

Resolution #22-0187
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**RESOLUTION AUTHORIZING RESTRUCTURING A DEMOLITION LOAN TO THE
HOUSING AUTHORITY OF WINSTON-SALEM FOR THE FORMER BROWN
ELEMENTARY SCHOOL SITE**

WHEREAS, the City of Winston-Salem and the Housing Authority of Winston-Salem (HAWS) entered into a loan agreement on July 13, 2017, to provide \$200,000 for hazard abatement and demolition of the former Brown Elementary School building located at 1125 Highland Avenue; and

WHEREAS, HAWS has repaid \$40,000 of the loan, leaving a balance of \$160,000; and

WHEREAS, HAWS and its partner McCormack Baron Salazar (MBS) as Developer will use Choice Neighborhoods Implementation (CNI) Grant funds from the U.S. Department of Housing and Urban Development (HUD) and 2021 Low Income Housing Tax Credits from the North Carolina Housing Finance Agency to develop 81 units of multifamily rental housing for families on the former Brown Elementary School site, known as Phase 1; and

WHEREAS, the loan balance is due in full no later than July 13, 2022; and

WHEREAS, the Loan Agreement, Promissory Note, Deed of Trust, and Declaration of Restrictive Covenants and Conditions that HAWS executed in connection with the 2017 loan need to be restructured.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Winston-Salem hereby authorize restructuring the demolition loan for the former Brown Elementary School site to the Housing Authority of Winston-Salem by (1) permitting HAWS to make payments of \$10,000 per year until the loan is repaid in full, (2) agreeing to re-subordinate

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APPROVED
April 18, 2022

the Deed of Trust to all other financing on the project, and (3) canceling the Declaration of Restrictive Covenants and Conditions.

BE IT FURTHER RESOLVED that the Mayor and City Council authorize the City Manager to execute agreements or other documents necessary to carry out the activities herein authorized.