

**RESOLUTION AUTHORIZING ACCEPTANCE OF LESS THAN FULL
REPAYMENT OF CONSTRUCTION LOANS TO
S.G. ATKINS COMMUNITY DEVELOPMENT CORPORATION**

WHEREAS, the City of Winston-Salem and S.G. Atkins Community Development Corporation (CDC) entered into development agreements for development of single-family housing in the Ridgewood Place subdivision and the CDC's East End Revitalization Area (Hardesty Lane); and

WHEREAS, under the development agreements the City loans the CDC funds to construct a house, and the CDC is to repay the construction loan from proceeds from the sale of the house to the 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; and

WHEREAS, staff requested and the City Council granted authorization to provide a pay-off quote to the closing attorney for the proceeds from the sale on an emergency basis, allowing the sale to close on schedule.

NOW THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem ratify 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.

BE IT FURTHER RESOLVED that the Mayor and City Council authorize the City Manager or his designee to accept less than full repayment of construction loans, as needed on a case by case basis, for the remaining three houses currently under development in the Ridgewood Place subdivision and the East End Revitalization Area.

BE IT FURTHER RESOLVED, by the Mayor and City Council, that the City Manager is authorized to execute contracts and documents necessary to carry out the activities herein authorized.