

The City of Winston-Salem will provide gap financing of \$824,272 from State ARPA funds at (\$37,467 per home) and sell the lot located at Esquire Place in the North Ward (identified in Exhibit A) for \$1 to Clayton Homes of Winston-Salem. The funds and the lot are provided to reduce development costs to offer lower sales prices for affordable homeownership.

The sources for construction of the project are as follows:

City Owned Lot	\$ 1
Gap Financing	\$ 824,272
Clayton Homes Construction Loan	<u>\$ 4,750,000</u>
Total Construction Costs	\$ 5,574,273

When the lots are sold, the City will provide the homebuyers with a 15-year down payment assistance loan equal to the original sales price (appraised value) less the subsidized sales price.

Unit Count	Original Sales Price (Appraised Value)	Less Estimated Down Payment Assistance Loan	Homebuyers Subsidized Sales Price	Affordable Set Aside
6	\$ 253,376	\$ 48,376	\$ 205,000	up to 80% AMI
2	\$ 253,376	\$ 33,376	\$ 220,000	up to 80% AMI
14	\$ 253,376	\$ 33,376	\$ 220,000	81%-120% AMI

In the alternative, if the original sales price (or appraised value) of the home is equal to or less than the subsidized sales price then loan will be forgiven at closing.

A percentage of the homebuyers down payment assistance loan (1/15) will be forgiven annually over the 15-year term. The balance of the loan must be repaid if the homebuyers decide to sell before the term of the loan ends. The houses will be subject to a 15-year affordability period pursuant to the Housing Justice Act

The Funding Agreement must be signed on or before March 30, 2024.