

Action Request Form

Date: February 12, 2024

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Patrice Toney, Assistant City Manager
Tanya Skillman, Assistant Housing Development Director

Council Action Requested:

Resolution Authorizing Funding to Liberty East Redevelopment Inc. for Development of 5 lots for Affordable Homeownership

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Support the Development of Affordable Housing

Strategic Plan Action Item: Yes

Key Work Item: Yes



Summary of Information:

The developer, Liberty East Redevelopment Inc, offered to purchase four (4) lots located in the Northeast Ward for the development of single family homes as approved by City Council in October. One of the lots will be split for a total of (5) lots being developed into single family homes. See Exhibit A & B. The developer requests a forgivable loan from State ARPA funds in the amount \$150,000 (\$30,000 per house) to assist with development costs and lower the sales price for affordable homeownership. The homes will be available for sale to homeowners with incomes at or below 80% area median income.

Committee Action:

Committee	CD/H/GG – 1/16/24; FC 01/17/24 *CD/H/GG – 2/12/24; FC - 2/13/24	Action	CD/H/GG – 1/16/24; FC 01/17/24 - Held in Committees till 02/2024 *Approval – CD/H/GG - 2/12/24; FC – 2/13/24
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For	*Unanimous – CD/H/GG – 2/12/24; FC – 2/13/24	Against	
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Remarks:

The developer will select from 3 different design plans for each of the lots. See Exhibit C.

Design Plan	Estimated Sales Price	City Subsidy	Adjusted Sales Price	Target Set Aside
1	\$238,440.21	\$30,000	\$208,440.21	Less than 80% AMI

2	\$261,645.75	\$30,000	\$231,645.75	Less than 80% AMI
3	\$268,100.95	\$30,000	\$238,100.95	Less than 80% AMI

Homebuyers will sign a secured 15-year loan equal to the appraised value less the sales price with the City at Closing. A portion of the loans will be forgiven annually over the 15-year term. The balance of the loan must be repaid if the owners decide to sell before the term of the loan ends. The houses will be subject to a 15-year affordability period pursuant to the AHO and Housing Justice Act.

The City of Winston-Salem, acting as a housing authority pursuant to G.S. 157-3(12), and pursuant to additional community development related statutes, has the authority to grant and loan funds for a housing initiative that provides or increases the supply of housing for low-and-moderate income persons.

The City's restrictive covenants will enforce the requirements and may be subordinate to restrictive covenants imposed by state or federal law, if any. A resolution and project budget ordinance are presented for consideration.