

City Council – Action Request Form

Date: April 14, 2025

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

From: Shantell McClam, Neighborhood Services Director
Angel Wright-Lanier, Assistant City Manager

Council Action Requested:

Resolution Authorizing Permanent Financing for Development of 72 Units of Affordable Rental Housing for Families Known as McClain Crossing (South Ward)

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

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 make zero to low interest loans for a housing initiative that provides or increases the supply of housing for low-and-moderate income persons.

Workforce Solutions, LLC, whose Managing Member is Patty B. Reeder and location is 1805 Tot Hill Farm Road, Asheboro, NC 27205, is applying to the North Carolina Housing Finance Agency (NCHFA) for Low-Income Housing Tax Credits (tax credits) to construct 72 units of rental housing for families at 3613 Stafford Place Boulevard to be known as McClain Crossing. The developer is requesting gap financing from the City to ensure feasibility of the project. The tax credit application deadline is May 9, 2025.

Committee Action:

Committee	CD/H/GG 04/14/2025	Action	Approval
For	Unanimous	Against	

Remarks:

Applicants for tax credits proposing to use government gap financing must include a letter of binding commitment from the local government in their full applications to NCHFA. Workforce Solutions, LLC is one of three multifamily developers making a request to the City for funding.

The proposed development will consist of three three-story garden style buildings with a clubhouse. It will consist of 12 one-bedroom, 36 two-bedroom, and 24 three-bedroom units and serve families with incomes below 80% of area median income.

Unit Count by Area Median Income				
<30%	31-50%	51-60%	61-80%	Total Units
18	11	21	22	72

In addition to having a clubhouse onsite designed for families, the location will also feature a resident computer center, laundry room, playground, covered picnic area, outdoor seating and screened-in porch.

Workforce Solutions, LLC was formed in 2019 by principal Patty B. Reeder and member I. Norwood Stone, who is also a member of the management entity Wynnefield Management, LLC, and the general contractor Wynnefield Construction, LLC that develop, construct and manage affordable multifamily and senior housing. Reeder and Stone have in excess of 35 years of service in the construction, management and development of housing and commercial property and have produced over 5,000 units in North Carolina. Workforce Solutions, LLC is committed to producing high-quality, affordable housing. McClain Crossing, LLC, its affiliates and/or assigns, will be the borrowing entity.

Proposed financing for the development is summarized as follows:

\$10,919,018	Federal Tax Credit Equity
2,794,846	First Mortgage Bank Loan
1,440,000	Requested City Mortgage Loan
<u>2,000,000</u>	Workforce Housing Loan Program
\$17,153,864	TOTAL

A resolution to provide a \$1,440,000 subordinate mortgage loan for McClain Crossing is presented for consideration. The proposed funding source is the Affordable Housing Development funds. This commitment is contingent upon an award of 2025 Low Income Housing Tax Credits by NCHFA, attainment of all other sources of financing, availability of City funds, and completion of construction in compliance with the provisions of the attached Exhibit A to the Resolution.

The project will be subject to a 30-year affordability period, and McClain Crossing, LLC will be required to adhere to the City’s Affordable Housing Ordinance (AHO) and Housing Justice Act. The development project is required to be completed with a certificate of occupancy within two years of the fully executed award agreement/contract.