

RESOLUTION RATIFYING ACTION TAKEN ON NOVEMBER 15, 2018 REGARDING S.G. ATKINS COMMUNITY DEVELOPMENT CORPORATION'S REPAYMENT OF THE CONSTRUCTION LOAN FOR 3248 RIDGEBACK DRIVE, AND MAKING A GRANT TO THE DEVELOPMENT PROJECT FOR THE REPAYMENT SHORTAGE OF THE CONSTRUCTION LOAN

WHEREAS, the City of Winston-Salem entered into a development agreement with S.G. Atkins Community Development Corporation (CDC) for development of single-family housing in the Ridgewood Place subdivision; and

WHEREAS, under the agreement, the City sells a lot to the CDC, finances the lot sale for a period of up to one (1) year, and loans the CDC funds to construct a house and the CDC is to repay the construction loan on sale of the house to a homebuyer; and

WHEREAS, due to the cost of construction and market conditions, the proceeds from the sale of the house are less than the full loan balance, resulting in a repayment shortfall; and

WHEREAS, a house in the Ridgewood Place subdivision located at 3248 Ridgeback Drive that was under contract and scheduled to close on November 16, 2018, had a full loan balance of \$125,090 and projected loan proceeds of \$113,760 resulting in a repayment shortfall of approximately \$11,300.

NOW THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem ratify the action taken on November 15, 2018, allowing S.G. Atkins Community Development Corporation to repay \$113,760 of the \$125,090 construction loan for 3248 Ridgeback Drive, and making a grant to the development project in the amount of \$11,300 which is the repayment shortage of the construction loan.