

1 RESOLUTION NO. \_\_\_\_\_

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3 A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO RELEASE  
4 THE CITY'S LIEN ON THE MAHLON MARTIN APARTMENTS; AND  
5 FOR OTHER PURPOSES.  
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7 WHEREAS, the City of Little Rock ("City") applied for and received Community Development Block  
8 Grant Section 108 Loan Funds ("CDBG Funds") from the Department of Housing and Urban Development  
9 ("HUD"); and,

10 WHEREAS, on December 1, 1994, the City authorized a loan of Six Hundred Fifty-Five Thousand  
11 Dollars (\$655,000.00) of the CDBG Funds to the Downtown Little Rock Community Development  
12 Corporation for the development of low income housing by means of Resolution No. 9,211 (August 2,  
13 1994); and,

14 WHEREAS, in order to conform to the Internal Revenue Service regulations governing tax-credit  
15 financing, the Downtown Little Rock Community Development Corporation formed a wholly-owned  
16 subsidiary, the Downtown Little Rock Redevelopment Corporation, to function as the general partner in  
17 the South Main Street Redevelopment Limited Partnership ("Partnership"), thereby retaining control of the  
18 project while accommodating majority ownership by investors; and,

19 WHEREAS, the City's Board of Directors authorized the loan to be made to the Partnership instead  
20 of the Downtown Little Rock Community Development Corporation by means of Resolution No. 9,277  
21 (November 15, 1994); and,

22 WHEREAS, on December 1, 1994, the City entered into an Agreement with the Partnership to make  
23 a second mortgage loan for the development of forty-five (45) units of the Mahlon Martin Apartments at  
24 1917, 1923, 2201, 2209, 2213, 2215 South Main Street, 2115 Scott Street and 115 East 22<sup>nd</sup> Street, Little  
25 Rock, Arkansas ("Apartments") for low income housing; and,

26 WHEREAS, the principal and interest on the loan were to be deferred until June 30, 2011, at which  
27 time the terms of the loan were to be renegotiated to allow for full repayment of the loan or for the continued  
28 waiver of the interest and deferral of the loan repayment, or both, for a period of no more than fifteen (15)  
29 years; and,

30 WHEREAS, for reasons unknown to the City and to the Partnership the terms of the loan were not  
31 renegotiated on or after June 30, 2011; and,

32 WHEREAS, pursuant to the Agreement the full amount of the loan is to be released only after  
33 substantially all equity contributions have been depleted and as verified performance of activities required

1 by the Agreement, including but not limited to: 1) ensuring the Apartments have been occupied by tenants  
2 having income at or less than 60% of the Area Median Income (“AMI”) adjusted for family size; 2) ensuring  
3 that all housing units are affordable to such tenants; and 3) reexamining tenant incomes and applicable rents  
4 at least once annually; and,

5 **WHEREAS**, pursuant to the Agreement, if these criteria are not met, the City is not to waive the interest  
6 and the Partnership is to repay the City the loan beginning no later than June 30, 2025; and,

7 **WHEREAS**, the Partnership has provided proof of the depletion of equity of the Partnership and has  
8 assured the City that the other criteria required in the Agreement have been met; and,

9 **WHEREAS**, the City and the Partnership also signed a Subordinated Installment Note (“Note”) on or  
10 about December 1, 1994, which also requires the City to loan the Partnership Six Hundred Fifty-Five  
11 Thousand Dollars (\$655,000.00) without interest for a term not to exceed thirty (30) years; and,

12 **WHEREAS**, the Note is secured by a Subordinated Mortgage (“Mortgage”) which the City and the  
13 Partnership entered on or about December 1, 1994, which also states that payment of the principal and  
14 interest will be deferred until June 30, 2011, when the terms of the repayment will be renegotiated and that  
15 a waiver of interest and the principal repayment deferral will not extend beyond June 30, 2025; and,

16 **WHEREAS**, the Agreement, the Note and the Mortgage constitute the lien the City has on the  
17 Apartments; and,

18 **WHEREAS**, the Partnership has stated that all of the conditions of the lien have been met and the City  
19 should release the lien pursuant to the Agreement.

20 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY**  
21 **OF LITTLE ROCK, ARKANSAS:**

22 **Section 1.** The City Manager is authorized to take any actions necessary to release the lien the City of  
23 Little Rock has on the Mahlon Martin Apartments.

24 **Section 2. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or  
25 word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or  
26 adjudication shall not affect the remaining portions of the resolution which shall remain in full force and  
27 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the  
28 resolution.

29 **Section 3. Repealer.** All laws, ordinances, resolutions, or parts of the same, including but not limited  
30 to Resolution No. 9,211 (August 2, 1994) and Resolution No. 9,277 (November 15, 1994) that are  
31 inconsistent with the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

32 **ADOPTED: September 20, 2022**

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1 **ATTEST:**

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**Susan Langley, City Clerk**

5 **APPROVED AS TO LEGAL FORM:**

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**Thomas M. Carpenter, City Attorney**

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**APPROVED:**

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**Frank Scott, Jr., Mayor**