

Action Request Form

Date: October 9, 2023

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

From: Patrice Toney, Interim City Manager
Tanya Skillman, Housing Development Manager

Council Action Requested:

Resolution Authorizing Funding to Wynnefield Forward, LLC s for Development of The Residences at Indiana Ave (North Ward).

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Support the Development of Affordable Housing

Strategic Plan Action Item: Yes

Key Work Item: Yes



Summary of Information:

This item was presented for information at the September meetings of the Community Development/Housing/General Government and Finance Committees.

Wynnefield Forward, LLC is developing 180 units of rental housing for families near the intersection of Indiana Avenue and Bethabara Road. See Exhibit A. The developer requests gap financing in the amount of \$4,850,000 for a 30 year term at 2% interest. The City of Winston-Salem, acting as a Housing Authority pursuant to G.S. 157-3(12), and pursuant to additional community development related statutes, has the authority to grant and loan funds for a housing initiative that provides or increases the supply of housing for low-and-moderate income persons

The projected total development cost is \$37,674,539. The projected funding sources are as follows:

Permanent Debt	17,750,000
City Loan	4,850,000
Tax Credit Equity	14,410,626
Deferred Developer Fee	<u>663,914</u>
Total Sources	37,674,539

Committee Action:

Committee	CD/H/GG – 10/09/2023	Action	Approval
	FC – 10/10/2023		
For	Unanimous	Against	

Remarks:

The project will consist of (3) three story buildings and (3) three-four story split buildings which will include (27) one-bedroom, (81) two-bedroom and (72) three-bedroom units. Units will be set aside to target affordable rents as follows:

RENT SCHEDULE							
Bedroom Type	# of Units	Income Limit Set-Aside	Unit Size	Unit Rent	Utility Allowance	Gross Unit Rent	Maximum Housing Allowed
1	8	30%	756	\$ 389	\$ 62	\$ 451	\$ 458
1	8	60%	756	\$ 798	\$ 62	\$ 860	\$ 917
1	11	80%	756	\$ 1,101	\$ 62	\$ 1,163	\$ 1,223
2	24	30%	1,026	\$ 473	\$ 75	\$ 548	\$ 550
2	22	60%	1,026	\$ 1,024	\$ 75	\$ 1,099	\$ 1,101
2	35	80%	1,026	\$ 1,387	\$ 75	\$ 1,462	\$ 1,468
3	19	30%	1,203	\$ 544	\$ 88	\$ 632	\$ 636
3	25	60%	1,203	\$ 1,183	\$ 88	\$ 1,271	\$ 1,272
3	28	80%	1,203	\$ 1,594	\$ 88	\$ 1,682	\$ 1,696

The proposed funding source is ARPA Revenue Replacement Funds. Wynnefield Forward, LLC must adhere to the City’s Affordable Housing Ordinance (AHO) and Housing Justice Act, which requires rental set asides for low and moderate-income households and includes a 30-year affordability period. The City’s restrictive covenants will enforce the requirements and may be subordinate to restrictive covenants imposed by state or federal law, if any. A resolution and project budget ordinance are presented for consideration.