

Resolution #22-0637
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**RESOLUTION AUTHORIZING SUBORDINATION OF EXISTING PERMANENT
FINANCING FOR THE HEIGHTS SINGLE ROOM OCCUPANCY BUILDING**

WHEREAS, the City of Winston-Salem entered into a loan agreement with The Commons of Forsyth County, Inc., an affiliate of the North Carolina Housing Foundation, in 2016 to provide a total of \$400,000 as subordinate financing for rehabilitation of a property to provide transitional housing for high functioning adults on the autism spectrum, youth aging out of foster care, and homeless families with minor children, known as The SECU Commons; and

WHEREAS, the loan was secured to the property by a deed of trust, and Restrictive Covenants were placed on the property to ensure that the funds were used for the envisioned transitional housing; and

WHEREAS, The Commons of Forsyth County, Inc. was unable to provide transitional housing as envisioned; and

WHEREAS, the North Carolina Housing Foundation engaged Infill Delicate, LLC (“Developer”) to redevelop the property; and

WHEREAS, to accomplish the redevelopment, on January 4, 2021 the Mayor and City Council authorized replatting of the property and restructuring of the debt on the property by extinguishing the City of Winston-Salem’s subordinate lien position on the entire property and creating a first lien position on a parcel containing the two-story building containing single room occupancy units, a commercial kitchen, and multiple common areas; and

WHEREAS, the Developer purchased The SECU Commons property on June 21, 2021 and renamed it The Heights; and

WHEREAS, the Developer has requested the City of Winston-Salem to allow it to assign the loan on its current terms to Affordable Heights Investment LLC and subordinate its existing first lien position to new permanent financing to support redevelopment of the single room occupancy building into ten apartment units.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem authorize Affordable Heights Investment LLC to assume the loan from Infill Delicate LLC on its existing terms.

BE IT FURTHER RESOLVED, that the Mayor and City Council of the City of Winston-Salem authorize subordination of the City of Winston-Salem's debt with Infill Delicate, LLC, and its affiliates, successors, and assigns, to new financing to support redevelopment of the single room occupancy building into ten apartment units.

BE IT FURTHER RESOLVED that the Mayor and City Council authorize Restrictive Covenants to ensure that the property is used for affordable and workforce housing.

BE IT FURTHER RESOLVED that the Mayor and City Council authorize the City Manager to execute documents consistent with the resolution, including amendments to any existing documents regarding this matter.