

Resolution #23-0302
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RESOLUTION AUTHORIZING PERMANENT FINANCING AND CONVEYANCE OF CERTAIN CITY-OWNED PROPERTY FOR THE DEVELOPMENT OF 216 UNITS OF AFFORDABLE HOUSING IN THE NORTHEAST WARD TO WYNNEFIELD PROPERTIES INC FOR THE LOFTS AT MOTOR ROAD

WHEREAS, Wynnefield Properties, Inc. of Jamestown, North Carolina will develop a 216-unit multifamily housing development known as The Lofts at Motor Road (“the Project”); and

WHEREAS, the City of Winston-Salem (“the City”) owns the lot identified by Tax PIN 6847-17-4852, in the Northeast Ward on which the Project is planned identified in Exhibit A; and

WHEREAS, the City agrees to convey said lot to Wynnefield Properties, Inc., for the sum of \$1 to develop the Project which is necessary to minimize the overall cost of the project and the amount of gap financing needed for the Project; and

WHEREAS, the City agrees to loan \$6,579,000 from ARPA revenue replacement funds as “gap” financing for the Project for a term of 40 years at 2% simple interest (“the Loan”); and

WHEREAS, gap financing of this nature is not otherwise available; and

WHEREAS, the City, acting as a housing authority pursuant to G.S. 157-3(12) and pursuant to various community development related statutes, finds it necessary for the provision of safe, sanitary and affordable housing for low- and moderate-income persons and to address a deficiency in affordable housing to make a loan; and

WHEREAS, Wynnefield Properties, Inc. has agreed to develop the subject lot for affordable rental housing and to rent the same in accordance with the City’s Affordable Housing Ordinance and Housing Justice Act, both of which require a 30 (thirty) year affordability period, and the execution of a Declaration of Restrictive Covenants and Conditions, which may be extended if the funding source(s) for the Project requires such; and

WHEREAS no warranty of merchantability, fitness for a particular purpose, or condition is made by the City relating to the sale of the subject properties and the properties are purchased “As Is/Where is and With All Faults”; and

WHEREAS on June 17, 2021, the General Assembly enacted legislation authorizing the City of Winston-Salem to convey real property for the purpose of affordable housing for low- and moderate-income persons, which legislation will be used to convey the subject lot to Wynnefield Properties Inc., its successors and/or assigns for development of the Project; and

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the City Council of the City of Winston-Salem, upon the recommendation of the Community Development/Housing/General Government Committee and Finance Committee, hereby authorizes for the purpose of increasing the supply of affordable housing for low- and moderate income persons, the sale of the City-owned lot identified in Exhibits A and B attached hereto, and the Loan to Wynnefield Properties, Inc., its successors and/ or assigns, pursuant to Session Law 2021-44, G.S. 157-3(12) and various other community development related statutes, and under provisions of the City’s Affordable Housing Ordinance and the Housing Justice Act; and that the City Clerk shall cause the resolution, as adopted, to be posted on the City’s website at least (10) calendar days prior to the execution date of the conveyance.

BE IT FURTHER RESOLVED, that the purchase of the property is voided, and the refund of earnest money is authorized if it is requested by the buyer within the due diligence period as specified in the purchase contract.

BE IT FURTHER RESOLVED, that the appropriate City officials are hereby authorized to execute instruments required to convey the subject lot and make the loan for development of the Project which shall be in a form approved by the City Attorney.

Winston-Salem City Council

APPROVED

September 18, 2023

BE IT FURTHER RESOLVED, that conveyance of the subject lot to Wynnefield Properties, its successors and /or assigns and the Loan closing must occur on or before December 31, 2024.