

Resolution #23-0253
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MODIFICATION TO APPROVAL OF FINANCIAL ASSISTANCE FOR MULTI-FAMILY HOUSING DEVELOPMENT AT WHITAKER PARK

WHEREAS, in 2020 City Council approved \$1 million of City funds to assist Cavalier Winston Development with the construction of Whitaker Park Lofts, a 160-unit multi-family housing project in the historic former R.J. Reynolds Tobacco Co. buildings at the Whitaker Park complex; and

WHEREAS, the development will consist of 82 one-bedroom units, 60 two-bedroom units, and 21 three-bedroom units; and

WHEREAS, in keeping with the Mayor and Council's emphasis to expand workforce housing, sixteen units (10% of total units) were designated for workforce housing; and

WHEREAS, the City's approval of financial assistance was based on North Carolina General Statute 160D-1311 authorizing cities to make appropriations for community development purposes; and

WHEREAS, City assistance was split between a \$500,000 grant provided at the start of the project, and a \$500,000 loan that would be disbursed as partial construction milestones were reached, with terms of the loan agreement required the certificates of occupancy for all units to be issued no later than May of 2023; and

WHEREAS, construction was delayed due to COVID-19 but has since fully resumed; and

WHEREAS, based on details from the developer and a site visit by City staff, the project is approximately 60% complete, with the first building scheduled for completion by the end of 2023 and the second by June 30, 2024; and

WHEREAS, approval of this resolution extends the deadline for certificates of occupancy for all units to be issued no later than June 30, 2024, and directs City staff to monitor construction with quarterly on-site visits.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem, upon recommendation of the Finance Committee, hereby authorize staff to take the necessary steps to execute an amendment to the loan documents with Cavalier Winston Development for the \$500,000 loan and the documents for the \$500,000 grant consistent herewith.

BE IT FURTHER RESOLVED, that City loan funds would be disbursed on the following completion schedule: (1) 45% (\$225,000) disbursed upon confirmation of 50% completion; (2) the next 45% (\$225,000) disbursed upon confirmation that final certificates of occupancy for all the units have been obtained; and (3) the final 10% (\$50,000) disbursed upon confirmation that no less than 90% of the units have been leased.