

City Council – Action Request Form

Date: November 12, 2019

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

From: Tasha Logan Ford, Assistant City Manager
Marla Y. Newman, Community Development Director

Council Action Requested:
Resolution approving forgiveness of the remaining Housing Finance Fund loan balance of \$156,869.59 for the property at 207 N. Spring Street

Strategic Focus Area: Livable Neighborhoods
Strategic Objective: Improve Character and Condition of Neighborhoods
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:
 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. The property is vacant and out of service, and requires renovations to be put back into productive use. The request of the proposed new owner is for the City to forgive the remaining loan balance of \$156,869.59 in exchange for a fully renovated property that is made affordable for a period of five (5) years.

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. All renovations and repairs to the property will be completed in approximately 6-9 months with no other financial investment of the City. In exchange for the loan forgiveness, 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 rent schedule attached. There will be a declaration of covenants and conditions (“DOR”) filed to ensure the affordability requirements are maintained as described.

Committee Action:

Committee	Finance 11/12/19 CDHGG 11/13/19	Action	Approval
For	Unanimous	Against	

Remarks:

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

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

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