

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 60 Units of Affordable Rental Housing for Seniors Known as Tulip Commons at Old Vineyard (Southwest 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.

Poplar Development Group, LLC, whose Managing Member is Bryan Hollander and location is 600 Park Offices Dr, Suite 308, Durham, NC 27709, and DRM Development Group, LLC, formed by the principal officers of Weaver Cooke Construction, are applying to the North Carolina Housing Finance Agency (NCHFA) for Low-Income Housing Tax Credits (tax credits) to construct 60 units of rental housing for seniors at 4124 Old Vineyard Road to be known as Tulip Commons at Old Vineyard. This would be Phase II of the developer's project located on Old Vineyard Road. 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	Action	Approval
	04/14/2025		
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. Poplar Development Group, LLC is one of three multifamily developers making a request to the City for funding.

The proposed development will be one four-story garden style building. It will consist of 20 one-bedroom and 40 two-bedroom units serving seniors with incomes below 80% of area median income.

<30%	Unit Count by Area Median Income			
	31-50%	51-60%	61-80%	Total Units
15	9	9	27	60

Amenities include a community room, fitness room, a computer center, on-site laundry facilities, and natural area with gazebo.

The project will be developed by a joint venture of Poplar Development Group, LLC and DRM Development, LLC. Poplar Development was formed in 2023 with Bryan Hollander and Michael Rodgers guiding the financing and development functions, respectively. Michael Rodgers worked for the non-profit housing developer DHIC in Raleigh developing tax credit projects for nearly ten years. DRM Development was formed by the principals of Weaver Cooke Construction, who have overseen the construction of thousands of affordable housing units for families and seniors in the Triad and throughout North Carolina. PDG PF Old Vineyard, LP, its affiliates and/or assigns, will be the borrowing entity.

Proposed financing for the development is summarized as follows:

\$12,008,942	Federal Tax Credit Equity
3,069,000	First Mortgage Bank Loan
1,925,000	Requested City Mortgage Loan
2,000,000	WHLP or RPP Loan
333,760	Deferred Developer Fee
<u>72,000</u>	Duke Heros Grant
\$19,408,702	TOTAL

A resolution to provide a \$1,925,000 subordinate mortgage loan for Tulip Commons at Old Vineyard is presented for consideration. The proposed fund source is 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 PDG PF Old Vineyard, LP 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.