 unit gated senior facility known as Legacy Terrace on 1.96 +/- acres of property at 801 9<sup>th</sup> Street a/k/a Tax Map 019 010 005 for the purchase price of \$1,000,000 from 4th Street Towers, Inc., using monies from the 1999 Special Purpose Local Option Sales Tax/SPLOST – Liberty District Fund.

Introduced at a regular meeting of the Council of Columbus, Georgia, held the 24<sup>th</sup> day of March, 2009 and adopted at said meeting by the affirmative vote of nine members of said Council.

Councilor Allen voting  
Councilor Anthony voting  
Councilor Baker voting  
Councilor Barnes voting  
Councilor Davis voting  
Councilor Henderson voting  
Councilor Hunter voting  
Councilor McDaniel voting  
Councilor Turner Pugh voting  
Councilor Woodson voting

**YES**  
**YES**  
**YES**  
**YES**  
**YES**  
**YES**  
**YES**  
**YES**  
**ABSTAINING**  
**YES**

  
Tiny B. Washington, Clerk of Council

  
Jim Wetherington, Mayor

Columbus Consolidated Government  
Council Meeting

March 24, 2009

Agenda Report # 365

**TO:** Mayor and Council

**SUBJECT:** Property Acquisition - 801 9<sup>th</sup> Street

**INITIATED BY:** Department of Community Reinvestment

---

**Recommendation:** Approval is requested to purchase a 17 unit gated Senior Living Facility known as Legacy Terrace located on 1.96 +/- acres at 801 9<sup>th</sup> Street (a/k/a Tax Map 019 010 005) in the Liberty District in Columbus, Muscogee County, Georgia (see attached map).

**Background:** 4<sup>th</sup> Street Tower, Inc., was selected in 1992 to serve as the City's designated Community Development Housing Organization (CHDO) as required by the Department of Housing and Urban Development's (HUD) HOME Program. As part of the HOME Program, each jurisdiction is required to allocate a minimum of 15% of the jurisdiction's entitlement to the CHDO annually.

4<sup>th</sup> Street Tower, Inc. used \$944,367 of its CHDO allocation over a three-year period, FY2005 - FY2007, plus a loan of \$1.5 million from a private lending institution to construct/build the Legacy Terrace facility at a total cost of \$2.5 million. As part of the HOME Program funding, seven of the units are required to be designated for persons of low and moderate income (80% or less of median income). These seven units must remain available for low and moderate-income citizens for 20-years (affordability period). The affordability period means that in 20 years the federal grant is forgiven and no pay back of HOME funds is required. If the facility is not maintained by the CHDO for the entire affordability period, payback of HOME funds is required. Ten of the seventeen units can be market rate rent and seven must be maintained for elderly throughout the affordability period as required by HUD.

**Analysis:** 4th Street Towers, Inc./CHDO was able to obtain a construction/building loan of \$1.5 million from a private lending institution to combine with the City's CHDO allocation of \$944,367 by putting up eight (8) other properties built and/or rehabilitated in earlier years (with CHDO funds allocated to 4<sup>th</sup> Street Towers Inc./CHDO) as collateral. In recent months, 4<sup>th</sup> Street Towers, Inc./CHDO has struggled to make the mortgage payments on Legacy Terrace with only four of the seventeen units rented.

4<sup>th</sup> Street Towers Inc./CHDO made the City aware of their struggle as the City is responsible for the administration of the HOME funding, ultimately responsible for payback, if the 4<sup>th</sup> Street

---

Tower Inc./CHDO is not able to continue ownership of the property through the end of the affordability period (would be the same with any organization approved as the City's CHDO). After exploring all available options with the 4th Street Towers, Inc./CHDO, we have concluded that allowing the property to go into foreclosure is not the best option for the City because of the payback requirement due to the affordability period (would require the City to return to the federal government \$1,667,000 and lose Legacy Terrace and the eight (8) other properties used as collateral where CHDO funds are associated). Therefore, after consulting with outside legal representation, City's and 4<sup>th</sup> Street Towers, Inc./CHDO, and much negotiation with the lien holder and 4<sup>th</sup> Street Towers, Inc./ CHDO, we have concluded that it is in the city's best interest to purchase the Legacy Terrace for \$1,000,000. After the purchase, the City will begin negotiation with the Columbus Housing Authority to manage the facility for seniors and its Section 8 program until the affordability period is completed. After the affordability period, the City would be in a position to sell the Legacy Terrace facility at fair market value and return the proceeds back to the appropriate City's funding source (the 1999 SPLOST – Liberty District Fund for property acquisition and infrastructure improvements). 4th Street Towers, Inc./CHDO will put up \$350,000.00 to keep the eight (8) properties they used as collateral that have CDHO funds associated with them.

**Financial Considerations:** The required funding by the city to purchase the Legacy Terrace property from 4<sup>th</sup> Street Towers, Inc./CHDO is \$1,000,000. The city's funding for this purchase would come from the 1999 SPLOST – Liberty District. The appraisal from an independent appraiser for the Legacy Terrace facility is \$910,000. The cost to 4<sup>th</sup> Street Towers to construct the Legacy Terrace facility in 2006 was \$2.5 million.

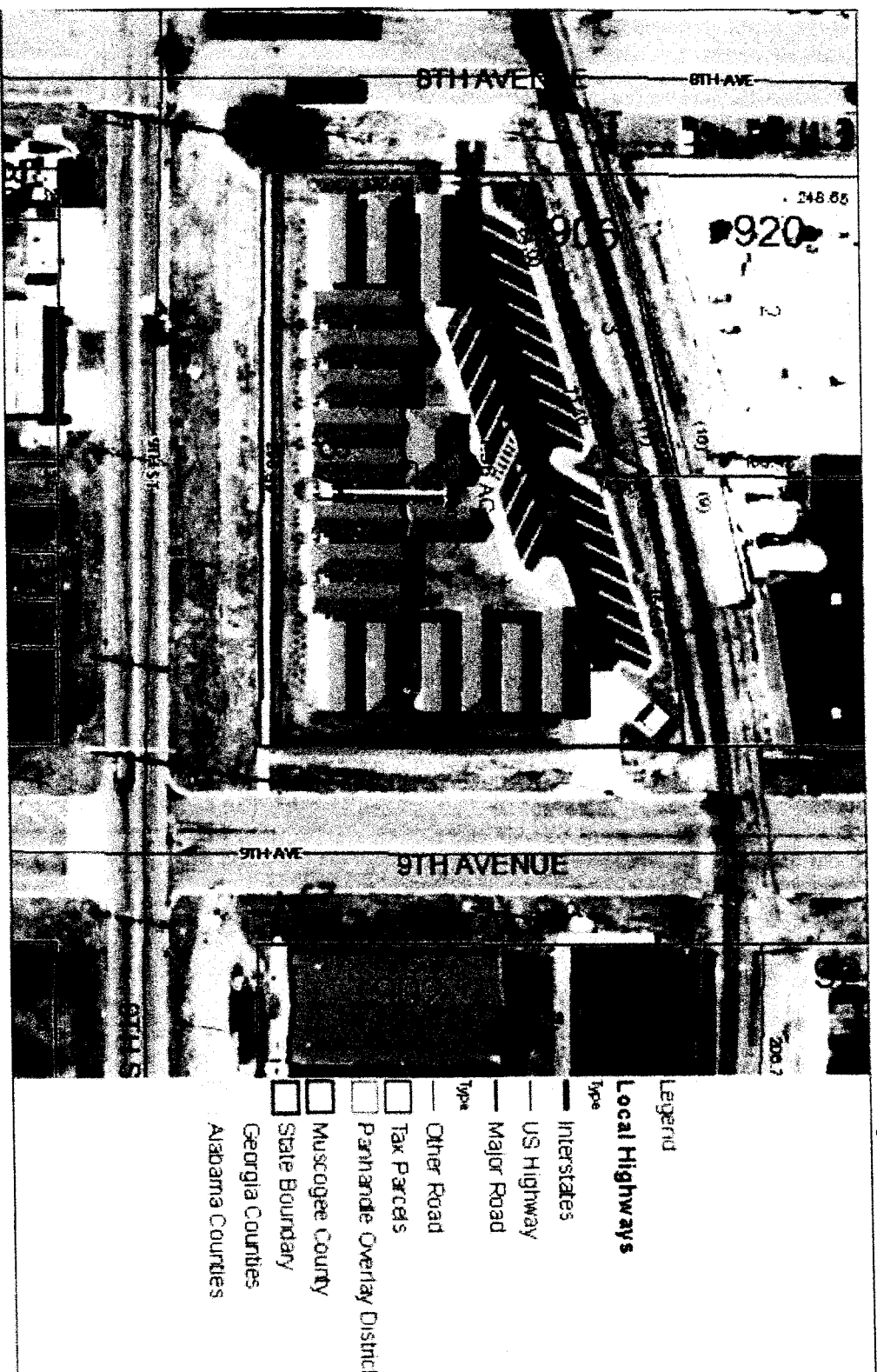
**Legal Considerations:** The purchase of property requires Council approval.

**Recommendations/ Actions:** Approve the attached resolution to purchase a 17 unit gated Senior Living Facility known as Legacy Terrace located on 1.96 +/- acres at 801 9<sup>th</sup> Street (a/k/a Tax Map 019 010 005) in the Liberty District in Columbus, Muscogee County, Georgia (see attached map).

---



# MapIT



TM 19 10 5 - 801 9th St