

# Winston-Salem CNI City Funding Request

- City original commitment to CNI Project  
\$3,000,000 (GO BONDS)  
\$3,000,000 (CDBG)
- March 2022 requested additional funds from the City for Ph 1  
Ph 2  
\$500,000 (approved)  
\$8,395,344 (approved)
- Aug 2022 request approval to shift funds awarded to Ph 2 to Ph 1  
\$586,000

**WINSTON-SALEM CNI**  
**OVERALL SOURCES AND USES - JULY 2022**  
**(for Vertical Housing Construction, Demo, Site Prep & Public Infrastructure)**

Housing Phases	Units	Tax Credit Allocation	Total	City Funding (GO Bonds, CDBG, Economic Development, ARPA & HOME)*	CHOICE Funds*	Deferred Developer Fee	1st Mortgage Funds	(1) Second Mortgage - Seller Financing - City of Winston Salem*	Uncommitted Equity	GP/SLP Equity	GAP
Phase 1 - Family (2021)	81	9%	\$ 30,276,245	\$ 3,844,440	\$ 12,677,602	400,000 *	\$ 3,794,000 *	\$ -	\$ 8,974,103 *	\$ 100 *	\$ 586,000
Phase 2 - Family (2022)	72	9%	25,625,208	9,059,234	2,448,133	0	2,585,000	-	8,974,103	100	2,558,639
Phase 3 - Family (2023)	62	9%	25,777,274	423,625	1,628,280	0	4,104,000	185,563	8,974,103	100	10,461,603
Phase 4 - Family (2024)	64	9%	24,291,995	663,890	1,631,280	0	3,859,000	-	8,974,103	100	9,163,622
Phase 5 - Family (2025)	47	9%	21,672,335	240,265	972,426	0	3,804,000	-	8,974,103	100	7,681,441
Phase 6 - Senior (2025)	80	4%	32,567,008	663,890	1,642,279	0	2,238,000	239,437	11,483,396	100	16,299,906
<b>TOTAL</b>	<b>406</b>		<b>\$ 160,210,065</b>	<b>\$ 14,895,344</b>	<b>\$ 21,000,000</b>	<b>\$ 400,000</b>	<b>\$ 20,384,000</b>	<b>\$ 425,000</b>	<b>\$ 56,353,909</b>	<b>\$ 600</b>	<b>\$ 46,751,211</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 July 2022 and based on proposals and estimates at this time.

\*\*\* Based on General Contractor's estimates from May 2022.



VARIOUS  
STRATEGIES  
IMPLEMENTED:

- Applied for a Congressional Earmark with Rep. Kathy Manning
- Applied for ARPA funds from Forsyth County. This is still under consideration
- Placed a cap on the developer fee on Ph. 1 resulting in a \$200,000 savings
- Deferred a portion of the developer fee in Ph. 1 of \$400,000
- Asked GC (Frank L. Blum Construction) to reduce their fee resulting in savings of \$89,000
- Met several times with GC and design team to value engineer where costs could be reduced
- Added an additional 4% TC phase to increase tax credit equity
- Met several times with NCHFA about increasing tax credits for Ph 1
- Pushed the equity investor to increase their pricing from \$0.87 to \$0.8975 resulting in more equity
- Asked HUD to increase CNI grant amount
- Met with Winston-Salem foundation more than a year ago
- Competitive bidding for an equity investor and worked to utilize FHA debt to maximize borrowing
- HAWS contributed its land in the form of a ground lease



VARIOUS  
STRATEGIES  
FOR FUTURE:

- Request NCHFA to increase tax credit annual amount of \$1m for CNI Set-Aside to \$1.2M in line with their project maximum award
- Continued advocacy for HUD Supplemental grant
- If the supplemental grant is approved, submit an application
- Advocacy for NCHFA to provide their WHLP-CV funds to Phase 1
- Advocacy to County for ARPA funding
- City waving development fees
- Seek Foundation support
- Explore Low interest bridge Financing
- Coordinate between Cleveland Ave public infrastructure plans with City public infrastructure development plans
- Explore and possibly request a change to the overall CNI plan from HUD ( i.e, reduce total number of units)