

City Council – Action Request Form

Date: May 2, 2017

To: The City Manager

From: D. Ritchie Brooks, Community Development Director

Council Action Requested:

Authorization of a \$200,000 direct loan to the Housing Authority of Winston Salem to be used for hazard abatement and demolition costs associated with former Brown Elementary School (East Ward).

Summary of Information:

The Housing Authority of Winston-Salem (HAWS) acquired the former Brown Elementary School located at 1125 Highland Avenue. Their plan for development consisted of submitting an application to the North Carolina Housing Finance Agency for 2015 Low-Income Housing Tax Credits to construct 120 units of multi-family rental housing for the elderly. The estimated cost of the apartment community is \$12 million. The application was not selected for funding, but HAWS is in the process of preparing another application.

Since the submission of the first application, the structure has been severely damaged by fire and in its current condition presents a health and safety concern to the community, and should be demolished. HAWS has requested a \$200,000 direct loan from the City of Winston-Salem to be used for hazard abatement and demolition costs (asbestos, lead-based paint, underground storage tank removal).

If HAWS is successful in obtaining tax credits, the loan would be repaid as part of the tax credit financing. Otherwise, it will be a five-year direct payment loan. The loan can be financed using Housing Finance Assistance Funds. An appropriate resolution is attached.

Committee Action:

Committee	Finance 5/8/17 CD/H/GG	Action	Forward to Council Approval
For	Council Members: Adams and MacIntosh	Against	Opposed: None; Abstaining: Council Member Burke
Remarks:	Unanimous		