

City of Winston-Salem

Affordable Housing Development Program Manual



Housing Development Department
City of Winston-Salem
101 N Main St
Winston-Salem, NC 27101

SECTION I

LIHTC & MIXED INCOME PROCESS

DRAFT

City of Winston-Salem

Affordable Housing Development Program

2026 Guidelines for Affordable Housing Applications



City of Winston- Salem

Affordable Housing Development Program Overview

The City of Winston-Salem (the “City”) has created the Affordable Housing Development Program (the “Program” or the “AHD Program”) to increase affordable housing options for Winston-Salem residents. The Program offers flexibility to accommodate a range of development types, including senior housing, multifamily, acquisition and rehabilitation, smaller rental properties (example 10 - 20 units), new construction, and adaptive reuse of non-residential properties for lease. From time to time, the City will issue a request for development proposals under the AHD Program. This overview should be followed as a resource on the guidelines for the City's approval.

A. Income Restrictions and Eligible Activities

The target populations for the AHD Program are low-income, moderate-income, other special needs, and disabled households. All Projects that receive any amount of funding through the AHD Program must be disability-neutral unless a committed or anticipated capital or operating subsidy source requires disability-specific targeting.

There are two City ordinances that guide projects funded by the city for affordable housing.

The first is the City's **Housing Justice Act** (Section 2-10 of the Code of Ordinances for the City of Winston Salem) which is an anti-poverty initiative that is designed to reduce homelessness and provide equitable outcomes for city residents consistent with G.S. 160A-456 by, in part, eliminating barriers to housing such as certain criminal convictions, sources of income and the lack of affordability.

The Housing Justice Act applies to residential and housing development projects constructed, developed, rehabilitated or renovated, in whole or part, with city funds, which funds may take the form of a direct, deferred or forgivable loan or grant consistent with the source of funding, the Constitution of the State of North Carolina and other applicable laws.

The Housing Justice Act allows for mixed income developments. This City funding is not solely for use with LIHTC develops as workforce/market rate units are allowed.

Unless otherwise provided by state law, a person who has received city funds for the construction, development, rehabilitation or renovation of an affordable housing project shall set aside, for a period of at least 15 years for single-family housing and at least 30 years for multifamily housing, at least 33 percent of the total number of units for affordable housing, as defined herein, in the following manner:

- Ten percent of the affordability set aside units shall be made available for eligible households with incomes of no more than 30 percent of the area median income;

- Twenty percent of the set aside units shall be made available for eligible households with incomes between 31—50 percent of the area median income; and
- Seventy percent of the set aside units shall be made available for eligible households with incomes between 51—80 percent of the area median income.

The remaining 67 percent of the units may be set aside for mixed income housing or a different combination of workforce housing and market rate housing, all for a period of at least 15 years for single-family housing and at least 30 years for multifamily housing.

Workforce housing means housing that is designed and constructed or renovated to serve eligible households with an income that is between 81—120 percent of the area median income.

Market rate housing means housing that is designed, developed and constructed or renovated to serve eligible households with an income that is 121 percent or more of the area median income.

The second ordinance is the City's **Affordable Housing Ordinance (Section 2-9 of the Code of Ordinances for the City of Winston-Salem)**. Multifamily Rental Projects funded under this Program will have an affordability period of at least 30 years, and 65% of the units must be developed or renovated for affordable housing.

- 20% of the units shall be set aside for eligible households with incomes at 30% and below of the area median income.
- 30% of the units shall be set aside for eligible households with incomes at 31%-50% of the area median income and
- 50% of the units shall be set aside for eligible households with incomes of 51-80% of the area median incomes.

The **remaining 35%** of the units may be occupied or leased to persons meeting the income requirements for either **workforce housing, market rate housing, or a combination of thereof**. To the extent that specific funding sources are already committed or requested, applicants must demonstrate the ability to comply with the most restrictive requirements. Notwithstanding the requirements of the Affordable Housing Ordinance, a multifamily project may have a more restrictive set-aside than the Affordable Housing Ordinance requires (e.g., a developer commits to renting 100% of the units for households at or below 80% of the area median income).

For single family homeownership projects, the homebuyer must meet the income requirements of affordable or workforce housing as defined herein or provide housing, by sale or lease, to an eligible household meeting the income requirements of affordable or workforce housing as defined herein. Unless otherwise prohibited by law, the city council, in its sole and absolute discretion, may relax the requirements of this ordinance, if the purchaser's proposed financing plan will not support the percentages set forth above. If a person receives city funds and purchases or leases city-owned

property, the higher standard set forth in the Affordable Housing Program ordinance shall apply. However, if a developer's proposal calls for more restrictive set asides (such as all units to be sold to households at or below 60% AMI), then the developer cannot later deviate from its proposal without approval of the Winston-Salem City Council.

B. Priority Activities

As reflected in Application Scoring Criteria, priority will be given to Projects that:

- Leverage other capital funding sources.
- Located in high amenity neighborhoods. I.e proximity to grocery, parks, jobs, schools, etcetera
- Accept Tenant Based Rental Assistance Vouchers (TBRA or HCV), or project-based rental assistance.
- Offer special needs unit set asides for ADA, IDD, Domestic Violence or other.
- Commit to innovative energy efficiency components like solar.
- Show partnerships with local provider agencies, local community resources, and/or health and hospital systems, including financing or services provided by the health and hospital system.
- For projects less than 5000 sq. ft., designs include installation of fire sprinkler system.

C. Eligible Applicants

Non-profit, for-profit, and joint-venture developers are eligible to apply for funds under the AHD Program. Affordable housing development and operation require knowledge and skills that may not currently exist in full at any one organization. Projects that build on the strengths of several organizations, including development partners, will be accepted. The roles, responsibilities, and capacity (including financial capacity) of each entity will be analyzed.

NOTE: The City may provide additional funding to previously approved affordable housing projects that have experienced financing shortfalls caused by circumstances beyond the developer's control, including acts of nature such as Hurricane Helene or broader macro-economic factors such as inflation, supply-chain disruptions, or unexpected cost escalation. Supplemental funding may be awarded through the RFP process only when the project remains feasible, continues to meet program requirements, and demonstrates that all other reasonable sources have been pursued.

D. Types of Funding

The City will evaluate the viability of each proposal and then determine which, if any, funding sources are eligible and most appropriate. The amount of funding to be awarded will not exceed the amount necessary to make the Project financially feasible, as determined by the City in its sole and absolute discretion. The City may add or remove costs as deemed necessary to support the development and operation of

the Project. Awards may be in the form of amortizing loans, forgivable loans, or grants. Funding can come from various sources including but not limited to: Housing Opportunities for Persons With AIDS ("HOPWA"), HOME Investment Partnerships Program ("HOME"), Housing Development Block Grant ("CDBG"), and General Obligation Bond ("GOB") funds.

If the proposal is approved, the City reserves the right to select the funding source(s) for all Projects. One or more of the funding sources may not be available or appropriate. All funding awards, including the amount of the award and the funding source, remain subject to final approval by the Winston-Salem City Council.

E. Funding Provisions

This is a competitive application process for limited funding. City financial assistance typically will be in the form of a loan, provided on a "gap" basis once all other available funding is applied to the project cost. Applicants that meet the minimum criteria are not guaranteed an award. Also, the City may fund successful applications for less than the amount requested. No contracts can be executed until the selection process has been completed and all regulatory requirements have been met.

Each Project awarded under the Program will be required to execute a land use restriction agreement at the initial closing which outlines the terms of the fifteen (15) or thirty (30) year compliance period during which a Project must comply with the occupancy restrictions (both income and rent) and amenities represented in the Project's Application. Depending on the source of funds and number of units, the project may be required to comply with Section 3 or Davis-Bacon labor standards. Further, each Project funded through the AHD Program must comply with the requirements imposed by its most restrictive funding source.

Section 2: Application Submission and Evaluation Process

A. Application Submission

A copy of the Developer's Application and checklist are located on the City's website. Complete proposals must be submitted on the portal at: Neighborly Software Portal. Applicants are encouraged to provide as much detail and background information about the Project as possible. Detailed information will assist the City in determining whether (1) there is adequate market demand for the Project in terms of unit mix and rental structure; (2) the Project is in an area with a shortage of AHD units; and (3) the Project is in an environment that will meet the needs of the tenants. Instructions for accessing the Neighborly Software portal and registering an account can be found on the City's website and here. A sample application is included in **Appendix B**.

Once in Neighborly Software, applications are to be submitted under the "Development Projects" section. When initiating an application in Neighborly Software, please use the following naming convention for the project: "Applicant Name-AHD."

For example, if an Applicant named “Helping Benefits” is applying for funding, the case name would be “Helping Benefits AHD.”

Applications must be certified by an authorized signer. An electronic signature on the application indicates the applicant's representative has permission to submit the application. All application materials will be available on the City website at least 30 days prior to the application deadline.

Applications will not be accepted in paper form. Please direct any questions to michaelbl@cityofws.org.

Please see **Appendix C** for the annual application schedule.

B. Evaluation of Applications

Applications will be reviewed for completeness and eligibility.

Completeness of Application- The Application must be received by the designated Application deadline, if applicable, and will be reviewed for completeness. This includes the following:

- 1) Completed Application forms
- 2) All required checklist items
- 3) Any supporting documentation the Applicant wishes for the City to review

If the City finds that the Application is not complete, the City reserves the right to reject the Application and notify the Applicant with stated reasons for denial.

Applications will be evaluated in the following manner:

Development Quality – Development quality is very important, and proposals will be evaluated utilizing a detailed scoring matrix which takes into account many different variables. These variables include, but are not limited to, design, sensitivity to the natural environment, mass transportation access (pedestrian and vehicular), and proximity to necessities and amenities, such as schools, grocery stores, parks, greenways, places of employment and emergency services. Proposals will also be reviewed for existing public infrastructure at the proposed location, such as water/sewer connections and street access. If there is no existing infrastructure, applicants must include an infrastructure plan. Applicants must also submit representative floor plans, elevations, and conceptual site plans with the proposal. **Proposals must include a minimum of five amenities from the Amenities chart below (Section 3(D)(i)).** All new construction must meet or exceed Energy Star guidelines. For rehabilitation, Energy Star guidelines should be used and met where feasible. Proposals are expected to embrace all possible sustainability measures, including conservation and protection of environmental resources, green building (LEED standards), water conservation, tree

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conservation, solar, recycling of construction and residential waste, energy efficiency, integration/use of local pools of low-income labor, etc.

Applicants must demonstrate the inclusion of advanced sustainability and energy-saving features that go beyond standard construction practices. Proposals should integrate renewable energy systems such as solar photovoltaic panels or solar water heating, as well as incorporating weatherization measures proven to enhance building performance such as high-efficiency HVAC systems, ENERGY STAR-rated appliances, enhanced insulation and air sealing, low-E windows, and LED lighting. **On rehabilitation conversion of gas to electric is required.** Projects that include innovative design elements or partnerships that reduce long-term operating costs and improve resident comfort are encouraged.

Leveraged Resources/Financial Feasibility - The proposal uses leveraged resources as a percentage of total funding sources in the Project's development budget. Leveraged resources under this category are defined as permanent funding provided by a non-City source and excluding deferred developer fees. In Projects where the leveraged resource is a contribution of direct financial assistance from an area employer that is otherwise not participating in the development of the Project, the assistance must be in the form of an unsecured loan giving no foreclosure rights to the employer or a grant giving no recapture rights to the employer.

Development and Management Team – Developers will be evaluated based on their development experience and financial capacity. The development and management team must demonstrate prior successful experience with comparable size and type projects. The credit and financial management of the developer or sponsor will be evaluated to ensure acceptable financial capacity to carry the project forward. The developer's experience in the development of similar projects will receive priority consideration.

Disadvantaged Business Enterprise Participation (DBE)-The City is an equal opportunity employer. DBE participation in the project is an important factor for selection. Applicants must demonstrate a good faith effort to achieve this goal and should include documentation with their proposal that addresses efforts.

Additional Points Available: (not mandatory)

Collaboration with Local Agencies to provide Supportive Services

To encourage more comprehensive housing environments for residents, proposals that include collaboration with local agencies, hospitals or service providers offering significant services tailored to the tenant population will receive preference in funding. Proposed services should consider the unique characteristics of the resident population (i.e., senior, disabled, or family) and help them to identify, access and manage available resources.

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The desired outcome is for residents to stay housed, have social and community connections, improve their physical and mental health, increase their income and employment and to be satisfied with the services and housing.

Some examples of services include, but are not limited to the following:

- Literacy sources for adults
- Credit and budget counseling
- Life skills and employment services
- Nutrition and cooking classes
- Food pantry
- Clothes closet
- Job training and job placement services
- Onsite health screenings

Final scores, maximum 100pts, using the evaluation criteria will be used for recommendations for funding but are not the only variable:

Evaluation Criteria	Maximum Points
Development Quality	22
Target Population Priorities	22
Readiness to Proceed	6
Leveraged Resources/ Financial Feasibility	12
Development and Management Team	10
DBE Participation	7
Sec. 2-9. - Sale or lease of city-owned property for affordable housing purposes	14
Amenities & Energy	7
Additional Points: Supportive Services	5
Community/Neighborhood Outreach	Mandatory

To receive the additional 5 points. The proposal must include a detailed supportive services plan explaining the type of service to be provided, who will provide them, how they will be provided, and how they will be funded. A Letter of Intent from the service provider must also be provided.

Section 3: Mandatory Application Criteria, Documents, Certifications

A. Mandatory Criteria

- 1) The agency must have "Current-Active" status with the North Carolina Secretary of State to conduct business in the State of North Carolina (Link to NC SOS)
- 2) The agency must submit third-party financial review or audited financial statements prepared by a qualified accountant or accounting service covering the organization's most recent fiscal year. Audit findings may make the applicant ineligible to receive assistance from the City.

- 3) The agency must not be debarred or suspended by any federal agency.
- 4) The application must be complete and responsive. All questions must be answered completely. Please refer to the developer's application and checklist for a comprehensive listing of documentation needed for review.
- 5) The agency must be not on the North Carolina State Treasurer's list of companies engaged in a boycott of Israel in violation of N.C.G.S. § 147-86.80 et seq., nor will it be allowed to utilize any entity on said list in connection with the Project.
- 6) The agency must not be on the North Carolina State Treasurer's list of persons engaging in business activities in Iran pursuant to N.C.G.S. § 147-86.58, nor will it be allowed to utilize any entity on said list in connection with the Project.
- 7) **Community/Neighborhood Outreach** – Multifamily rental and homeowner (townhomes, condominiums, subdivisions) projects require outreach to surrounding neighborhoods. The applicant must provide evidence of Community/Neighborhood Outreach surrounding their project. An applicant can demonstrate Community/Neighborhood Outreach around their project site by providing documentation such as meeting notices, attendance sheets, email chains, summaries of community feedback, and evidence of how that input was incorporated into the project's design or implementation. Please consult with Housing Development staff for contact information.

All Applications must include a signed Application Certification, Organizational Chart, and an Identity of Interest form. These documents can be found on the City's website.

Applicants are encouraged to provide as much detail and background information about the Project as possible. Detailed information will assist the City in determining whether: there is adequate market demand for the Project in terms of unit mix and rental structure; and the Project is in an environment that will meet the needs of the tenants.

C. Architectural Standards, Universal Design, and Amenities Certification

The City accepts the Designs Quality Standards and Requirements standards provided under **Appendix A** – Affordable Housing Design Guidelines.

A Qualified Allocation Plan is issued annually by the North Carolina Finance Agency. Each LIHTC/other proposal submitted must meet the minimum design standards set forth therein. The project architect/owner must certify to approved design codes and standards and amenities at closing and for final funding.

Universal Design is a concept in which products and environments are designed to be usable by all people, regardless of capabilities, to the greatest extent possible without the need for adaptation or specialized design. The City views Universal Design not as a building code or standard, but rather as a set of features that should integrate seamlessly into the design of a dwelling unit, providing market appeal and possibility for residents to age in place. Whether applied to standard units or units designed under an

accessibility code, the goal of Universal Design is to produce as normal and appealing an outcome as possible.

D. Amenities

The Application must include Project amenities, and a minimum of five amenities selected from the list below must be incorporated in the Project and identified. A minimum of three of the five shall be from First Priority Categories. All common use areas must be fully accessible to those with disabilities in compliance with all applicable State and Federal laws and regulations.

The City encourages creativity and dual function design and, therefore, it is possible for a single amenity to qualify as more than one option in the following list.

Accessibility	Community Spaces	Sustainability
First Priority	First Priority	First Priority
Looped Walking Paths or Connected sidewalks throughout the entire Project	Computer room equipped with at least 2 (two) computers	Upgraded landscaping including one tree planted on site for every 10 units. 100% native and adaptive plantings/landscaping
Private Services Office	Health and wellness center	Electric vehicle charging infrastructure; or adding receptacles, and 50amp space in the service box, for future EV charging plug-in capability
On-site Management Office	Exercise/ fitness center with at least one machine (treadmill, elliptical, rowing machine and/or stationary bike) for every 16 units	On site car sharing
On site community laundry room	Secured bicycle parking (minimum of 3 slots per 16 units)	Screen/storm doors on all exterior doors
Gated entry which requires visitors to check in/access by codes or cards for gate entry	Equipped sports courts (volleyball, tennis, basketball etc. for every 20 units)	Conversion of gas appliances to electric

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	Porch/ patio/balcony for each unit	Dedicated recycling area within the Project
Second Priority	Second Priority	Second Priority
Walk in closets available in at least one bedroom of every unit	Garden plots/designated community garden area with a minimum of 15 square feet per unit	Trash and or recycling disposal chutes or other refuse collection system
Washer and dryer in every unit	One picnic table and one grill for every 16 units	
	Community Room	
	Outdoor entertainment space such as an outdoor theater and gazebo with available seating	
	At least one additional common room in conjunction with a community room for an identified activity (e.g., community kitchen, library, hair salon, billiards room, arts & crafts room, game room, dining room, etc.)	

Section 5. Award

The application will be subject to scoring by City's internal Affordable Housing Development committee. Applicants with the highest collective score may have their project recommended for preliminary approval by the City Council- funding subject to availability. A Conditional Commitment will be issued by the Housing Development Department specifying the project's set aside and terms for funding has been approved for presentation to Winston-Salem City Council for funding approval. Upon final approval from the Winston-Salem City Council, the City will fund the Project. If the Applicant does not satisfy the terms and conditions of the Commitment, or subsequent requirements added by Winston- Salem City Council within the specified time frame, then, subject to City's sole and absolute discretion, the funding commitment may not be awarded and may be withdrawn.

The City will not pay any project costs incurred prior to the closing of the award and funding of the project. Closing shall be at such time as the applicant satisfies the terms and conditions of the Commitment as determined by the City in its sole and absolute discretion. Upon closing, the Applicant must sign a 30-year land use restrictive covenant or other document that provides rent restrictions in accordance with the approved project documents.

Applicants must agree to comply with all applicable Federal and State of North Carolina requirements. Such requirements may have significant impact on the costs and complexity of the Project.

Applicants are expected to be familiar with the full range of all legal and statutory compliance requirements applicable to the funds awarded, and to obtain all necessary information and advice so that they can comply with such requirements. The following is a brief, but not complete or exhaustive, summary of certain aspects of the major compliance requirements.

A. Approval of Final Plans and Specifications

The City must approve the complete final architectural plans and specifications for the Project. The complete plans and specifications must incorporate all mandatory requirements, as well as any scoring criteria for which the Project received points. The Project Architect and Owner will issue compliance certifications upon closing and funding.

B. Environmental Assessment

If a Project Site(s) will require remediation, the Applicant's development budget must include both an environmental remediation line item to cover the scope of the remediation, and an environmental remediation contingency line item in the amount of ten percent (10%) of the remediation costs.

If federal funds are awarded, a determination will be made as to whether an environmental clearance from HUD will be required. If such clearance is required, the Applicant may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair, site prep or construction prior to receipt of environmental clearance from HUD.

C. Excluded Parties

The Excluded Parties List System ("EPLS") includes information regarding entities that have been debarred, suspended, proposed for debarment, excluded, or disqualified under the no procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. The City will check all names of all Participants against the EPLS found at www.epls.gov. The City may rescind a conditional approval of a funding award if a Participant appears on EPLS.

D. Labor Standards

The City will implement labor standards on federally funded demolition, construction, and rehabilitation Projects. The City will ensure the Project complies with Davis Bacon and Related Acts (DBRA). Federal Regulations can be found in part from the Code of Federal Regulations (Title 29 CFR, parts 1,3,5,6 and 7). If a loan or grant from another source requires a Project to comply with the Davis-Bacon Act, 40 USC 276a et seq., the requirements of the other source will prevail.

E. Fair Housing

Fair housing is otherwise known as equal housing opportunity. Federal, state, and various local laws legally define fair housing and identify specific protected classes, based on documentation of past patterns of discrimination. The term protected class is used in U.S. antidiscrimination law to describe groups of people who are protected from discrimination and harassment that characterize members of protected classes, as defined by federal and North Carolina State laws. The following descriptors characterize members of protected classes as defined by federal and State laws.

- Federal: race, color, religion, national origin, sex, handicap or disability, and familial status.
- State of North Carolina: race, color, religion, national origin, sex, familial status, and disability.

i. Fair Housing Act of 1968 as amended in 1988 ("Fair Housing Act")

Title VIII of the Civil Rights Act of 1968, also known as the Fair Housing Act, prohibits discrimination based on race, color, religion, national origin, sex, familial status, or disability and requires landlords to make reasonable accommodations and modifications for tenants with disabilities.

The Fair Housing Act requires the Secretary of HUD to administer housing and development programs and activities that "affirmatively further" (actively support and encourage) fair housing. Participants must undertake specific activities to affirmatively further equal opportunity and fair housing and must assure all activities and services are accessible to persons with disabilities.

ii. Section 504 of the Rehabilitation Act of 1973 ("Section 504")

Section 504 prohibits discrimination in federally funded programs. For a federally assisted new construction housing Project, Section 504 requires five percent (5%) of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional two

percent (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.

iii. The Americans with Disabilities Act of 1990 ("ADA")

The ADA prohibits discrimination on the basis of disability in government-funded programs, including housing programs (Title II), as well as public accommodations (Title III), which means that rental offices, homeless shelters, and other on-site business locations used by the public, including common areas of public/assisted housing, must be accessible to persons with disabilities.

iv. Olmstead v. L.C., 527 U.S. 581 (1999)

Olmstead found that persons with disabilities have a right to receive their services in the most integrated setting according to their needs and desires. The following guidance on Olmstead and how it relates to housing has been released by HUD and the U.S. Department of Justice:

<http://portal.hud.gov/hudportal/documents/huddoc?id=OlmsteadGuidnc060413.pdf>

http://www.ada.gov/olmstead/q&a_olmstead.htm

v. Non-Discrimination Ordinance

The Applicant must fully comply with the City's Non-Discrimination Policy, as set forth in Chapter 2, Section 2-8 Entitled "Policy of Nondiscrimination" of the Winston-Salem City Code. As part of such compliance, the Applicant shall not discriminate on the basis of race, ethnicity, color, creed, religion, sex, sexual orientation, gender identity, gender expression, pregnancy, veteran status, disability, age, marital status, familial status, protected hairstyle, political affiliation, or national origin in the screening of applicants, the hiring and treatment of its employees, the provision of the services set forth herein, and the solicitation, selection, hiring, or treatment of its sub-grantees/subcontractors, vendors, or suppliers (collectively "subcontractors"), if any, in connection with this Agreement or contract solicitation process if applicable, nor shall the Applicant retaliate against any person or entity for reporting instances of such discrimination. The Applicant shall enact employment policies consistent with this obligation to refrain from such discrimination and shall provide evidence of such to the City within 90 calendar days of the first receipt of City funds. The Applicant shall provide equal opportunity for subcontractors to participate in all of its subcontracting and supply opportunities, if any, under this Agreement, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that has occurred or is occurring in the marketplace. The Applicant understands and agrees that a violation of this clause shall be considered a material breach of this

Agreement and may result in termination of this Agreement, disqualification of the Applicant from participating in City contracts, or other sanctions.

The Applicant agrees to: (a) promptly provide to the City in a format specified by the City all information and documentation that may be requested by the City from time to time regarding the screening of applicants, the hiring and treatment of its employees particularly if City funds were used for such, and the solicitation, selection, treatment, and payment of subcontractors, if any, in connection with this Agreement; and (b) if requested, provide to the City within sixty days after the request a truthful and complete list of the names of all subcontractors that the Applicant has used on the Project, including the total dollar amount paid by the Applicant on each subcontract or supply contract. The Applicant further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Non-Discrimination Policy and to provide any documents relevant to such investigation that are requested by the City. The Applicant agrees to provide to the City, from time to time on the City's request, payment affidavits detailing the amounts paid by the Applicant to subcontractors and suppliers in connection with this Agreement within a certain period of time. Such affidavits shall be in the format specified by the City from time to time. Nothing in this Agreement shall infringe upon the rights of the Applicant afforded by state or federal law.

F. Section 3 and Disadvantaged Business Enterprises (DBE)

Projects will comply with Section 3 of the Housing and Urban Development Act of 1968 if an awarded loan or grant from a funding source triggers such requirement. In addition, hiring practices shall comply with any applicable State or Federal requirements, including but not limited to the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. It is the policy of the City to provide minorities and women equal opportunity to participate in all aspects of City contracting and purchasing programs, including but not limited to, participation in procurement contracts for commodities and services, as well as for contracts relating to construction, repair work and/or leasing activities.

It is further the policy of the City to prohibit discrimination against any person or business in pursuit of these opportunities based on race, color, sex, religion, or national origin and to conduct its contracting and purchasing programs so as to prevent such discrimination. Proposals that demonstrate the utilization of DBE firms may receive priority consideration.

The goal can be satisfied that has been certified by the State of North Carolina's Office for Historically Underutilized Businesses and must be HUB certified at the time the proposal is submitted. If an entity is certified as a DBE by a state other than North Carolina, proof of certification must be submitted with the proposal. Firms shall remain certified for the duration of the contract.

If it is determined that the business is not certified at the time the proposal is submitted, the business will not be counted towards the DBE goals.

G. Management Documents

All Projects will prepare a tenant selection plan, management plan, management agreement, affirmative fair housing marketing plan, and sample lease to be reviewed and approved by the City. At the City's discretion, some Projects may be required to provide a marketing plan and marketing agreement.

H. Regulatory Period

Projects will be required to execute a land use restriction agreement with the City, whereby the Owner shall agree to maintain unit affordability, and serve the targeted populations, for a minimum 30-year period for rental projects and 15-years for homeownership projects.

I. Reporting and Monitoring

Upon the issuance of notice of funding, the developer will submit a monthly progress report until achievement of initial 100% occupancy. The City will assess property and unit condition, compliance with affordability and targeting requirements, and financial stability through submission of audits on an annual basis.

J. Agreement Execution and Project Completion

It is the City's expectation that an award agreement will be fully executed within one year of Winston-Salem City Council approval and completion of the development project will occur within 2 years of the fully executed award agreement/contract. Project completion means that the project has been properly inspected and the developer has received a Certificate of Compliance and Occupancy from the Winston-Salem/Forsyth County Planning and Development Services Department. The City reserves the right to withdraw any committed funding from said projects that do not meet these requirements.

CONTACT INFORMATION

All questions pertaining to the application process should be emailed to
Michael Blair
(michaelbl@cityofws.org) and/or John Quiros (johnq@cityofws.org)

LINKS TO SUPPLEMENTAL INFORMATION AND DOCUMENTS

City of Winston-Salem Vacant Lots for Affordable Housing:

AFFORDABLE HOUSING LENDERS

- ❖ [Federal Home Loan Bank](#)
- ❖ [NCHFA](#)
- ❖ [Self Help](#)

CITY OF WINSTON-SALEM GOVERNMENT RESOURCES

- ❖ [Housing Justice Act](#)
- ❖ [Ordinance Sale or lease of city-owned property](#)
- ❖ [Historic Resources Commission](#)
- ❖ [Inspections and License Portal](#)
- ❖ [Minority-Womens-Business Resources](#)
- ❖ [Unified Development Ordinances](#)

PLANNING RESOURCES

- ❖ [HUD Community Planning and Development Map Tool](#)
- ❖ [Sketch-Plan-Meetings---Information-on-Weekly-Informal-Development-Review-Meetings-PDF](#)

SECTION II SMALL SCALE CITY OWNED LOTS/FUNDING PROCESS

City of Winston-Salem
Affordable Housing Development Program

2026 Guidelines for Small-Scale
Development and City-Owned Lots
Application



City of Winston- Salem City-Owned Lot Program Overview

The City of Winston-Salem (the "City") has created a Small-Scale Development Program (the "Program" or the "AHD Program") to create and preserve affordable rental and owner-occupied housing with an overall goal of affirmatively furthering affordable housing and stabilizing older neighborhoods where many of the city-owned lots exists. The specific objectives of the Program include the following:

1. To increase the supply of affordable housing by using city owned properties.
2. To encourage small scale affordable rental apartment construction not reliant on LIHTC.
3. To encourage the development of affordable housing near existing transit services.
4. To encourage transition from rental housing to home ownership; and
5. To create and provide, where appropriate, affordable or a combination of affordable housing, workforce housing and market rate housing.

The City will issue a request for development proposals under the AHD Program once, or more on occasion, per year. This overview should be followed as a resource on the guidelines for the City's approval process.

Request to develop on city-owned lots will be handled in the form conveyance for a negotiated price or in the form of a long-term land . The criteria to be considered for the opportunity to develop city- owned lots and the updated inventory of city-owned lots is included the following sections. The availability of the following is explained in throughout this document:

1. Gap financing from local and federal funding sources to support the creation and preservation of affordable single-family, housing units.
No more than **\$40,000.00 per single family housing unit can be requested**
Negotiated rental property unit requests – generally not to exceed **\$100,000**
2. City-owned building sites that support the creation of affordable single-family, or multi-family, housing units. **No fewer than 3 city-owned sites can be requested, unless the proposal incorporates a site plan for subdivision or increased density in accordance with Planning and Zoning regulations**

A. Eligible Applicants

Non-profit, for-profit, and joint-venture developers are eligible to apply for the opportunity to develop city-owned lots under the AHD Program. Affordable housing development and operations require knowledge and skills that may not currently exist in full at any one organization. Projects that build on the strengths of several organizations, including development partners, will be accepted. The roles, responsibilities, and capacity (including financial capacity) of each entity will be analyzed.

B. Funding Sources

The City will evaluate the viability of each proposal and then determine which, if any, funding sources are eligible and city-owned lots are available and most appropriate. The amount of funding to be awarded will not exceed \$40,000 per single family housing unit, or as determined by the City in its sole and absolute discretion. The City may add or remove costs as deemed necessary to support the development and operation of the Project. Awards may be in the form of amortizing loans, forgivable loans, or grants. Funding can come from various sources including but not limited to: Housing Opportunities for Persons with AIDS ("HOPWA"), HOME Investment Partnerships Program ("HOME"), Housing Development Block Grant ("CDBG"), and General Obligation Bond ("GOB") funds.

If the proposal is approved, the City reserves the sole right to select the funding source(s) for all Projects. One or more of the aforementioned funding sources may not be available or appropriate. All funding awards, including the amount of the award and the funding source, remain subject to final approval by the Winston-Salem City Council.

C. Funding Provisions

This is a competitive application process for limited funding. City financial assistance typically will be in the form of a loan, provided on a "gap" basis once all other available funding is applied to the project cost. Applicants that meet the minimum criteria are not guaranteed an award. Also, the City may fund successful applications for less than the amount requested. No contracts can be executed until the selection process has been completed and all regulatory requirements have been met.

Each Project awarded under the Program will be required to execute a land use restriction agreement at the initial closing which outlines the terms of the fifteen (15) year compliance period during which a Project must comply with the occupancy restrictions (both income and rent) and amenities represented in the Project's Application. The City has the sole right to apply other restrictions depending on the nature of the property. Depending on the source of funds and number of units, the project may be required to comply with Section 3 or Davis-Bacon labor standards. Further, each Project funded through the AHD Program must comply with the requirements imposed by its most restrictive funding sources.

D. Application Submission

A copy of the Developer's Application and checklist are located on the City's website. Complete proposals must be submitted on the portal at: Neighborly Software Portal. Applicants are encouraged to provide as much detail and background information about the Project as possible. Detailed information will assist the City in determining whether (1) there is adequate market demand for the Project in terms of unit mix and rental structure; (2) the Project is in an area with a shortage of AHD units; and (3) the Project is in an environment that will meet the needs of the tenants. Instructions for accessing the Neighborly Software portal and registering an account can be found on the City's website and here. A sample application is included in Appendix B.

Once in Neighborly Software, applications are to be submitted under the "Small Scale Development Projects" section. When initiating an application in Neighborly Software, please use the following naming convention for the project: "Applicant Name-SSAHD." For example, if an Applicant named "Helping Benefits" is applying for funding, the case name would be "Helping Benefits-SSAHD." Applications must be certified by an authorized signer. An electronic signature on the application indicates the applicant's representative has permission to submit the application. All application materials will be available on the City website at least 30 days prior to the application deadline.

E. Scoring Criteria

Projects that pass all mandatory application requirements will be scored on the following items and ranked according to total score. Points will be awarded based solely on the information submitted in the Application. The City reserves the right to verify all information submitted in the Application.

The City may deny the Applicant points if the correct forms or required information for each scoring category are not submitted, or if information available to the City negates a claim for points. The Applicant's commitment to various scoring criteria shall, at the sole discretion of the City, be binding and may be incorporated into a land use restriction agreement for a period no less than 15 or 30 years.

Development and Management Team – Developers will be evaluated based on their development experience and financial capacity. The development and management team must demonstrate prior successful experience with comparable size and type projects. The credit and financial management of the developer or sponsor will be evaluated to ensure acceptable financial capacity to carry the project forward. The developer's experience in the development of similar projects will receive priority consideration.

Disadvantaged Business Enterprise Participation (DBE)-The City is an equal opportunity employer. DBE participation in the project is an important factor for

selection. Applicants must demonstrate a good faith effort to achieve this goal and should include documentation with their proposal that addresses efforts.

Innovative Energy Efficiency Components - Applicants must demonstrate the inclusion of advanced sustainability and energy-saving features that go beyond standard construction practices. Proposals should integrate renewable energy systems such as solar photovoltaic panels or solar water heating, as well as incorporating Weatherization measures proven to enhance building performance such as high-efficiency HVAC systems, ENERGY STAR-rated appliances, enhanced insulation and air sealing, low-E windows, and LED lighting. Projects that include innovative design elements or partnerships that reduce long-term operating costs and improve resident comfort are encouraged.

Development Quality – Development quality is very important, and proposals will be evaluated utilizing a detailed scoring matrix which has many different variables. These variables include design, sensitivity to the natural environment, transportation access (pedestrian and vehicular), proximity to necessities and amenities, such as schools, grocery stores, parks, greenways, places of employment and emergency services. Proposals will also be reviewed for existing infrastructure, such as utility connections and street access. If no existing infrastructure, applicants must include an infrastructure plan. Applicant must also submit representative floor plans, elevations, and conceptual site plans with the proposal. All new construction must meet or exceed Energy Star guidelines. For rehabilitation, Energy Star guidelines should be used and met where feasible. Proposals are expected to embrace all possible sustainability measures, including conservation and protection of environmental resources, green building (LEED standards), water conservation, tree conservation, recycling of construction and residential waste, energy efficiency, integration/use of local pools of low-income labor.

Diversity and Inclusion- The City is an equal opportunity employer. DBE participation in the project is an important factor for selection. Applicants must demonstrate a good faith effort to achieve this goal and should include documentation with their proposal that addresses efforts.

Community/Neighborhood Outreach – Small multifamily rental and homeowner (townhomes, condominiums, small subdivisions) projects require outreach to surrounding neighborhoods. The applicant must provide evidence of Community/Neighborhood Outreach surrounding their project. An applicant can demonstrate Community/Neighborhood Outreach around their project site by providing documentation such as meeting notices, attendance sheets, email chains, summaries of community feedback, and evidence of how that input was incorporated into the project's design or implementation. **Please consult with Housing Development staff for contact information.**

Final scores, maximum 100pts (5pt additional) using the evaluation criteria will be used for recommendations for funding but are not the only variable:

Evaluation Criteria	Maximum Points
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Development Quality	22
Target Population Priorities	22
Readiness to Proceed	6
Leveraged Resources/ Financial Feasibility	12
Development and Management Team	10
DBE Participation	7
Sec. 2-9. - Sale or lease of city-owned property for affordable housing purposes	14
Amenities & Community Integration	7
Additional Points: Supportive Services	5
Community/Neighborhood Outreach	Mandatory

F. Approval of Final Plans and Specifications

The City must approve the complete final architectural plans and specifications for the Project. The complete plans and specifications must incorporate all mandatory requirements, as well as any scoring criteria for which the Project received points. The Project Architect and Owner will issue compliance certifications upon closing and funding.

G. Environmental Assessment

If a Project Site(s) will require remediation, the Applicant's development budget must include both an environmental remediation line item to cover the scope of the remediation, and an environmental remediation contingency line item in the amount of ten percent (10%) of the remediation costs.

If federal funds are awarded, a determination will be made as to whether an environmental clearance from HUD will be required. If such clearance is required, the Applicant may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair, site prep or construction prior to receipt of environmental clearance from HUD.

H . Excluded Parties

The Excluded Parties List System ("EPLS") includes information regarding entities that have been debarred, suspended, proposed for debarment, excluded, or disqualified under the no procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. The City will check all names of all Participants against the EPLS found at www.epls.gov. The City may rescind a conditional approval of a funding award if a Participant appears on EPLS.

I. Agreement Execution and Project Completion

It is the City's expectation that an award agreement will be fully executed within one year of Winston-Salem City Council approval and completion of the development project will occur within 2 years of the fully executed award agreement/contract. Project completion means that the project has been properly inspected and the developer has received a Certificate of Compliance and Occupancy from the Winston-Salem/Forsyth County Planning and Development Services Department. The City reserves the right to withdraw any committed funding from said projects that do not meet these requirements.

J. Supporting Information

This is a competitive application process for limited funding. City financial assistance typically will be in the form of a loan, provided on a "gap" basis once all other available funding is applied to the project cost. Applicants that meet the minimum criteria are not guaranteed an award. Also, the City may fund successful applications for less than the amount requested. No contracts can be executed until the developer obtains all required documentation.

LINKS TO SUPPLEMENTAL INFORMATION AND DOCUMENTS

City of Winston-Salem Vacant Lots for Affordable Housing:

AFFORDABLE HOUSING LENDERS

- ❖ [Federal Home Loan Bank](#)
- ❖ [NCHFA](#)
- ❖ [Self Help](#)

CITY OF WINSTON-SALEM GOVERNMENT RESOURCES

- ❖ [Housing Justice Act](#)
- ❖ [Ordinance Sale or lease of city-owned property](#)
- ❖ [Historic Resources Commission](#)
- ❖ [Inspections and License Portal](#)
- ❖ [Minority-Womens-Business Resources](#)
- ❖ [Unified Development Ordinances](#)

PLANNING RESOURCES

- ❖ [Sketch-Plan-Meetings---Information-on-Weekly-Informal-Development-Review-Meetings-PDF](#)

City of Winston-Salem – Affordable Housing Project Scoring Matrix

Category	Maximum Points	Description / Criteria
1. Development Quality	22	Projects will be scored overall on design, environmental sensitivity, access to transportation and amenities, and availability of infrastructure. Applicants must provide site and building plans and include amenities . New construction must meet Energy Star standards; rehab projects should meet them where feasible. Proposals should emphasize sustainability , including LEED practices, conservation, solar, recycling, and local labor use.
2. Target Population Priorities	22	Points awarded based on the number and type of priority units included. A minimum of 5% of total units (or at least one unit if fewer than 20 total) must serve each population type to receive points. <ul style="list-style-type: none"> - Elderly (62+): 10 pts - Persons with Physical or Cognitive Disabilities: 10 pts - Intellectual/Developmental Disabilities (IDD): 10 pts - Homelessness: 7.5 pts - Mental Health Conditions: 7.5 pts
3. Readiness to Proceed	6	Based on project readiness, including site control, appropriate zoning, environmental clearance, and permit status. <ul style="list-style-type: none"> - Full site control and zoning approved: 5 pts - Environmental clearance complete: 5 pts - Building permits or construction financing secured: 5 pts
4. Financial Feasibility & Leverage	12	Evaluates strength of financial structure and use of other funding sources. <ul style="list-style-type: none"> - Demonstrates strong leverage of non-City funds (LIHTC, grants, bonds, bank, private equity): up to 5 pts

City of Winston-Salem – Housing Development Department

Category	Maximum Points	Description / Criteria
		- Sound proforma and operating plan with sustainable cash flow: up to 5 pts
5. Development Experience & Capacity	10	Assesses experience of the development team and key partners with HOME or similar programs. - Proven track record of timely completion and compliance: 10 pts - Qualified property management and financial oversight team: 10 pts
6. Sec. 2-9. - Sale or lease of city-owned property for affordable housing purposes.	14	Meets the minimum requirements of Sec. 2-9 for 66% of the units. 1. Twenty percent of the units (66%) shall be set aside for eligible households with incomes at 30 percent and below of the area median income, 2. Thirty percent of the units shall be set aside [for] eligible households with incomes at 31—50 percent of the area median income, and 3. Fifty percent of the units shall be set aside for eligible households with comes at 51—80 percent of the area median income.
7. Amenities & Energy	7	Points awarded for inclusion of amenities and features that enhance resident quality of life, promote sustainability, and integrate the development into the surrounding community. - On-Site Resident Amenities (up to 5 pts): Community room, laundry, playground, computer lab, fitness area, or shared green space. - Accessibility/Connectivity (up to 5 pts): Sidewalk connections, proximity to transit, grocery, schools, and employment centers (within ½ mile). - Sustainability & Energy Efficiency (up to 5 pts):

City of Winston-Salem – Housing Development Department

Category	Maximum Points	Description / Criteria
		Incorporates energy-efficient design, solar, or advanced weatherization measures.
8. DBE Participation	7	Applicants must demonstrate a good faith effort to achieve this goal and should include documentation with their proposal that addresses these criteria.
9. Additional Points: Supportive Services	5	Proposed services should consider the unique characteristics of the resident population (i.e., senior, disabled, or family) and help them to identify, access and manage available resources.

Total Possible Points: 100

Optional Bonus (Up to 5 Points)

Innovative Design or Partnership: Projects demonstrating creative design, community partnerships, or mixed-income models that advance City housing goals may receive up to **5 additional points** at the discretion of the review committee.