

Date: September 11, 2023

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

From: Patrice Toney, Interim City Manager

Subject: Presentation on the proposed project at Indiana Avenue, Tax PIN 6817-97-0305 (North Ward), a one hundred eighty-unit (180) multifamily development financed by 4% NCFHA Low Income Affordable Housing Tax Credits. The developer requests gap financing in the amount of \$4.85 million.

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Promoting the Development of Affordable Housing

Strategic Plan Action Item: Yes

Key Work Item: Yes



Wynnefield Properties, located at 5614 Riverdale Dr, Jamestown, NC 27282 is developing 180 units of rental housing for families just northeast of the Indiana Avenue and Bethabara Road intersection in Winston-Salem, NC.

The proposed development shall consist of (3) three story buildings and (3) three-four story split buildings which will include (27) one-bedroom, (81) two-bedroom and (72) three-bedroom units. Units will be set aside to target affordable rents as follows:

30% AMI	60% AMI	80% AMI	Total Units
51	55	74	180

The community will also feature a separate clubhouse building which includes a manager's office, maintenance room, coin laundry facility, computer center and common space for resident use. Throughout the property our community will include sidewalks, benches, and a picnic shelter with grilling area. Each apartment will include a kitchen with a range, range hood, dishwasher, refrigerator (frost free), mini blinds, pantry, walk-in closets, central air heat pump and an outside storage area. Flooring will be a mix of carpet and VCT with Dura-ceramic used when possible. Accessible units will include emergency pull chains.

Wynnefield Properties will be the developer, general contractor and property manager for the proposed development.

The estimated total development costs for the project are \$37,674,539. The proposed capital stack for the development consists of a conventional permanent loan, a City Loan in subordinate lien position sourced from ARPA Enabled funds, tax credit equity and a deferred developer fee.

Permanent Debt	17,750,000
City Loan	4,850,000
Tax Credit Equity	14,410,626
<u>Deferred Developer Fee</u>	<u>663,914</u>
Total Sources	37,674,539

As City funds are provided as “gap” financing, the proposed terms are as follows:

Loan Amount: \$4,850,000

Interest: 2.0% simple interest

Term/Payment: The loan shall be for a 40-year term commencing on the date the loan funds are disbursed and maturing 40 years from such date. The first annual payment will commence upon the occurrence of Stabilization. Principal and interest will be payable from annually from Cash Flow.

The Funding Agreement for allocation of the funds must be executed by developer/project owner.

Wynnefield Properties was established in 1987. It specializes in multi-family development with an emphasis on financing with Section 42 tax credits and various other forms of financing leveraged to create affordable housing. Its residential, real estate portfolio includes over 2,000 units in thirty-eight (38) projects located in North Carolina.