

# Exhibit A



## WINSTON-SALEM CNI HOUSING UPDATE

March 22, 2022



# PROJECT UPDATE



Phase I is scheduled to close and start construction in May 2022



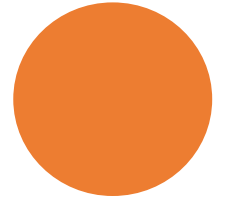
Phase I construction completion is projected for November 2023



Urban Strategies staff have started holding meetings for families living in the Phase II area. Relocation is projected to start late summer/fall 2022.



Due to the original CNI application sources, as well as cost increases related to COVID and the current construction market, the project has a financing gap.



# PEOPLE RESULT



*OUR MISSION...*

**All children and families will be STABLE and THRIVING.**



# Economic & Workforce Development



Several Sub-contractor job outreach fairs have been held to announce the work opportunity.

The GC has put the project out to bid and to date the participation numbers are as follows:

Total Bid Packages:	52
Total M/WBE/S3 awards:	25%
MBE –	22%
WBE –	3%
Total M/WBE/S3 \$ amount:	\$2.9m (25%)

\*There is 10% of the scope that is remaining to be bought out, the GC is working to ensure that they are M/WBE's



# Housing Vision



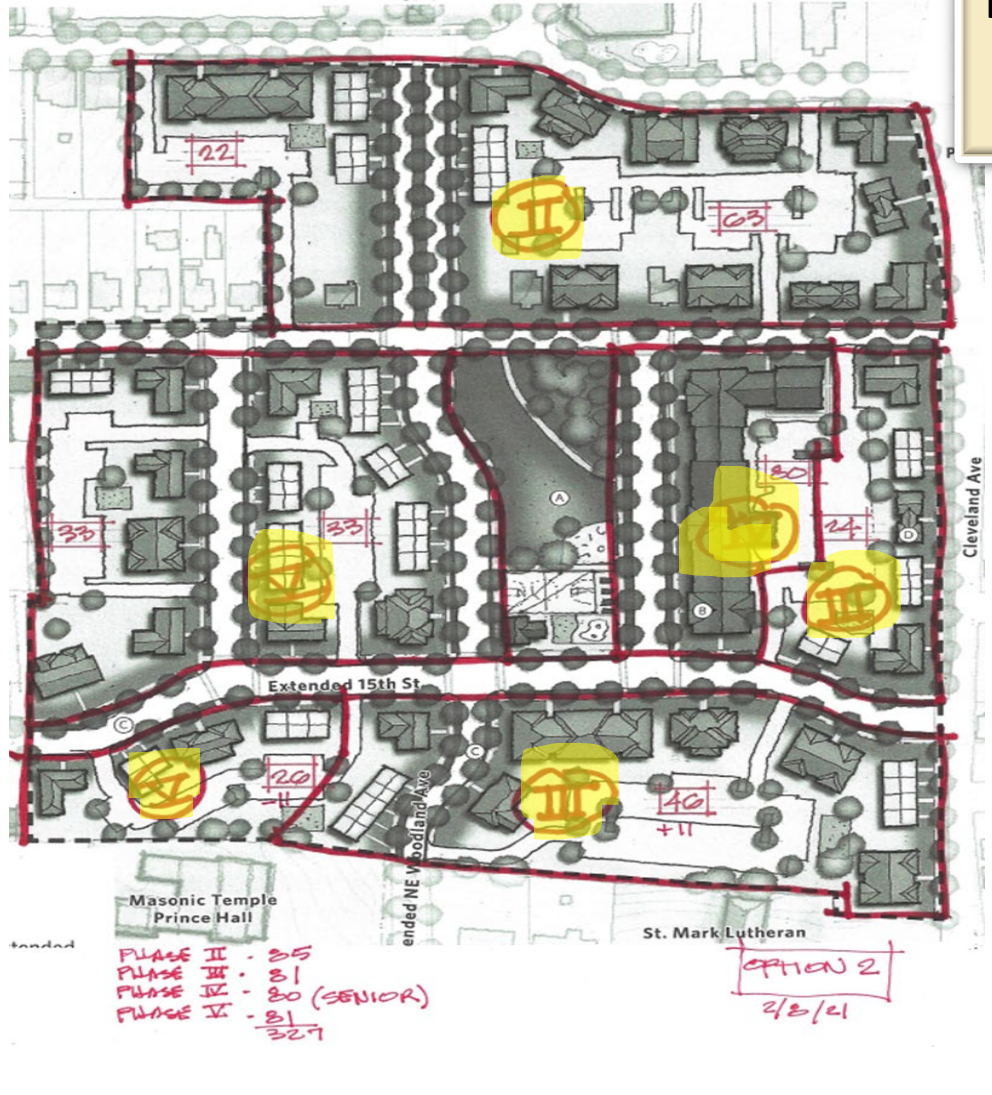
Total = 406 Units / 5 Phases  
 Mix BR sizes 1-5 BR  
 Mixed Income

Cleveland Avenue Homes  
 (Phases II, III, IV & V)

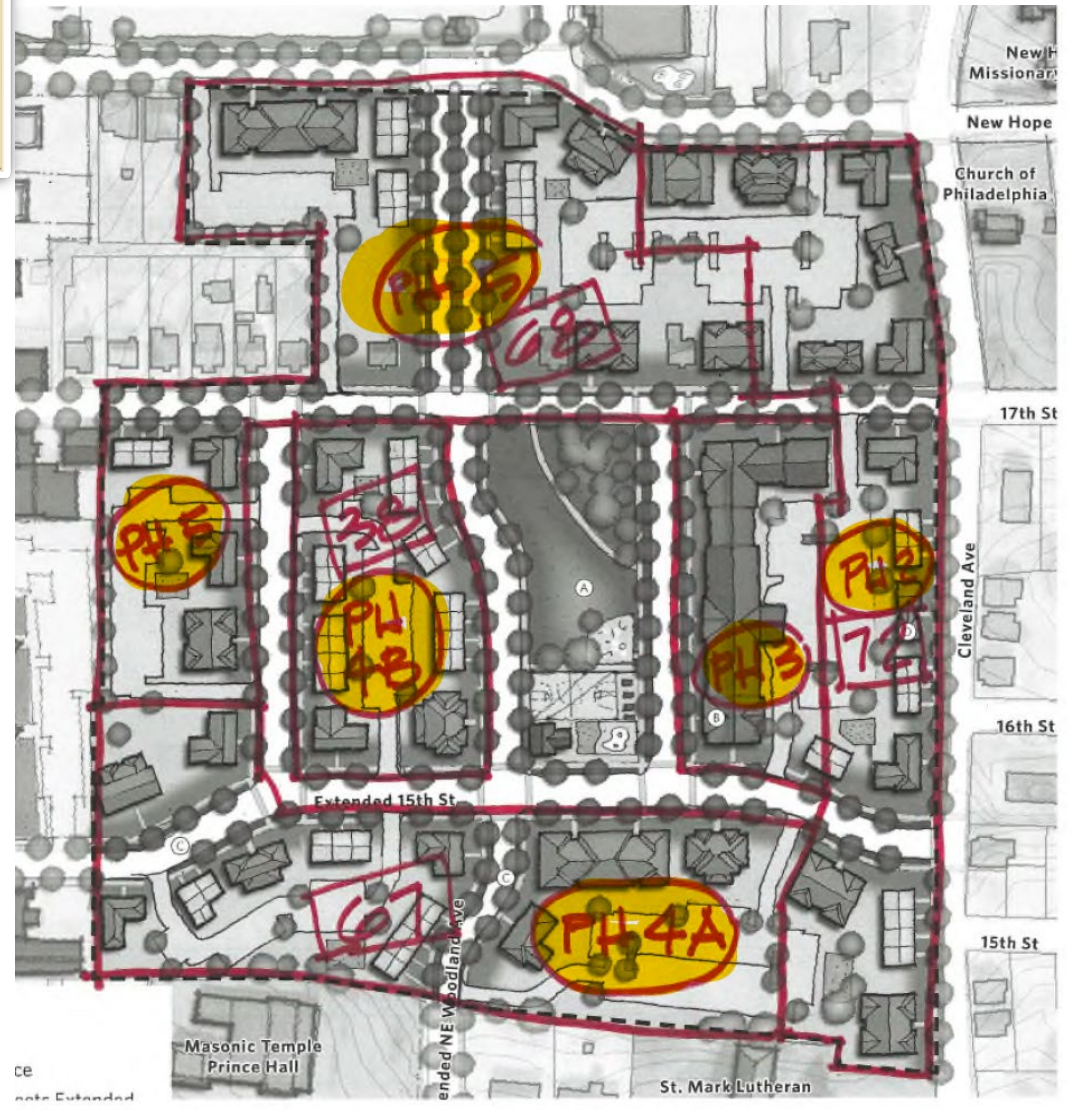
Brown School Site  
 (Phase I)

- 1BR: 31 units
- 2BR: 34 units
- 3BR: 14 units
- 4BR: 2 units
- Total = 81 units

**W/S CNI  
Phase II, III,  
IV & V  
Plan**



**Option 3  
(Previous)**



**Option 4  
(Revised)**

# Phase II

82 families to be relocated by late summer/fall 2022



Cleveland Avenue

# Unit Mix

By bedroom size

	1-BR	2-BR	3-BR	4-BR	5-BR	Total
Phase 1 (Brown School)	31	34	14	2		81
Phase 2 (On-Site Family)	32	34	6	0		72
Phase 3 (On-Site Senior)	74	6	0	0		80
Phase 4a (On-Site Family)	22	26	16	2	1	67
Phase 4b (On-Site Family)	8	12	12	6		38
Phase 5 (On-Site Family)	32	25	8	3		68
Total	199	137	56	13	1	406



# Mixed Income Development

	Project-Based Voucher	Affordable/ Workforce	Market Rate	Total
Phase 1 (Brown School)	37	14	30	81
Phase 2	25	16	31	72
Phase 3 (Senior)	66	14	0	80
Phase 4a	25	12	30	67
Phase 4b	20	18	0	38
Phase 5	26	11	31	68
Units   %Total	199   49%	85   21%	122   30%	406   100%

# Kitchen Interiors





# BUDGET UPDATE:

## WINSTON-SALEM CNI OVERALL SOURCES AND USES (for Vertical Housing Construction, Site Prep & Public Infrastructure)

Housing Phases	Total	CHOICE Funds	City of Winston-Salem Go Bonds*	1st Mortgage Funds	(1) Second Mortgage - Seller Financing - City of Winston Salem	Uncommitted Equity	GP/SLP Equity	CDBG*	GAP
Phase 1 (2021)	\$ 28,654,272	\$ 12,527,602	\$ 1,844,440	\$ 4,083,000 *	\$ -	\$ 8,699,130 *	\$ 100	\$ 1,500,000	\$ (0)
Phase 2 (2022)	22,487,944	1,694,480	288,890	3,035,000	-	8,699,130	100	375,000	8,395,344
Phase 3 (2023)	28,113,221	1,694,480	288,890	1,666,000	231,293	8,699,130	100	375,000	15,158,329
Phase 4A (2024)	23,819,703	1,694,480	184,339	4,271,000	193,707	8,799,120	100	239,286	8,437,671
Phase 4B (2024)	14,894,235	1,694,480	104,551	2,177,000	-	4,745,000	100	135,714	6,037,390
Phase 5 (2025)	22,730,242	1,694,478	288,890	3,527,000	-	8,799,120	100	375,000	8,045,654
<b>TOTAL</b>	<b>\$ 140,699,617</b>	<b>\$ 21,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 18,759,000</b>	<b>\$ 425,000</b>	<b>\$ 48,440,630</b>	<b>\$ 600</b>	<b>\$ 3,000,000</b>	<b>\$ 46,074,387</b>

(1) Seller Financing - There is existing debt (acquisition costs) for Fairview Landing sites. Portion is conventional debt and bank will need to be paid. The City of W/S is rolling their debt into the new partnership and will be paid from excess Net Cash Flow as defined by the Limited Partnership Agreement.

\* Funds are committed

\*\* The above budget numbers are as of February 2022 and based on proposals and estimates at this time.

\* Based on GC's estimates from Dec. 2021

# Budget Summary:

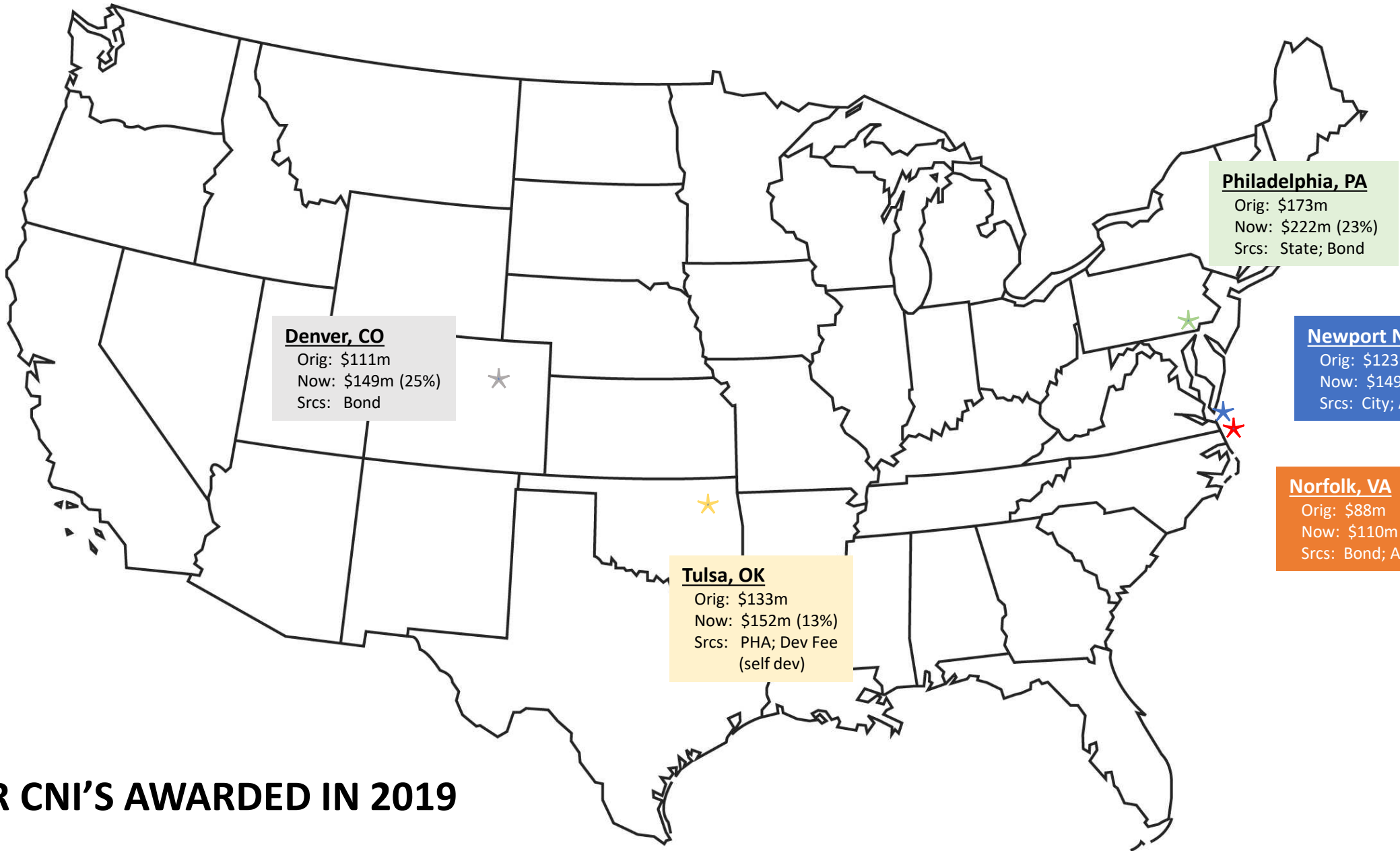
- The gap at CNI award was \$17,000,000 and due to construction cost increases, that number is now \$46,000,000
- For Phase I, housing construction numbers increased from \$10,900,000 to \$16,600,000 from time of CNI award to now. For the entire CNI, total housing construction increased from \$59,000,000 to \$83,000,000.
- Cost per s.f construction increased 31% from time of CNI application and in 2021 alone, it increased by 21%.
  - At CNI Application, constr pricing was \$130 s.f.
  - Jan 2021 increased to \$140 s.f.
  - May 2021 increased to \$149 per s.f
  - September 2021 increased to \$159 per s.f.
  - By December 2021 increased to \$170 s.f. (\*and there will most likely be an additional increase based on estimates that the GC is receiving currently)

**\*The 2021 CNI Grant awards are \$50,000,000 vs \$30,000,000 (for 2020 & prior)**

# STRATEGIES IMPLEMENTED:

- Met with GC to value engineer to explore where costs could be reduced
- Added an additional 4% phase to increase tax credit equity
- Requested a CNI bridge loan for FHA Financing
- Requested max credits from NCHFA
- Request modification to NCHFA Loan requirements
- Inquired to HUD about increasing the CNI grant amount
- Met with the State HFA
- Met with Forsyth County in Jan. 2022. Requested \$24,000,000 in infrastructure funds
- Competitive Bidding for an equity investor and working to utilize FHA debt to maximize borrowing
- Exploring deferring a portion of the developer fee which will be based on what is allowed by NCHFA and the tax credit investor





**OTHER CNI'S AWARDED IN 2019**

## CITY REQUEST:

- Commitment Letter for \$8M (Ph. II) is needed immediately for Tax Credit Application due in May.
- The \$8M will be expended during the construction period between late 2022/late 2023.
- Funds to help fill the remaining \$38m CNI gap over the next 3 years:
  - 2023 - \$15,200,000 (Ph III)
  - 2024 - \$16,700,000 (Ph IVa & IVb)
  - 2025 - \$6,100,000 (Ph V)





Thank you!