

RESOLUTION 11-12

**OF THE MAYOR AND COMMON COUNCIL OF WESTMINSTER**  
**APPROVING A ONE-YEAR EXTENSION, THROUGH SEPTEMBER 30, 2012,**  
**OF THE MATURITY DATE FOR A LOAN FROM THE CITY TO EPISCOPAL**  
**HOUSING CORP. WITH RESPECT TO THE HOUSING DEVELOPMENT**  
**KNOWN AS UNION CROSSING.**

WHEREAS, the Mayor and Common Council of Westminster (“the City”) acquired the properties located at 57, 59, 61 and 63 Union Street (“the Union Street Properties”) with the intention that the properties be developed, in joint venture with Episcopal Housing Corp. (“Episcopal”), as low- and/or moderate-income housing; and

WHEREAS, the City thereafter entered contract of sale for the Union Street Properties with Episcopal, pursuant to which the City transferred the Union Street Properties to Episcopal for the sales price of \$494,000 (“the City Loan”), which amount was to be paid to the City in accordance with the terms of a Deed of Trust securing the debt and which loan originally had a maturity date of December 31, 2010; and

WHEREAS, Episcopal, with the intent of constructing nine (9) townhouses for sale to low- and/or moderate-income families (“the Project”), obtained construction financing from an entity known as The Reinvestment Fund (“TRF”), a Pennsylvania non-profit organization that engages in the financing of neighborhood revitalization projects, in the amount of \$1,200,000 (“the TRF Loan”); and

WHEREAS, TRF required, as a condition of the TRF Loan, that the City subordinate the City Loan to the TRF Loan and the City therefore entered into a Subordination and Intercreditor Agreement (“the Subordination Agreement”) with TRF and Episcopal; and

WHEREAS, the Maryland Department of Housing and Community Development (“DHCD”) distributed Community Development Block Grant (“CDBG”) funds in the amount of \$800,000 to the City, pursuant to a grant agreement (“the DHCD Grant Agreement”), which funds were distributed to Episcopal, to be used for the purpose of the constructing the Project, pursuant to a DHCD subrecipient agreement between the City and Episcopal (“the Subrecipient Agreement”); and

WHEREAS, the City, by Resolution No. 11-4, previously extended the maturity date for the loan through September 30, 2011, and agreed to a reduction in the sales price for the four (4) homes thus far completed; and

WHEREAS, due to the continued distressed condition of the real estate market, Episcopal continues to be unable to sell the four completed homes; and

WHEREAS, Episcopal has therefore requested an additional one-year extension of the maturity date of its loan; and

WHEREAS, although DHCD Grant Agreement contemplated that the Project be completed by September 30, 2011, DHCD has expressed no objection to an extension of the maturity date of the loan and the deferral of further construction to complete the project; and

WHEREAS, the Mayor and Common Council deem it in the public interest to grant an additional one-year extension of the maturity date of the City Loan in order to avoid default by Episcopal, which would jeopardize the viability of the Project and increase the risk of loss to the City.

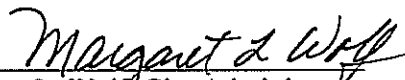
**Section 1.** NOW THEREFORE BE IT RESOLVED by the Mayor and Common Council of the City of Westminster that the maturity date of the loan in the amount of \$494,000, extended by the City to Episcopal Housing Corp. to finance the acquisition of the real property for the Project is hereby extended to September 30, 2012, and the Mayor is hereby authorized to sign all documents as may be necessary to effect such extension.

**Section 2.** BE IT FURTHER RESOLVED by the Mayor and Common Council of the City of Westminster that this resolution shall become effective immediately upon adoption.

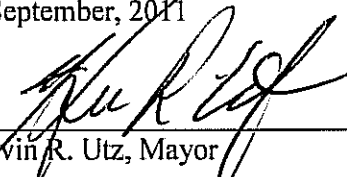
INTRODUCED this 26<sup>th</sup> day of September, 2011

  
Margaret L. Wolf, City Administrator

ADOPTED this 26<sup>th</sup> day of September, 2011

  
Margaret L. Wolf, City Administrator

APPROVED this 26<sup>th</sup> day of September, 2011

  
Kevin R. Utz, Mayor

APPROVED AS TO FORM AND SUFFICIENCY  
this 26<sup>th</sup> day of September, 2011.

  
Elissa D. Levan, City Attorney