

**Information Item**

**Date:** August 1, 2018

**To:** The City Manager

**From:** Marla Y. Newman, Community Development

**Subject:** Potential modification of Area Redevelopment Plan. (Northeast Ward)

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



**Summary of Information:**

On July 19, 1999 the Board of Alderman/City Council adopted the Northeast Winston #2 Redevelopment Plan (“NEW#2”). The plan is intended to “remove conditions which have created or contributed to the substandard character of the redevelopment area and to restore the physical and economic vitality of the Area through various forms of community development treatment.” The plan also called for the City to acquire and clear property in the redevelopment area to—

1. Remove substandard structural conditions
2. Effectively remove existing blighting influences
3. Provide land for public improvements of facilities
4. Achieve other identified objectives of this Plan

In furtherance of the plan, the City acquired 26 properties from private owners, which were later demolished in preparation for future development. These purchases were made with local, non-federal funds. One lot has since been sold to an adjoining homeowner whose home was not purchased by the City.

Subsequent to these purchases, a joint venture partnership was created between the Housing Authority of Winston-Salem (“HAWS”), the Housing Partnership of Winston-Salem/Forsyth County, Inc. (now defunct), and Habitat for Humanity of Forsyth, Inc. to serve as the preferred developers for NEW#2.

On February 21, 2005 HAWS, acting on behalf of the joint venture partnership, submitted an offer to the City to purchase the lots it acquired at their appraised value. The City Council passed a resolution on

**Committee Action:**

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

April 18, 2005 authorizing the sale of the single family lots to HAWS, the Housing Partnership and Habitat for Humanity.

The joint venture partnership was expected to execute a development agreement with the City to effect the purchase of the lots and redevelopment of the NEW#2 area, neither of which occurred. And, since the City Council action on April 18, 2005, the Housing Partnership has gone out of business.

By terms set out in the NEW#2 plan, it is set to expire on January 1, 2020. At present there are no authorized redevelopers for the area, and it is not anticipated that one can be identified and undertake to completion the redevelopment of the area before expiration of the plan.

The City, however, has the opportunity to use its 25 lots to assist the Winston-Salem/Forsyth County School System ("WSFCSS) with its search for a site to construct a new elementary school. While the City-owned parcels are insufficient, on their own, to provide enough land for a school, additional acquisition opportunities exist in the area that could—when combined with the City parcels—create enough land to meet the needs of WSFCSS.

Should WSFCSS determine that the NEW#2 area is an appropriate location to meet its needs, the City Council must determine the terms and conditions for conveying the properties. Combined, the properties are currently appraised at \$132,800.00.

Following a formal request to initiate acquisition, the City Attorney, at the appropriate time, will advise staff and the City Council regarding the options under state law for conveying the properties to WSFCSS.

A map of the redevelopment area is attached.