

To the Board of Mayor and Aldermen of the City of Manchester:

The Committee on Community Improvement respectfully recommends, after due and careful consideration, a request from Families in Transition to assign all notes and mortgages related to CIP 610401 Millyard Families II to Housing Benefits, Inc. be approved.

(Unanimous vote with the exception of Alderman Shaw who was absent)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matthew Hammond". The signature is written in a cursive style with a long, sweeping tail.

Clerk of Committee



CITY OF MANCHESTER

PLANNING AND COMMUNITY DEVELOPMENT

Planning and Land Use Management
Building Regulations
Community Improvement Program
Zoning Board of Adjustment

Leon L. LaFreniere, AICP
Director

Pamela H. Goucher, AICP
Deputy Director - Planning & Zoning

Michael J. Landry, PE, Esq.
Deputy Director - Building Regulations

MEMORANDUM

To: Alderman Bill Shea,
Chairman, CIP Committee

From: Leon L. LaFreniere, AICP
Director, Planning and Community Development

Date: January 30, 2017

Re: Request from Families In Transition to assign all CIP #610401 Millyard Families II Notes and Mortgages to Housing Benefits Inc.

In order to restructure its ownership interest in the building located at 122 Market Street, Families In Transition is requesting that the City's Mortgage Deed and Promissory Note be assigned to their wholly owned subsidiary, Housing Benefits, Inc. The Mortgage Deed and the Promissory Note secures the \$250,000 loan that was provided to Families In Transition to assist them with the development of fifteen affordable housing units. HUD HOME funds were utilized for this purpose. Subsequent to the reassignment, the city's mortgage instruments will remain in the same position and Housing Benefits Inc. will assume responsibility for complying with all applicable federal requirements.

The City Solicitor's Office has reviewed the Assignment, Assumption and Consent Agreement and determined that the City's interests are protected.

Please find attached the requested communications from Families In Transition which detail the necessary actions and copies of the existing Mortgage Deed and Promissory Note.

Your review of this request and a recommendation to the full Board is respectfully requested.



Families in Transition

Providing a Home. Building Hope.

Community Improvement Program
Attn: Todd Fleming
City of Manchester
One City Hall Plaza
Manchester, NH 03102

RE: Millyard Families II LP

Dear Todd:

Families in Transition, Inc. respectfully requests the assistance of the City of Manchester in the approval of the assignment of all notes and mortgages from the City of Manchester related to the Millyard Families II Limited Partnership project (the "Project"). The Project is being conveyed to a new owner, Housing Benefits, Inc., due to the end of the 15-year tax credit period and the exit of the limited partner. As part of the transaction, all of the debt on the Project is being assigned to Housing Benefits, Inc.

If this approval can be added to the agenda for the next CIP meeting on Monday, February 6th, we would be very appreciative.

Please let me know if you need anything further.

Sincerely,

Maureen A. Beauregard, President
Families in Transition, Inc./Housing Benefits, Inc.

BUYER:

HOUSING BENEFITS, INC.

Witness

By: _____
Maureen A. Beauregard, President

STATE OF NEW HAMPSHIRE
COUNTY OF _____

This instrument was acknowledged before me on this ___ day of _____, 2017, by
Maureen A. Beauregard, as President of Housing Benefits, Inc.

Notary Public/ Justice of the Peace

(Seal, if any)

My Commission Expires: _____

MORTGAGEE:

CITY OF MANCHESTER

Witness

By: _____
Name:
Title:

STATE OF NEW HAMPSHIRE
COUNTY OF _____

This instrument was acknowledged before me on this ___ day of _____, 2017, by _____, the duly authorized _____ of the City of Manchester, a New Hampshire municipal corporation.

Notary Public/ Justice of the Peace

(Seal, if any)

My Commission Expires: _____

Mortgagee

*18.34
2
20.34*

1041757

2001-7 PM 1:25

R.I

**CITY OF MANCHESTER
COMMUNITY IMPROVEMENT PROGRAM
MORTGAGE DEED**

Millyard Families II Limited Partnership, a New Hampshire limited partnership, having a mailing address of 106 Market Street, Manchester, New Hampshire 03101 ("Mortgagor"), for consideration paid, grants to the City of Manchester, a New Hampshire municipal corporation, having principal offices at one city hall plaza, Manchester, New Hampshire, 03101 ("Mortgagee"), and hereby grant and convey unto the said Mortgagee, its successors and assigns, with MORTGAGE COVENANTS, to secure the payment of Two Hundred Fifty Thousand Dollars (\$250,000) as evidenced by a Promissory Note (HOME), of even date (the "Note"), together with interest, costs and expenses thereon, those certain tracts or parcels of land situated in the City of Manchester, Hillsborough County, New Hampshire, more particularly described as follows:

A certain tract of land, together with any buildings thereon, located at 106 Market Street in Manchester, County of Hillsborough and State of New Hampshire, conveyed to the Mortgagor by Warranty Deed of Poisson recorded in the Hillsborough, County Registry of Deeds at Book 6307, Page 1840.

This Mortgage Deed is granted with the Statutory Conditions.

PROVIDED, NEVERTHELESS, that if the said Mortgagor, its successors and assigns shall faithfully perform its covenants and obligations as set forth in the Promissory Note in accordance with the foregoing condition, this mortgage shall be void; otherwise to remain in full force.

IT IS FURTHER AGREED that, on failure of the performance of any conditions, contained herein or in the Note, Mortgagee shall have the STATUTORY POWER OF SALE.

The covenants herein contained shall bind, and the benefits and advantages shall issue to the respective successors and assigns of the parties.

BK 6434 PG 2949

RECEIVED AND RECORDED
HILLSBOROUGH COUNTY REGISTRY OF DEEDS
Judith A. Macdonald
JUDITH A. MACDONALD, CPO, REGISTRAR

This mortgage is subject to a prior financing mortgage(s). If alternative financing is used to refinance that debt, this Mortgage Deed will also be subordinate to that mortgage provided it does not exceed the unpaid mortgage debt at the time of refinancing.

Notwithstanding any of the foregoing terms or conditions of this Mortgage or the terms and conditions of any note, or other collateral document related hereto, in the event of a default hereunder, the Mortgagee expressly and specifically covenants and agrees that (a) the Mortgagor and each partner, general or limited, of the Mortgagor shall not have any personal liability to pay any of the principal of or interest on the debt of which this Mortgage secures, (b) the Mortgagee will not collect or attempt to collect any of the sums due hereunder, including any deficiency judgment, from the Mortgagor or any of its partners, general or limited and (c) that the Mortgagee will look solely to the property, described in this Mortgage for satisfaction of all obligations hereunder. This Mortgage is intended to be a non-recourse obligation as defined in Treasury Regulation § 1.752-1(a)(2) and shall be construed consistently therewith

MORTGAGOR:

MILLYARD FAMILIES II LIMITED
PARTNERSHIP (By Its Sole General Partner:
Brick Mill House Families II, Inc.

By: Maureen A. Beauregard
Name: Maureen A. Beauregard
Title: President

BK 64 34 PG 2950

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

On this the 21st day of May, 2001, before me, the undersigned officer, personally appeared Maureen A. Beaugard, President of Brick Mill House Families II, Inc., a New Hampshire corporation, which is the General Partner of Millyard Families II Limited Partnership, a New Hampshire Partnership, duly authorized, who acknowledged herself to be the person above named and that she executed the foregoing instrument for the purposes contained therein on behalf of the limited partnership.

Jennifer A. Gurney
Notary Public/Justice of the Peace
My Commission expires: 3/8/2005
Name: Jennifer Gurney
[print]



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BK6434PG2951

PROMISSORY NOTE
(HOME)

FOR VALUE RECEIVED, MILLYARD FAMILIES II LIMITED PARTNERSHIP, a New Hampshire Limited Partnership with its principal place of business at 106 Market Street, Manchester, New Hampshire (hereinafter "BORROWER") promises to pay to City of Manchester, a body public and corporate, through its Community Improvement Program, with its principal place of business at One City Hall Plaza, Manchester, Hillsborough County, New Hampshire, and with a mailing address of One City Hall Plaza, Manchester, New Hampshire, 03101, (hereinafter "LENDER"), or to its order, the maximum principal sum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000).

[A payment of interest shall be made annually no later than August 1st, based on forty-two and one-half percent (42.5%) of the net cash flow of the Borrower as determined and calculated by an annual audit prepared by an independent auditor and in a form acceptable to the Lender.

In any year where the Debt Coverage Ratio exceeds 1.15 to 1 (including payments of interest and payments on the HOME funds provided by N.H. Housing Finance Authority) based on said annual audit, principal payments shall be made no later than August 1st, in an amount that will result in a 1.15 to 1 Debt Coverage Ratio.] Notwithstanding anything to the contrary herein, all unpaid sums due hereunder including principal shall be immediately payable in full on August 1, 2031.

Borrower may prepay this Note, in whole or in part, at any time or from time to time, without the payment of any penalty, premium or charge of any nature whatsoever.

This Note is secured by a Mortgage Deed of the Borrower of even date herewith ("Mortgage") covering certain real estate located in Manchester, New Hampshire ("Mortgaged Property") and various other financing instruments, each of even date herewith, and together with any other instrument securing this Note being hereinafter collectively referred to as the "Loan Documents" as said term is defined in the Mortgage. This Note is entitled to all of the benefits of the Loan Documents and specific reference is hereby made to the Loan Documents for all purposes.

Upon the occurrence of any of the following (each of which events shall be an Event of Default hereunder):

- (i) The failure of Borrower to use the mortgaged property for transitional housing for low income families for a period of not less than thirty (30) years; failure of the Borrower to meet the Lender's construction, rehabilitation standards and maintenance standards and failure to comply with the Code of Federal Regulations Title 24, Part 92 (24 CFR 92) of the United States Government as they now exist or may exist in the future.
- (ii) An Event of Default as described and defined in any of the Loan Documents, or any other instrument evidencing any indebtedness of the Borrower to the Lender and the expiration of any period provided in such instrument to cure such default;
- (iii) The failure of the Borrower to submit an annual audit to the lender before September 30th, which failure is not cured within fifteen (15) days.
- (iv) The failure of the Borrower to promptly make annual payments of interest and principal as set forth in the first paragraph of this note before September 30th, which failure is not cured within fifteen (15) days.
- (v) Any uncured event of default pursuant to a City of Manchester, Community Improvement Program , Subrecipient Agreement by and between the Lender and Millyard Families II Limited Partnership of near or even date, which failure is not cured within thirty (days).

Upon the occurrence of any of the above, the holder hereof may declare the entire unpaid balance due hereunder immediately due and payable without notice, demand, or presentment and may exercise any of its rights under any of the Loan Documents. In the event that the Lender or any subsequent holder of this Note shall exercise or endeavor to exercise any of its remedies hereunder or under any of the Loan Documents, the Borrower shall pay on demand all reasonable costs and expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees and the Lender may take judgment for all such amounts in addition to all other sums due hereunder.

Notwithstanding anything to the contrary herein, all unpaid sums due hereunder shall be payable in full no later than August 1, 2031.

In the event of default as set forth above, the Borrower shall be liable for the full amount of the principal balance of this loan together with any other payments due herein including but not limited to the payment of reasonable attorney's fees.

The Borrower waives presentment for payment, protest and demand, and notice of protest, demands and/or dishonor and nonpayment of this Note, notice of any event of default under the Loan Documents except as specifically provided therein, and all other notices or demands otherwise required by law that the Borrower may lawfully waive. The Borrower expressly agrees that this Note, or any payment hereunder, may be extended from time to time, without in any way affecting the liability of the Borrower. No unilateral consent or waiver by the Lender with respect to any action or failure to act which, without consent would constitute a breach of any provision of this Note shall be valid and binding unless in writing and signed by the Lender.

In the event of any conflict in the terms and conditions of the Loan Documents, then that term which, in the sole and final judgment of the Lender, is more restrictive shall apply.

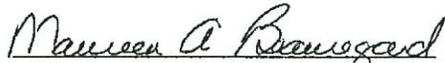
Notwithstanding any of the foregoing terms or conditions of this Note or the terms and conditions of any note, or other collateral document related hereto, in the event of a default hereunder, the Lender expressly and specifically covenants and agrees that (a) the Borrower and each partner, general or limited, of the Borrower shall not have any personal liability to pay any of the principal of or interest on the debt of which this Note secures, (b) the Lender will not collect or attempt to collect any of the sums due hereunder, including any deficiency judgment, from the Borrower or any of its partners, general or limited and (c) that the Lender will look solely to the property, described in the Mortgage Deed for satisfaction of all

obligations hereunder. This Note is intended to be a non-recourse obligation as defined in Treasury Regulation § 1.752-1(a)(2) and shall be construed consistently therewith.

IN WITNESS WHEREOF, the Borrower executed this Note on this
day of June, 2001.

MILLYARD FAMILIES II
LIMITED PARTNERSHIP
(By Its Sole General Partner
Brick Mill House Families II,
Inc.)


Witness

By: 
Name: Maureen A. Beauregard
Title: President