

## City Council – Action Request Form

**Date:** September 15, 2020

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**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

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**From:** Tasha Logan Ford, Assistant City Manager  
 Angela Carmon, City Attorney  
 Marla Y. Newman, Community Development Director

**Council Action Requested:**  
 Resolution Authorizing Modification of the Loan Agreement and Restrictive Covenants with Housing Authority of the City Of Winston-Salem

**Strategic Focus Area:** Livable Neighborhoods  
**Strategic Objective:** Expand Housing Assistance Programs  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

In October 1986, the Winston-Salem/Forsyth County School Board deeded the site of the old Brown Elementary School located at 1125 Highland Avenue to Shiloh Baptist Church, and, in December 2014, the Housing Authority of the City of Winston-Salem (“HAWS”) acquired this property from Shiloh Baptist Church. HAWS had planned to construct 120 units of multi-family affordable housing for the elderly on this property. However, the structure was severely damaged by fire and presented a health and safety concern to the community. As a result, HAWS decided to demolish the old school building.

To assist HAWS in those efforts, the City Council approved a \$200,000 loan to HAWS on May 15, 2017 to cover hazard abatement and demolition costs at the property (including asbestos, lead-based paint, and underground storage tank removal). As a part of that loan, HAWS executed on July 13, 2017 a Loan Agreement, Promissory Note, Deed of Trust, and Restrictive Covenants and Conditions, which required that the site be developed into affordable housing for the elderly.

**Committee Action:**

|                  |                |
|------------------|----------------|
| <b>Committee</b> | <b>Action</b>  |
| _____            | _____          |
| <b>For</b>       | <b>Against</b> |
| _____            | _____          |
| <b>Remarks:</b>  |                |
| _____            |                |

As a part of the first phase of family development for the Cleveland Avenue Homes/Choice Neighborhoods Implementation grant, HAWS now wants to development this site into affordable housing for members of the general population, not just the elderly. As a result, the Loan Agreement and Restrictive Covenants and Conditions HAWS executed in 2017 need to be amended to remove the restriction that HAWS develop the property solely for affordable housing for the elderly. All other terms and conditions of the Loan Agreement, Promissory Note, Deed of Trust, and Restrictive Covenants and Conditions will remain unchanged.