

## City Council – Action Request Form

**Date:** September 13, 2022

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

**From:** Patrice Toney, Assistant City Manager  
Marla Newman, Community Development Director

**Council Action Requested:**

Resolution Rescinding a Prior Resolution Forgiving the Housing Finance Fund Loan Balance of \$156,869.59 for the Property at 207 N. Spring Street

**Strategic Focus Area:** Livable Neighborhoods

**Strategic Objective:** No

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

The Housing Partnership of Winston-Salem/Forsyth County property was provided a Housing Finance Fund loan on July 6, 2001, in the amount of \$426,400 for the property at 207 N. Spring St. In November 2019, the outstanding balance was \$156,869.59. The proposed new owner of the property requested that the City forgive the loan balance of \$156,869.59 in exchange for fully renovating the property and placing restrictive covenants on the property that required that it be used for affordable housing for persons at or below 80% of the area median income for a period of five years, with rents not to exceed a limit imposed by Council. On November 18, 2019, the Mayor and City Council passed a resolution approving such loan forgiveness.

The property was never sold, however, and Housing Partnership of Winston-Salem/Forsyth County is still the current owner. Because the property was never sold and the affordable housing never built, the loan was never forgiven on the City's books, and the loan remains secured to the property by a deed of trust. As a result, staff recommends that Council rescind the prior resolution forgiving the loan balance. The full \$156,869.59 would remain due and payable. Rescinding the forgiveness will allow the City to explore remedies afforded the City pursuant to the terms of the promissory note and deed of trust and options for purchasing and developing the property itself for affordable housing.

**Committee Action:**

<b>Committee</b>	<u>CDHGG 9/13/22</u>	<b>Action</b>	<u>Continued to 10/11/22</u>
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<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>
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**Remarks:**