



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2021-329

Agenda Item# C.18.

Agenda Date: 10/19/2021. **Department:** Planning
Meeting Type: Council Meeting **Category:** Consent Agenda

Title: 2021-329 Resolution Authorizing Loan Subordination for the East Market Street Development Corporation

Council Priority: Place an 'x' in the box.

- Create an Environment to Promote Economic Development Opportunities and Job Creation
- Maintain Infrastructure and Provide Sustainable Growth Opportunities
- Promote Public Safety & Reduce Crime
- Exceptional Customer Service and a Diverse City Government Workforce
- Ensure Fiscal Stewardship, Transparency, & Accountability

Council District: 2

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Sue Schwartz, Ext 2149

Contact 2 and Phone: Russ Clegg, Ext 2211

PURPOSE:

Consider a loan subordination request from the East Market Street Development Corporation as collateral for construction loans.

BACKGROUND:

The East Market Street Development Corporation, doing business as East Greensboro NOW, is asking the City to subordinate two loans on property in Jonesboro/Scott Park. The loans were used to purchase property at 304, 306, and 308 Shaw Street and 103 and 107 North Raleigh Street, under an agreement with the City as a step in implementing the Jonesboro/Scott Park Plan. The subordination will facilitate a construction loan to complete two homes in the area damaged by the recent tornado and to build new houses in Jonesboro/Scott Park.

The City partnered with the East Greensboro NOW to create a plan for the Jonesboro/Scott Park neighborhood, which City Council adopted on August 3, 2009. As one of the implementation steps in the plan, City Council entered into a Developers Agreement with East Market Street

Development Corporation on August 3, 2009 with \$500,000 in funding. The agreement allowed the East Greensboro NOW to buy property for the purpose of new home construction, home rehabilitation, either to sell for homeownership or to lease. The construction of the new homes will be done under that agreement.

BUDGET IMPACT:

N/A.

ACCOUNT NUMBER:

N/A

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council adopt the resolution allowing the subordination of loans made to the East Market Street Development Corporation for property at 304, 306, and 308 Shaw Street and 103 and 107 North Raleigh Street.