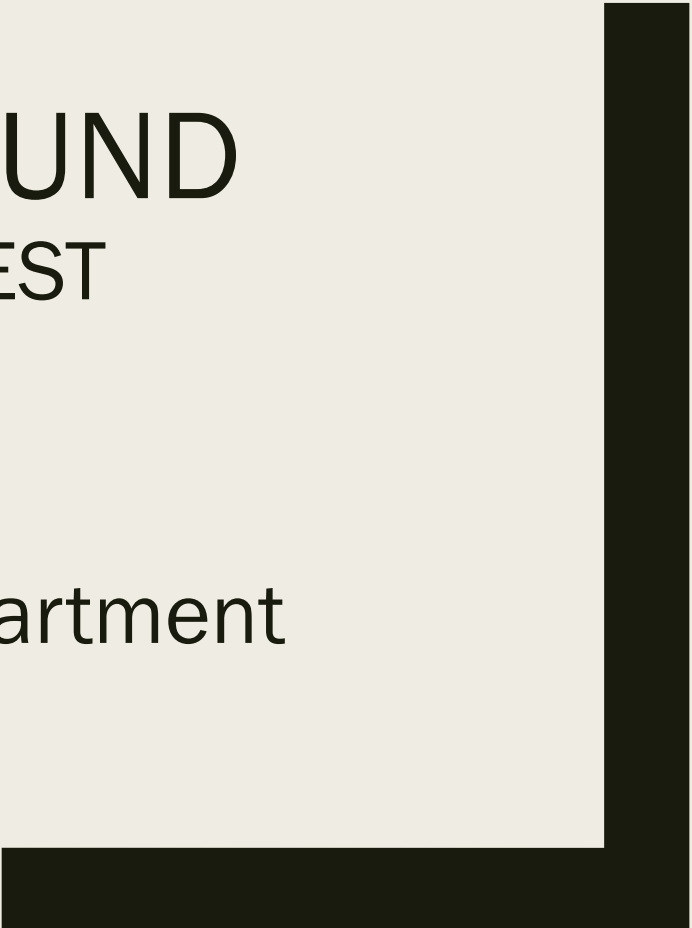




HOUSING FINANCE FUND

LOAN FORGIVENESS REQUEST

Community Development Department
November 2019



Background

- The Housing Partnership of Winston-Salem/Forsyth County property was provided a Housing Finance Fund loan on July 6, 2001 in the amount of \$426,400 for the property at 207 N Spring St, for which there is an outstanding balance of \$156,869.59.

207 N. Spring Street

- The property is vacant and out of service, and requires renovations to be put back into productive use.



Future Plans

- Matt Swiderski, of Swiderski properties, (the prospective new owner) affirms the property will have two (2) studio and three (3) 1 bedroom units, which will have off street parking and be pet friendly.

Request

- The request of the prospective new owner is for the City to forgive the remaining loan balance of \$156,869.59.
- In exchange, the owner will offer the units to persons at or below 80% area median income (AMI) for a period of five (5) years, and rents charged will not exceed those listed in the following rent schedule. There will be a declaration of covenants and conditions (“DOR”) filed to ensure the affordability requirements are maintained as described.

Rent Breakdown

The maximum rents to be charged for the first 5 years of ownership post-rehab shall be:

Unit	Type	Rent (Years 1-3)	Rent (Year 4)	Rent (Year 5)
A	STUDIO	\$475	\$525	\$575
B	1 BED	\$500	\$550	\$600
C	1 BED	\$500	\$550	\$600
D	1 BED	\$500	\$550	\$600
E	STUDIO	\$475	\$525	\$575

Scope of Renovation:

The large items on the renovation scope of work are:

- Roof to be replaced with membrane roof
- All broken windows replaced & exterior repaired and painted to match
- Courtyard cleaned up & hardscape updated to include community picnic area
- Update of HVAC units as needed
- Updated interiors (flooring, cabinets, countertops, fixtures, appliances)
- Laundry to be included, if space allows inside units

Renovation Timeframe:

Renovations are expected to take 6-9 months from time of closing and the total renovation investment is estimated to be \$138,500.

Project Financing:

- The proposed owner is financing the project using his own funds
- No other financial investment is requested from the City