

Information Item

Date: August 14, 2023

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

From: Patrice Toney, Assistant City Manager
Samuel Hunter, Project Manager

Subject:
Information update on the Choice Neighborhood Initiative progress and budget status.

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: N/A

Strategic Plan Action Item: N/A

Key Work Item: N/A



Summary of Information:

In April 2020, the Housing Authority of Winston-Salem (HAWS), in partnership with the City of Winston-Salem (City) as Co-applicant, were awarded a \$30 million Choice Neighborhoods Implementation Grant from the U.S. Department of Housing and Urban Development (HUD) to redevelop Cleveland Avenue Homes public housing community. McCormack Baron Salazar (MBS) is the Developer and Urban Strategies Incorporated (USI) provides case management and relocation services. Along with construction of 406 new mixed income units, assisting residents with relocation and improving the community through Critical Community Improvements (CCI) the project is well underway.

Construction of Phase 1 launched on the former Brown Elementary School site at 1125 Highland Avenue in October 2022. Phase 1 has approximately 81-units and construction is scheduled for completion in Spring 2024. Phase 1 pre-leasing to residents will begin in winter 2023. Phases 2-5 located at Cleveland Avenue Homes is scheduled for demolition for February 2024, pending an Environmental Review from NC Department of Environmental Quality (DEQ).

To date the total project budget is \$180,014,170. In addition to the \$30 million CNI Grant, the City Council approved \$8,895,344 in gap financing for phases 1 and 2 in April 2022 in addition to the \$6,000,000 City Council approved in August 2019. Phase 1 was financially closed with a total cost of \$33,328,165. In May 2023, the site team was awarded a \$5 million CNI supplemental grant to assist with the financing of the development. There is a remaining financial gap for phases 2-5 amounting to \$58,219,472.

The City with the input from residents, community stakeholders, and other partners developed a CCI Plan to identify projects with the intent to beautify the CNI Area. The CCI projects are:

- Commercial Corridor and Traffic Improvements;
- Residential Blight Removal and Exterior Home Improvements; and
- Community Placemaking (Visual Arts and Space Activation).

The CCI projects are funded by the CNI grant with a total budget of \$4 million. The funds are currently being expended in phases. The City has initiated the 1st phase of the Residential Façade (exterior) Improvement Program and hosted 2 community meetings on July 12 with a total attendance of 90 community members. The City has received over 50 applications and will start evaluating them by August 14th. A RFQ was shared with contractors who are in good standing with the City and have a successful proven track record for conducting work for the City. As the program progresses, staff will keep Council informed.

Urban Strategic Inc. (USI) is a non-profit organization that is designed to create successful and thriving neighborhoods. USI is tasked with managing the “People” aspect of the CNI project. USI is stationed in the heart of Cleveland Avenue Homes, Monday – Friday to provide assistance to residents. The USI team also provides family support services that teaches parents and families how to become and maintain self-sufficiency. USI conducts monthly meetings to keep residents informed on relocation, development progress, and any upcoming programming. Along with informing residents, USI is responsible for maintaining communication with WSFC Schools during the relocation process to ensure children are being accommodated during the school year. USI’s pillars of service are: Economic Mobility, Education, Health & Wellness, Housing Stability and Policy & Influence. The CNI project is slated for completion in 2026 and USI will be stationed in the community until the end of the grant period.

A brief presentation and contact information from all associated entities is included with this information item.