

**CITY OF WINSTON-SALEM  
GUIDELINES FOR AFFORDABLE WORKFORCE HOUSING  
ASSISTED WITH CITY FUNDS**

The City of Winston-Salem receives Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funding annually from the U.S. Department of Housing and Urban Development (HUD), on an entitlement basis. In addition, the City issues General Obligation Bonds after approval by the voters and receives program income and the fund balance from one-half cent of the sales tax. The City may use these funds to support the construction and rehabilitation of multi-family rental workforce housing.

Guidelines

1. Projects funded with federal funds must meet the applicable requirements detailed in the regulations for that program, which may include restrictions, based on income, on who can lease rental units and maximum rents that may be charged to tenants. They also include general requirements applicable to all federal programs, such as environmental review, executive orders, Office of Management Budget Circulars, Davis-Bacon, lead-based paint, and Section 3. Projects funded with G.O. Bonds must comply with requirements outlined in the bond order.
2. The City understands that when projects are funded with other federal, state, local, or private funding sources the City may not hinder the developer or owner from complying with the requirements of those funding sources and that the City may be limited in the restrictions it can impose. Such funding sources may include, but not be limited to, Low Income Housing Tax Credits, Historic Tax Credits, Section 202 (elderly), Section 811 (disabled), public housing, and Federal Home Loan Bank.
3. When locally derived funds are the only source of City funds, the City will place restrictions on its locally derived funds. General information on these restrictions is described below:
  - a. The City will determine a percentage of rental units that must be leased to workforce households. In general, at least 5% of total units must be leased to households whose incomes are 50-80% of area median income, and at least 5% of total units must be leased to households whose incomes are 80-120% of area median income. If for some reason, these percentages cannot be supported by the proposed financing plan, the developer may suggest, for the City's consideration, other combinations that still support affordable housing as part of the overall project.
  - b. In general, the time period that an income limit will be enforced is 15 years.
  - c. This requirement shall be agreed upon contractually with the property owner and noted as a land use restriction.
  - d. City financial assistance generally will be in the form of a loan, provided on a "gap" basis once all other available funding is applied to the project cost. A final determination of the loan terms will be based on a finalization of cost and other financing sources to assure that no more funding is provided than necessary.