



HOME ARP Funds- Master Lease Project

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Neighborhood Services

Overview of Funding

- \$4,887,567 in HOME-ARP funds were allocated to the City of Winston Salem in April 2021. Funds must be expended by September 30, 2030.
- The HOME-ARP allocation must be used to create housing and non congregate shelter to individuals experience homelessness and other vulnerable populations.
- Release of the Step up America Project encumbrance approved by Council in October 2022 in the amount of \$2,258,234.

HOME ARP Budget	
Project:	Budget:
Family Services- Building of non congregate shelter <small>City Council Approval March 2025</small>	\$1,500,000
CNI Cleveland Avenue Homes- 4 Units of affordable housing <small>City Council Approval April 2025</small>	\$884,310
Pending Progressive Housing Project* <small>Pending Council Approval</small>	\$500,000
Total:	\$2,844,310

What is the Ask?

- \$1,031,800 in HOME ARP funds to be allocated for the rehab of (8) 2- bedroom 1- Bath apartments.
- Units are located at 1600 E. 24th Street in the Northeast Ward.
- Staff has had an assessment completed to see the viability of the building.



What is Master Leasing?

The City secures control of the units for a defined period (30 years) ensuring they are used to serve eligible households. The eligible households we have selected are homeless families.

What does “control” mean?

- **Tenant selection:** The City (in partnership with the CoC) decides who is placed in the units (e.g., Coordinated Entry referrals, priority populations, homeless shelter referrals)
- **Program use:** The units must be used for the agreed purpose which is to serve homeless families.
- **Operating standards:** The City can require compliance with program rules, service expectations, and federal requirements since there is a deed restriction.
- **Long-term use restriction:** Through the deed restriction, the owner is legally required to keep the units dedicated to this purpose for the full 30 years. This does not mean any ownership requirements for the City, but it does mean the property must be operated in alignment with the agreed-upon use (e.g., housing for homeless program participants).

Control ≠ ownership: Control is tied to the contractual agreement terms.

How it Works?

Structure:

Property Owner retains ownership

City and Property owner signs a long-term agreement

City assigns units to program participants

City & Continuum of Care Role:

Select tenants

Provide supportive services

Ensure compliance with funding requirements

Owner Benefit:

Reduced vacancy risk

Assistance with tenant management

What Does the City Pay:

The upfront investment is the rehabilitation cost. There are no additional payments made from the City. The deed restriction does not require us to pay ongoing costs—it ensures the property remains dedicated to the intended use. There are no additional financial obligations.

Financial Impact:

- **Upfront:** One-time rehab investment
- **Benefit:** Long-term control of units without needing to acquire the property at full market cost.
 - Preservation of affordable housing units and the ability to rehab housing instead of demolition.

Type of Work Being Completed:

The contract is between the City and the Property Owner because of the deed being tied to the property. However, payments are made directly to the contractor who is doing the rehab work.

- Roof
- Flooring
- Plumbing
- HVAC
- Electrical
- New Windows
- Gutters
- Shutters
- Railings for stairs inside and outside building
- Bathroom Rehab
- Kitchen Rehab
- Water Heater Replacement
- Lighting
- Paint
- Landscaping
- Pavement of Parking Lot

What Are We Gaining?

- Rapid expansion of housing inventory
 - Greater control over placements
- Strong tool for addressing homelessness
- Flexibility (scattered-site or project-based)
 - Immediate access to housing units
 - Faster placement vs. new construction
- Cost avoidance compared to building new units



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