



# **Housing Authority of Winston-Salem Development Committee Meeting**

**April 2, 2024**

**10:00 a.m.**

**LOCATION: ELECTRONIC**

**Development Committee Members:**

**Committee Chair Art Gibel  
Commissioner Alfred Adams  
Commissioner Felicia Brinson  
Commissioner Andrew Perkins  
Commissioner Betsy Annese**

*So Much More*



Development Committee Meeting  
April 2, 2024  
10:00A.M.

**DEVELOPMENT COMMITTEE MEETING AGENDA**  
**April 2, 2024**  
**10:00A.M.**

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1. Call to Order
2. Roll Call
3. Review and Approval of Agenda (April 2, 2024)
4. Review and Approval of Summary Minutes (March 5, 2024)
5. Management Reports
  - Executive Director Report
  - Choice Neighborhood Report
6. Resolutions
  - **Resolution No. 2243** – Resolution Authorizing Additional Services Agreement (Choice Neighborhoods Phase II/III)
7. Committee Comments
8. Adjournment  
**Upon motion and second; no vote required in absence of objection.**

*So Much More*



Development Committee Meeting  
April 2, 2024  
10:00A.M.

### 3/5/2024 Summary Minutes

#### **Present via Zoom:**

Committee Chair Art Gibel  
Commissioner Andrew Perkins  
Commissioner Betsy Annese

#### **Absent:**

Commissioner Alfred Adams  
Commissioner Felicia Brinson

#### **Staff Presenting:**

Kevin Cheshire, Executive Director

#### **1. CALL TO ORDER**

Committee Chair Gibel called the Development Committee Meeting to order at 10:00 a.m.

#### **2. ROLL CALL**

Roll call was taken and there was a quorum.

#### **3. REVIEW AND APPROVAL OF AGENDA**

Consideration to approve Agenda (March 5, 2024)

**Motion:** Commissioner Perkins

**Second:** Commissioner Annese

**Unanimous approval; no discussion**

#### **4. REVIEW AND APPROVAL OF MINUTES**

Consideration to approve Summary Minutes (February 6, 2024)

**Motion:** Commissioner Annese

**Second:** Commissioner Perkins

**Unanimous approval; no discussion**

#### **5. MANAGEMENT REPORTS**

##### **Executive Director Report (Kevin Cheshire)**

##### **Development Report:**

Kevin Cheshire went over the written Development Report contained in the Development Committee packet.

##### **Announcements:**

- Katya Urraco was introduced as the new Director of Strategic Initiatives and will be taking the lead on our CNI Project.

*So Much More*



### 3/5/2024 Summary Minutes

- The Winston-Salem Journal ran an article this morning, highlighting the Full Circle Program at Piedmont Park. The HAWS Engagement Team brought them in last November and it is a very well attended after-school program making a very positive impact at Piedmont.
- Demolition has begun at the King Building and the entire first floor is gutted. Efforts are escalated in order to occupy the building prior to our deadline for being out the Loewy Building.

#### **Highlights:**

- Crystal Towers suffered another setback in the elevator modernization of Car 1. Kone's project lead, after reporting the elevator was ready for and scheduling the DOL inspection, left the company with no notice. It was determined that the installation was behind and not ready for inspection. Also, the device called the "gateway" that allows the elevator system to communicate and access the internet was the incorrect device. William Hupp obtained the correct gateway and he and David had it activated within a few hours. David, the Capital Team, Chris Allen and the Maintenance Team have exceeded expectations and completed everything they needed to do to make the project move forward. Kone pulled a team off of another site and they are giving a 2.5 to 3 week estimate for completion of everything necessary for the DOL inspection. A resident meeting is scheduled in order to update them on these new developments and timeframe.
- Habitat for Humanity broke ground on their 13 lots at Happy Hill. At a Site Plan meeting on February 29, it was determined that 72 units will be able to be built which is great news.
- The Salem Gardens bond deal went before City Council last night and the closing is anticipated for next month.

#### **Choice Neighborhood Report (Kevin Cheshire)**

Kevin Cheshire went over the written CNI Report contained in the Development Committee packet.

#### **Highlights:**

- Images of former Cleveland Avenue Homes residents shown signing their new leases at Brown School Lofts, Phase I of the CNI project. They received their keys and have begun moving into their new homes.
- The Brown Elementary School historical marker was preserved during demolition and it has been placed at the Brown School Lofts at the corner of Highland and Eleventh Street.

*So Much More*



**3/5/2024 Summary Minutes**

- The Ribbon Cutting Ceremony will be held April 25<sup>th</sup> @ 3:00 pm.
- In accordance with Commissioner Rose’s request, the CNI Budget has been amended to include the supplemental \$5 million that was awarded.
- CNI All-phase budget was presented as per the request of Finance Committee Chair Rose. The financial gap for Phase II/III is approximately \$7 million. The closing on Phase II/III will most likely be September of 2024. This will be discussed in a meeting at City Hall next week as city leaders are aiding in asking County, State and Federal offices for help in closing the gap.
- A second supplemental grant application was submitted last Friday, for an additional \$2.5 million.
- Katya was able to meet with the remaining families that are still pending relocation from CAH proper. Kudos to her as she was able to either relocate them or put together a specific plan with a specific move out date.
- We are awaiting environmental clearance (Part 58) and then we can petition HUD to begin demolition at Cleveland Avenue Homes proper.
- Update from report on MBE/WMBE/Section 3: 19% of the project awarded to MBE’s, 10% to WMBE’s and 8% to Section 3 businesses. We are employing 67% of the total labor hours, 72% of new hires are Section 3 workers and 9% are targeted Section 3 and 14% of new hires are targeted Section 3 workers who live in the neighborhood.
  - Committee Chair Gibel inquires as to the number of units that will be demolished for Phase II/III and Kevin provided that it is approximately 80 units, including the HAWS office and maintenance shop.

**6. RESOLUTIONS**

None

**7. COMMITTEE COMMENTS**

Vice Chair Annese inquired whether or not we were going to inform the City, the Mayor and others in regard to the delays of completing the elevator modernization at Crystal Towers. Mr. Cheshire provided that he has kept the City updated previously, but in this instance, unless instructed otherwise, we are just moving forward and they are aware that modernization is ongoing and of the situation with Kone. The Mayor will be updated next week. Committee Chair Gibel added as it relates to Vice Chair Annese’s question, that if there is media present at the resident meeting this evening, alerting city management might be a good idea. Vice Chair Annese suggested contacting Rachel and having her prepare some kind of statement and hold it.

*So Much More*



Development Committee Meeting  
April 2, 2024  
10:00A.M.

3/5/2024 Summary Minutes

**8. ADJOURNMENT**

Committee Chair Gibel declared the meeting adjourned at 10:37 a.m.

Acknowledgement and Adoption of the March 5, 2024 Development Committee Minutes.

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Date Adopted

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Kevin Cheshire, Board Secretary

*So Much More*

# Development Priority 1: Crystal Towers



## OVERVIEW

- Downtown Core Location
- 201 Units (Elderly/Disabled)
- No Supportive Services (Independent Living)

## OBJECTIVES

- Address Immediate Infrastructure Needs
- Ensure Long-Term Sustainability

# Development Priority 1: Crystal Towers



## ELEVATOR STATUS

- Kone Modernization
- DOL Inspection
  - February Inspection Rescheduled
    - Technician Departure – No Notice
  - March Inspection
    - Failed – Counterweight
  - April Inspection
    - Scheduled for Thursday (4/4)



# Development Priority 1: Crystal Towers

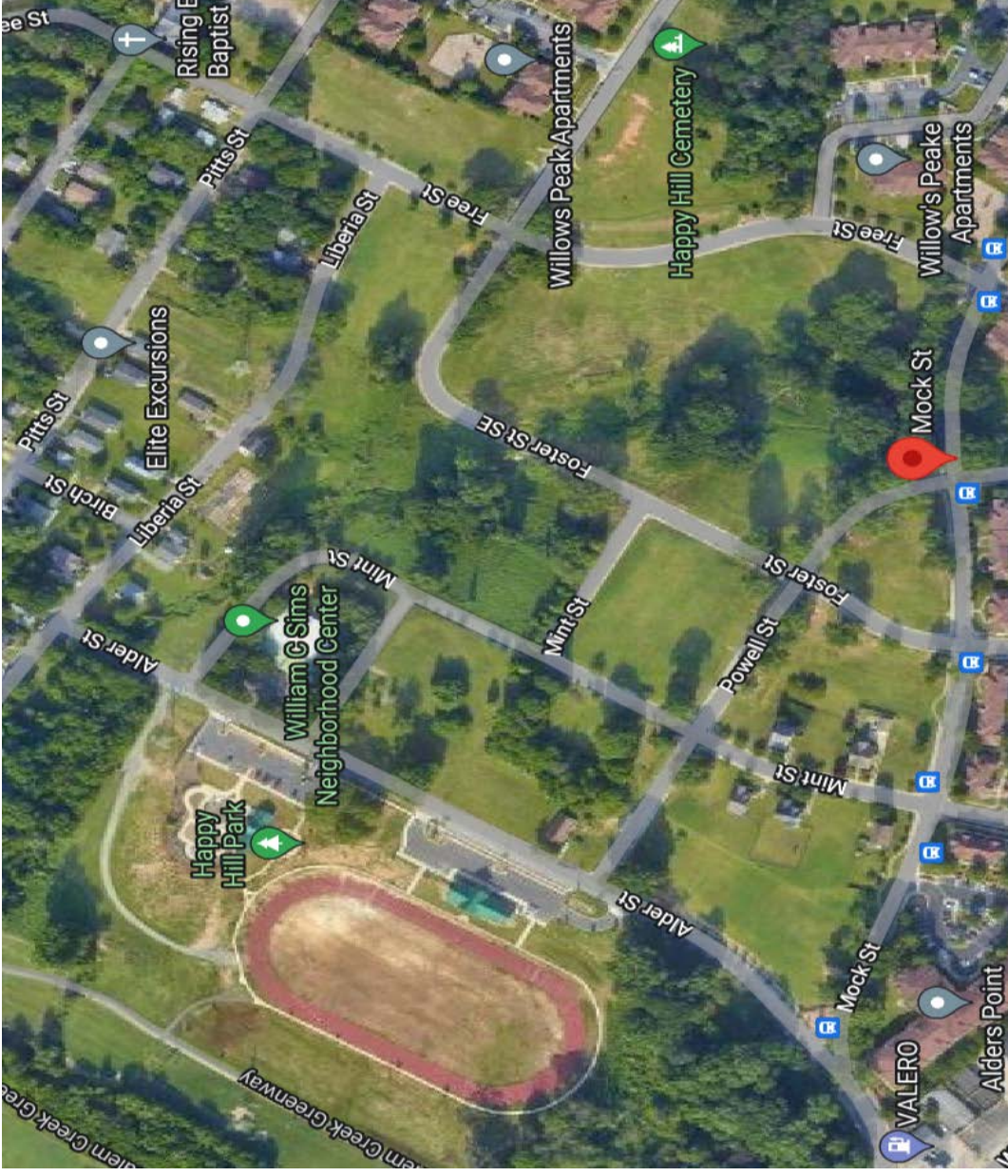


## ASSESSMENT STATUS

- Met with City
- RFP Forthcoming
  - Finalizing Scope
- Resident Participation in Scope
- Following Scope
  - Identify Funding Sources
  - City Commitment
  - Capital Fund
  - Potential RAD Conversion (Debt)
    - Development Partners



# Development Priority 2: Happy Hill



## HABITAT STATUS (PHASE 1)

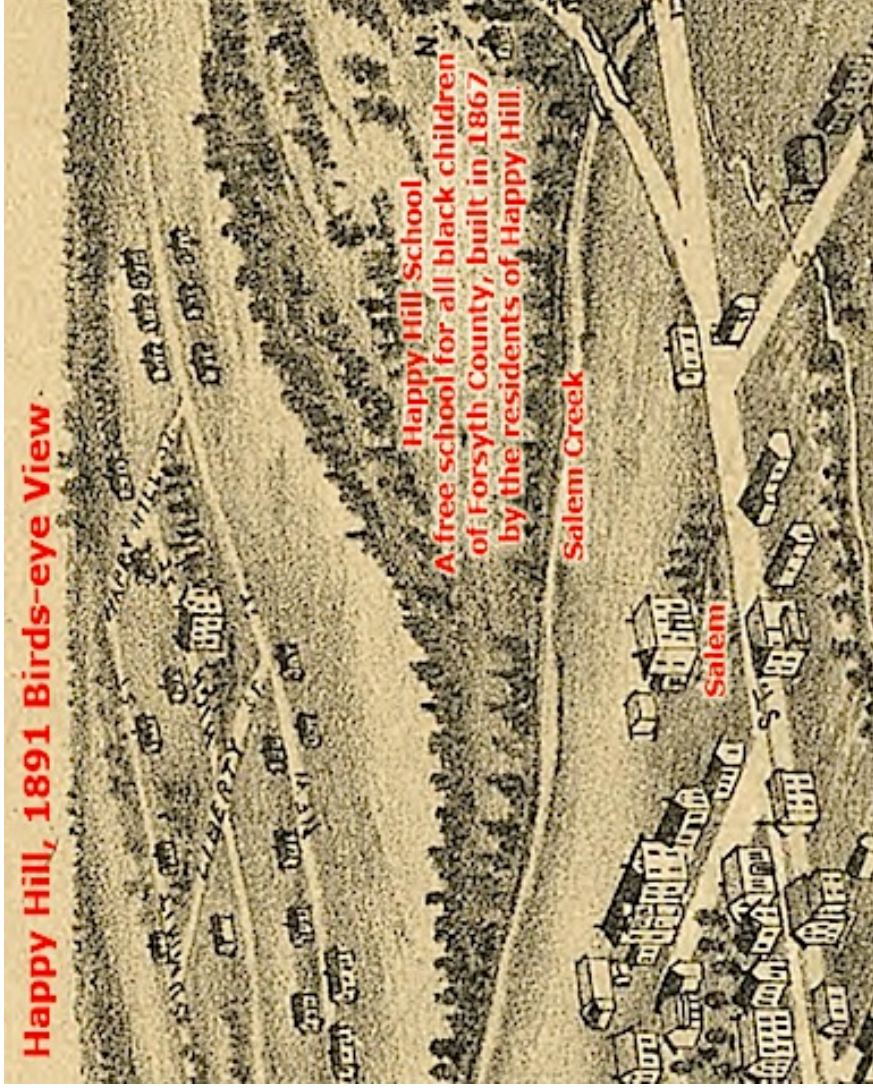
- Habitat Has Broken Ground!
- Pictures Forthcoming
- Expedited Build
- City Funding
- Builders Blitz
- Legacy Family Database & Priority



# Development Priority 2: Happy Hill

## (SUBSEQUENT PHASES)

- Liberian Organization of Piedmont
  - Transfer land for construction of student housing
- Happy Hill Neighborhood Association
  - Transfer land for community development
- HUD-Restricted Parcels
  - Will be released once 13 Habitat homes completed
  - Assess need at that time to determine development plan



# OTHER DEVELOPMENT PROJECTS (Exclusive of CNI)

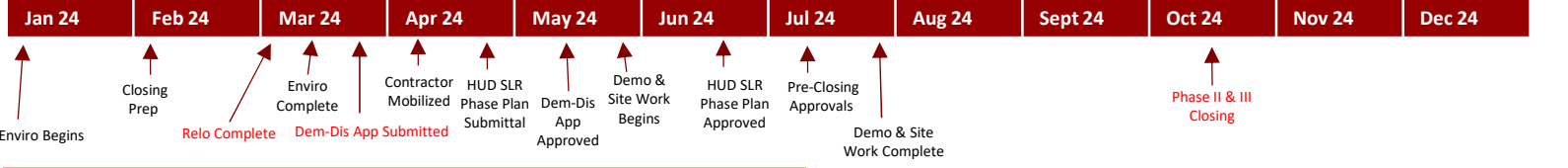
- Lansing Ridge
  - Development Agreement with Private Developer
    - Affordable and Workforce Homeownership (New Construction)
  - Phase 1 (of 3) in Progress (8 Homes)
- Salem Gardens
  - Bond for Acquisition and Rehabilitation
  - April Closing Anticipated
- King Building Redesign and Renovation

# Choice Neighborhood Initiative Summary - March 2024

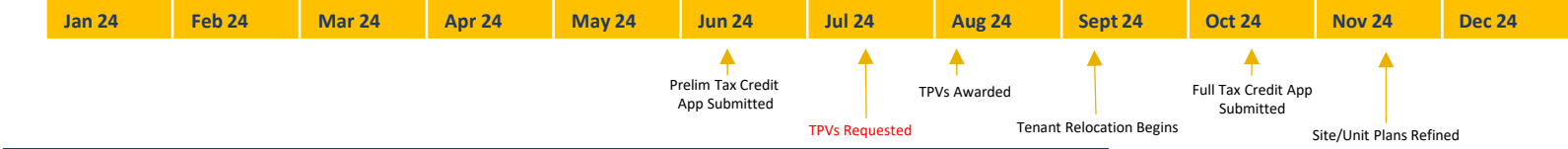
## Phase I: The Lofts at Brown School – Multi-Family (81 Units)



## Phase II/III: Cleveland Avenue Site – Multi-Family (120 Units)



## Phase IV: Cleveland Avenue Site – Multi-Family (60 Units)



## Phase V: Cleveland Avenue Site – Multi-Family (64 Units) & Senior Bldg (80 Units)



### Housing Plan

- Phase I: Building 1 – 10 Complete. Released for Occupancy.
- Phase I: Buildings 11 – 12 Finish Work Underway. Occupancy in April 24.
- Phase I: Leasing Underway; Residents Locating to Site.
- Phase II – III: Site Plan Submitted to City.
- Phase II – III: Demolition Application Submitted to HUD.
- Phase IV: Development Design Set for Pricing.

### Neighborhood Plan

First Phase of Residential Façade Improvement Program is underway. Home inspections complete. Scopes of Work at each home complete. Façade Improvement contracts with City and Homeowners are executed. First work scheduled for Feb 2024.

City effort underway to improve bus stops/shelters to include the CNI area.

### People Plan

- 310 Total CAH Families Have Enrolled in USI Case Management. 99% of Current CAH Families Enrolled in USI Case Management.
- 91% of Target Residents Report Having Medicaid Insurance.
- 78% of children have seen a dentist in last 12 months.
- 52% eligible adults earn wage income.

### Relocation Information

Group I

- Total Units: 111
- Households Relocated/Pending: 111
- Households Remaining: 0
- Households Seeking Housing: 0
- Other (USI Offices): 0

### Section 3 / MWBE

January 1, 2024 to February 1, 2024:

- 19 % of Project to MBEs (Target: 25%)
- 10 % of Project to WBEs (Target: 5%)
- 8 % of Project to Section 3 Businesses

67% of hours - Sec 3 workers (Trgt: 25%)  
73% of Housing Const hours – Sect 3

35% of project workers live in W-S/FC.  
9% of project workers – Legacy Hghts S3

As of February 2024, we are 43 months into our 72 month CNI project effort



Construction TRANSFORMATION in Progress at The Lofts at Brown School!

**Housing Plan**  
 Buildings 1 - 10 – Released for Occupancy  
 Buildings 11 – 12 Pre-Final Finish.





Construction TRANSFORMATION in Progress at *The Lofts at Brown School!*



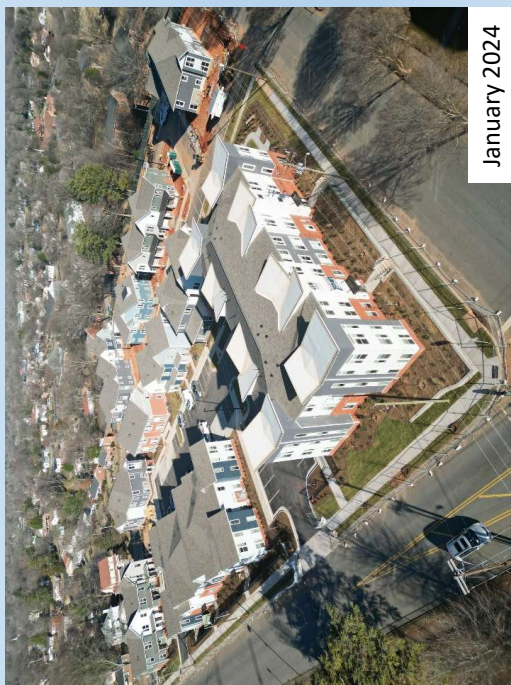
July 2022



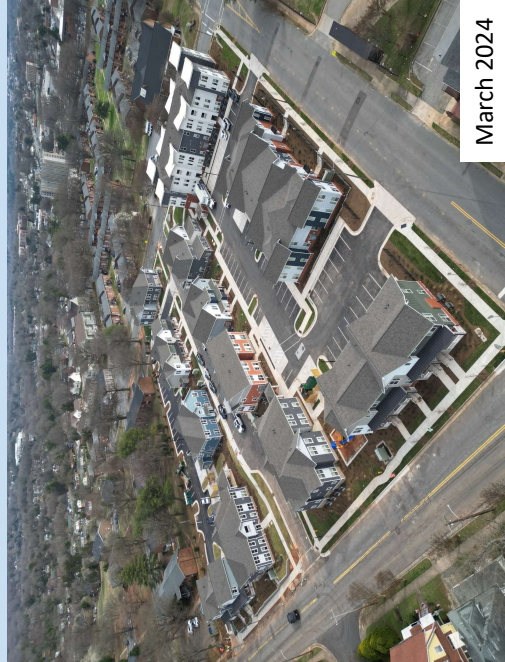
November 2022



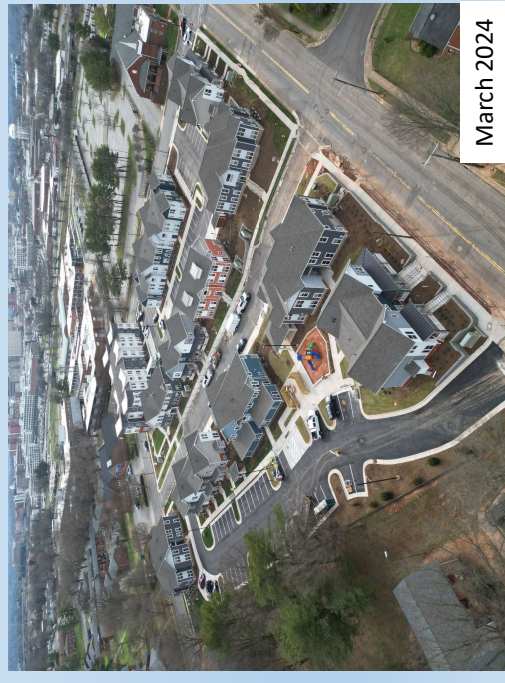
May 2023



January 2024

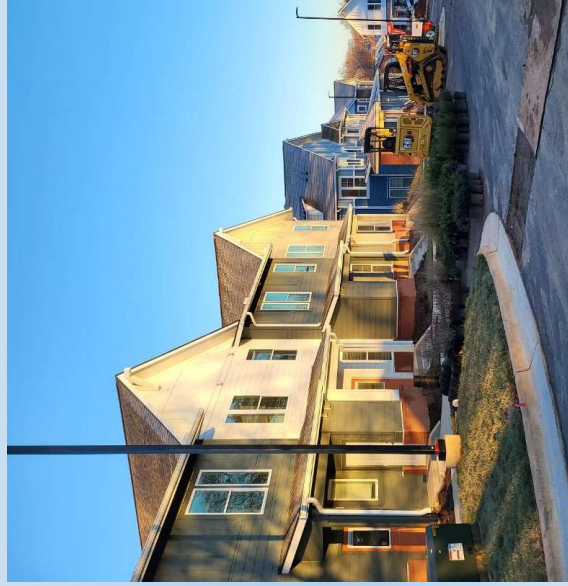
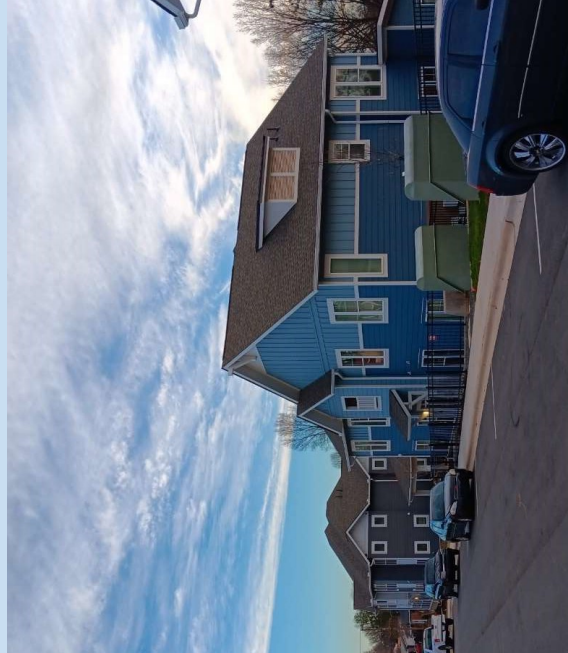
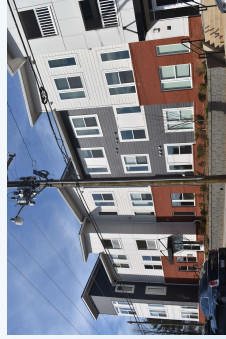


March 2024



March 2024

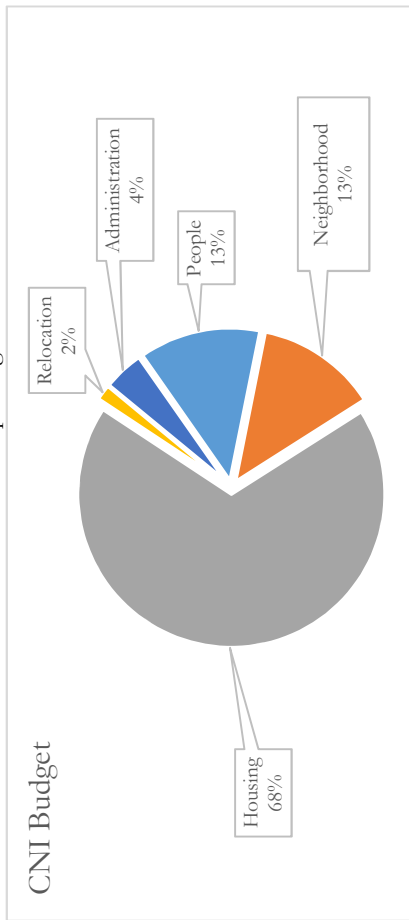
TRANSFORMATION in Progress at The Lofts at Brown School!



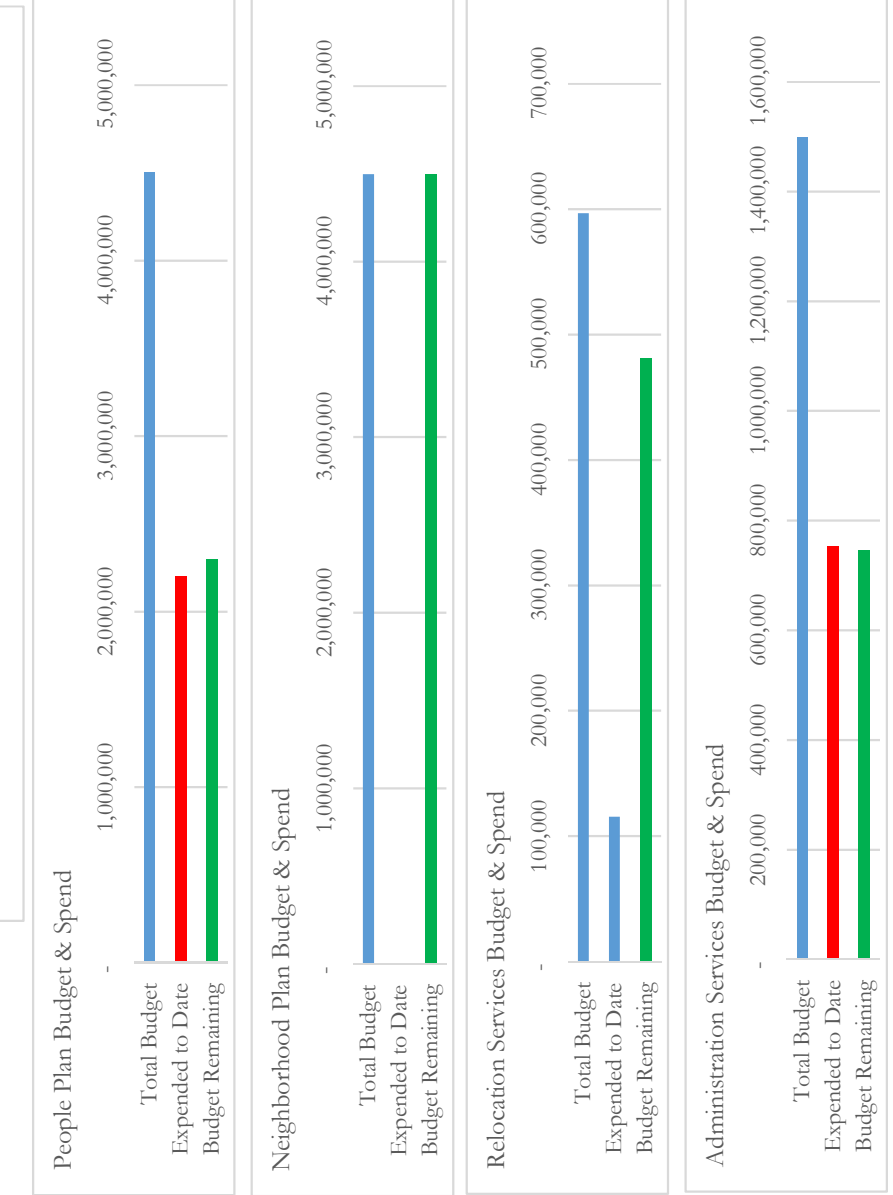
Choice Neighborhood Initiative Budget (HUD funds only)

People	4,500,000
Neighborhood	4,500,000
Housing	23,903,000
Relocation	597,000
Administration	1,500,000
<b>\$</b>	<b>35,000,000.00</b>

Reporting Period: March 2024



CNI Budget & Expenses by Area

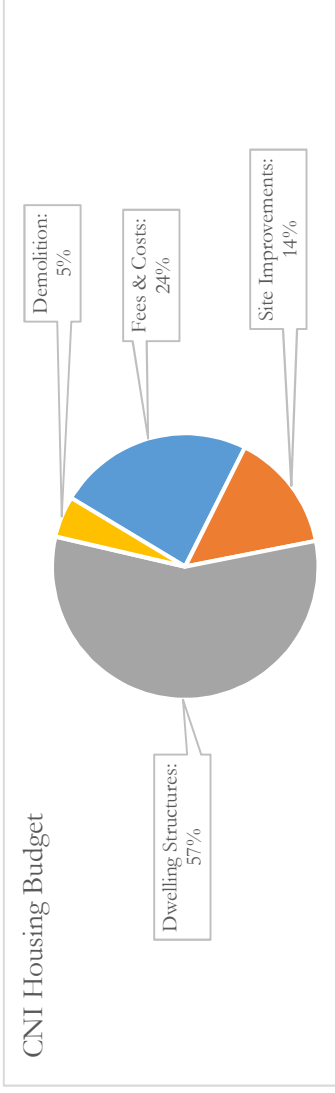


CNI Housing Budget

Reporting Period:

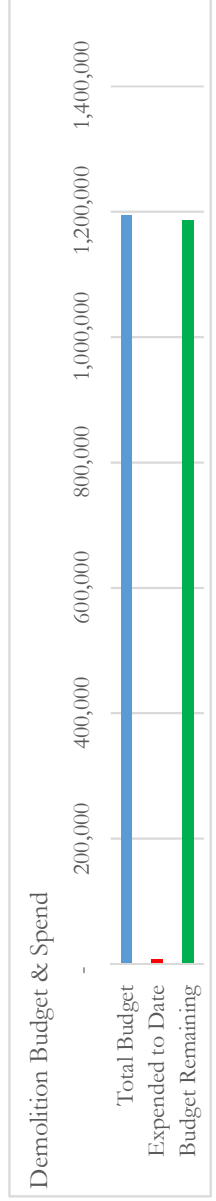
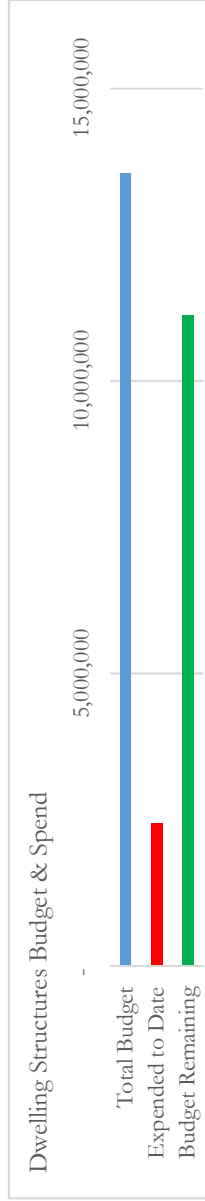
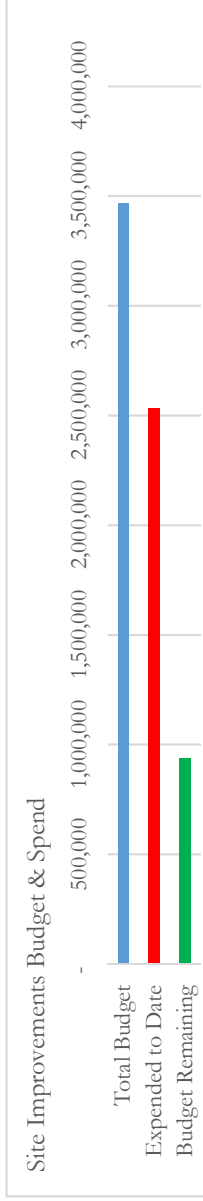
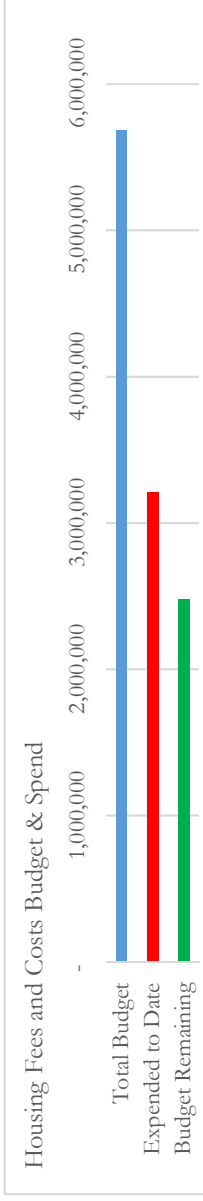
March 2024

Fees & Costs:	5,686,157
Site Improvements:	3,469,334
Dwelling Structures:	13,553,509
Demolition:	1,194,000
	\$ 23,903,000



CNI Housing Budget & Expenses by Area

Fees and Costs	
Total Budget	5,686,157
Expended to Date	3,207,886
Budget Remaining	2,478,271
% Expended	56%
Site Improvements	
Total Budget	3,469,334
Expended to Date	2,533,207
Budget Remaining	936,127
% Expended	73%
Dwelling Structures	
Total Budget	13,553,509
Expended to Date	2,438,134
Budget Remaining	11,115,375
% Expended	18%
Demolition	
Total Budget	1,194,000
Expended to Date	7,547
Budget Remaining	1,186,453
% Expended	1%



# Schedule



CNI Expenditure Deadline

Task	2020	2021	2022	2023	2024	2025	2026	2027
Acquisition	Acquisition							
Phase 1 81 Units (Off-Site)	Prepare 9% App	Submit 9% App; Closing	Construction	Bldgs 1 – 9 Complete	100% Completion			
Phase 2 72 units On-Site Multi-Family		Prepare 9% App	Submit 9% Appl	Part 58 – <u>NCDEQ Delays</u>	Closing 9/1/24 Construction	Complete & Lease-Up		
Phase 3 42 On-Site Multi-Family			Prepare 9% App	Submit 9% App; (May 2023)	Closing 9/1/24 Construction	Complete and Lease Up		
Phase 4 60 On-Site Multi-Family				Prepare 9% App	Submit 9% App;	Closing / Construction	Complete and Lease Up	
Phase 5a & 5b 151 units On-Site 5a – 71 Multi-fam 5b – 80 Senior					5a - Prepare 9% App 5b – Prepare 4% App	Submit 9% App;	Closing/ Construction	Complete and Lease Up

WINSTON-SALEM *The CHOICE*

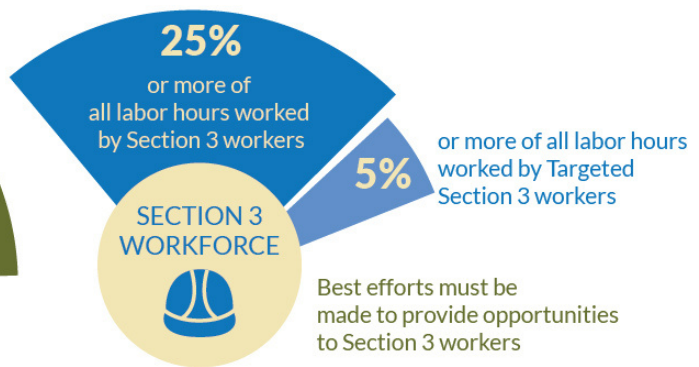
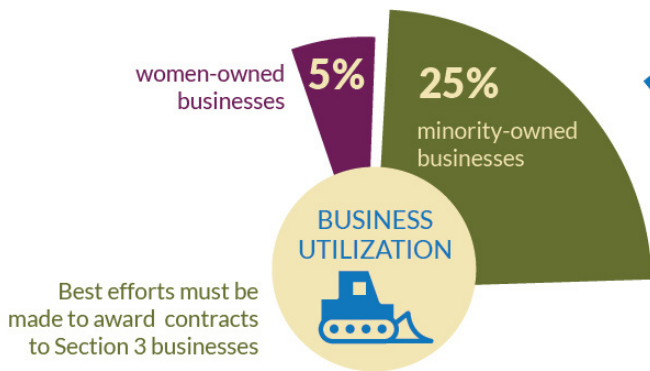


# WINSTON-SALEM *The CHOICE*

## Winston-Salem CNI Project, Phase I MBE, WBE, and Section 3 Performance Report Executive Summary | February 2024

### PROJECT REQUIREMENTS

The Winston-Salem CNI Project, Phase I monthly reports document performance against the business utilization and Section 3 requirements. The following apply to the project:



### PROJECT PERFORMANCE

The Winston-Salem CNI Project, Phase I is currently comprised of three contracts – Demolition & Site Prep, Housing Construction, and Public Improvements. The following data represents project performance against requirements based on information received through the report period.

#### Business Utilization



#### Section 3 Workforce

##### Labor Hours

**69%**  
Section 3 Workers

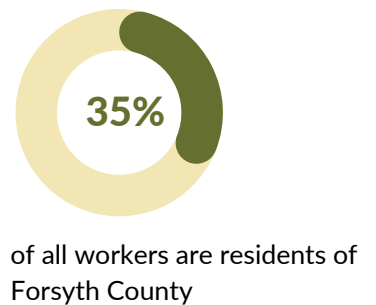
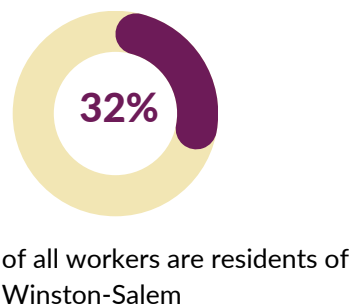
**8%**  
Targeted Section 3 Workers

##### New Hires

**72%**  
Section 3 Workers

**16%**  
Targeted Section 3 Workers

#### Project Workforce



**1%** of all workers are residents of Cleveland Avenue Homes

# DEMOLITION AND SITE PREPARATION

## GENERAL CONTRACTOR

Frank L. Blum Construction Company, Sterling Construction Services, A Joint Venture

### Business Utilization



**6%**  
awarded to minority-  
owned businesses



**4%**  
awarded to women-owned  
businesses



**0%**  
awarded to Section 3  
businesses

### Section 3 Workforce

#### Labor Hours

**9%**  
Section 3 Workers

#### New Hires

**0%**  
Section 3 Workers

**0%**  
Targeted Section 3  
Workers

**0%**  
Targeted Section 3  
Workers

0 new hires identified.  
0 new hires Section 3 workers.  
0 new hires Targeted Section 3 workers.

### Project Notes

No payroll concerns to report.



# HOUSING CONSTRUCTION

## GENERAL CONTRACTOR

Frank L. Blum Construction Company, Sterling Construction Services, A Joint Venture

### Business Utilization



**23%**  
awarded to minority-owned businesses



**12%**  
awarded to women-owned businesses



**10%**  
awarded to Section 3 businesses

### Section 3 Workforce

#### Labor Hours

**74%**  
Section 3 Workers

#### New Hires

**72%**  
Section 3 Workers

**9%**  
Targeted Section 3 Workers

**16%**  
Targeted Section 3 Workers

87 new hires identified.  
63 new hires Section 3 workers.  
14 new hires Targeted Section 3 workers.



### Project Notes

The project's Contractor Compliance Tracking documents payroll concerns that require attention.





# PUBLIC IMPROVEMENTS

## GENERAL CONTRACTOR

Frank L. Blum Construction Company, Sterling Construction Services, A Joint Venture

### Business Utilization



**2%**  
awarded to minority-owned businesses



**0%**  
awarded to women-owned businesses



**2%**  
awarded to Section 3 businesses

### Section 3 Workforce

#### Labor Hours

**15%**  
Section 3 Workers

#### New Hires

**0%**  
Section 3 Workers

**1%**  
Targeted Section 3  
Workers

**0%**  
Targeted Section 3  
Workers

0 new hires identified.  
0 new hires Section 3 workers.  
0 new hires Targeted Section 3 workers.

### Project Notes

No payroll concerns to report.





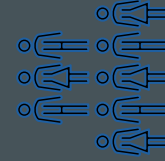
# WS Choice Neighborhood

## CLEVELAND AVENUE HOMES PEOPLE STRATEGY MONTHLY REPORT

February 2024



# TABLE OF CONTENTS



- **Report Narrative**
  - Monthly Highlight – Transformation is Happening
- **Demographics**
  - Target Population
  - Race, ethnicity, age, income etc.
- **Education**
  - Kindergarten Readiness
  - Youth Enrollment/Out of School Program Participation
  - Adult Education Enrollment & Participation
- **Health**
  - Primary Care
  - Health Insurance
- **Economic Mobility**
  - Self-Sufficiency
  - Employment
- **Difference Made**
- **Our Team**

**BROWN SCHOOL  
LOFTS @ LEGACY  
HEIGHTS**



The Winston-Salem Choice Neighborhood Initiative (i.e., Urban Strategies, Housing Authority of Winston-Salem, City of Winston-Salem, and McCormack Baron Salazar) Phase I at the former Brown Elementary School site on Highland Avenue is complete.



# DEMOGRAPHICS

Metric	Total Count
Target Households (original)	220
Target Households Served (to date)	313
Target Households currently being served (original and new)	212
Target Households with Completed Assessments	210
Households Dismissed from Program (to date)	102
Original Households not in enrolled in Case Management	21
New Target Households post application/prior to relocation enrolled in Case Management	114
Target Households receiving TANF	0
Target Households enrolled in food stamps	177
Target Households enrolled in SSI or SSDI	52
Average Annual Household Wage Income (no SSI/SSDI)	\$23,158.00
Average Annual Hourly Wage Income	\$13.75

Metric	Number	Percent
Number and percentage of target adult residents (18-64 years of age) not able to work or train due to a disability	31	13.77%
Number and percentage of Limited English Proficiency (LEP) target residents	0	0.00%
Number and percentage of target residents with at least one chronic condition	174	31.46%

**92.20%**

Target residents are African-Americans.

**99.90%**

Target original residents are enrolled in case management.

**64.20%**

Target residents are Females.

**41.90%**

Target residents are 18 – 64 years of age.

# EDUCATION

Metric	Number	Percent
Number and percentage of target resident children, from birth to kindergarten entry, participating in center-based or formal home-based early learning settings or programs	19/77	24.70%
Number and percentage of target resident youth screened for developmental delay and disabilities	77/77	100.00%
Number and percentage of target resident youth involved in positive youth development activities (i.e., out of school programs)	67/212	31.60%
Number of target residents participating in higher education	2/191	1.00%
Number of target residents participating in vocational/trade school/job training	4/191	2.10%

**84.40%**

Target youth residents feel safe (i.e., safe, very safe, or extremely safe) on the way to school and back.

**100.00%**

Target resident parents read to youth on a regular basis.

**57.10%**

Target resident youth are ages 0 – 18 years of age.

**66.20%**

Target residents have some high school/GED training or a high school diploma/GED.

# HEALTH

Metric	Number	Percent
Number and percentage of target residents who have a place of healthcare where they regularly go, other than an emergency room, when they are sick or need advice about their health	458	82.80%
Number and percentage of target residents who have health insurance	469	84.81%

**100.00%**

Target residents have seen their primary physician in the last 12 months.

**94.90%**

Target youth residents participate in at least 60 minutes of physical activity daily (ages 2+).

**90.61%**

Target residents have Medicaid insurance.

**78.30%**

Target youth residents have seen their dentist in the last 12 months.

# ECONOMIC MOBILITY

Metric	Number	Percent
Number and percentage of residents with wage income	67	48.20%
Number and percentage of target residents working full-time	48	71.60%
Number of target residents of target residents working part-time	19	28.40%
Number and percentage of target residents who are unemployed	72	51.80%
Number and percentage of target residents who have been employed for 6 months or longer	66	98.50%
Number and percentage of target residents receiving Unemployment Insurance	0	00.00%
Number and percentage of target residents with a bank account	125	60.10%

**97.30%**

Target residents report their job is going well.

**88.10%**

Target residents are registered to vote.

**83.80%**

Target residents are permanently employed.

**68.00%**

Target residents are employed in the food industry, healthcare, or retail.



# DIFFERENCE MADE

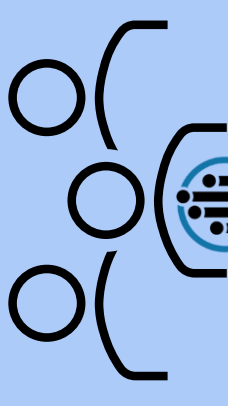
**Brown School Lofts @ Legacy Heights  
1<sup>st</sup> Set of Residents are Home!!**





## OUR TEAM

- Eva Mosby, Southern Region Vice-President
- Tonya Atkins, Operations Director
- Ebony Moore, Family Support Specialist Manager
- Jenay Cole, Family Support Specialist II
- Rhonda Killian, Mobility Specialist
- Jessica Martinez-Martinez, Family Support Specialist II
- Shennetta Robinson, Outreach Worker
- Shaveda Shaw, Family Support Specialist II



**RESOLUTION #2243**

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM TO EXECUTE THE CLEVELAND AVENUE HOMES AMENDED AND RESTATED ADDITIONAL SERVICES AGREEMENT, TO EXECUTE AN AMENDMENT TO THE SUBRECIPIENT AGREEMENT AND TAKE SUCH OTHER ACTIONS AS MAY BE NECESSARY OR ADVISABLE**

**WHEREAS**, on August 12, 2020, the U.S. Department of Housing & Urban Authority (“**HUD**”) awarded a Choice Neighborhoods Initiative (CNI) Implementation Grant to The Housing Authority of the City of Winston-Salem (the “**Authority**”) for the purpose of redeveloping the area in and around Cleveland Avenue Homes (the “**CAH Site**”); and

**WHEREAS**, the Authority anticipates that the CAH Site will be developed in phases through a combination of demolition, new construction and rehabilitation, with the assistance of the Authority procured developer partner; and

**WHEREAS**, the Authority and McCormack Baron Salazar, Inc., a Missouri corporation (“**MBS**”) entered into that certain Additional Services Agreement dated March 9, 2023 (the “**Original ASA**”) for the second phase of the redevelopment (“**Phase 2**”); and

**WHEREAS**, the Authority desires to negotiate and enter into that certain Cleveland Avenue Homes Amended and Restated Additional Services Agreement for (the “**Amended and Restated ASA**”) Phase 2 and the third phase of the redevelopment (“**Phase 3**”) (attached hereto as **Exhibit A**); and

**WHEREAS**, the Authority and the City of Winston-Salem (the “**City**”) entered into that certain Subrecipient Agreement dated as of February 16, 2023 (the “**Subrecipient Agreement**”) which provided for certain funds from the City for the development of the CAH Site; and

**WHEREAS**, the Authority desires to amend the Subrecipient Agreement to include a revised budget (the “**Subrecipient Agreement Amendment**”); and

**NOW, THEREFORE**, in connection with the development of the CAH Site, the Board of Commissioners hereby adopt the following resolutions:

**BE IT RESOLVED**, that the Executive Director of the Authority and/or his designee is hereby authorized to review, approve and execute the Amended and Restated ASA, Subrecipient Agreement Amendment, all certificates, affidavits, agreements, documents and other writings (collectively, the “**Agreements**”) the Executive Director shall deem to be necessary or desirable in the consummation of the transactions herein contemplated;

**BE IT FURTHER RESOLVED**, that all acts, transactions, or agreements undertaken prior hereto by the Executive Director or his designee, in connection with the foregoing matters

are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

**BE IT FURTHER RESOLVED**, that the Executive Director is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the Executive Director shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the Executive Director to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

This resolution shall be in full force and effect from and upon its adoption.

PASSED this \_\_\_\_ day of April, 2024.

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Andrew M. Perkins, Jr., Board Chair

ATTEST:

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Kevin Cheshire, Board Secretary

EXHIBIT A

**CLEVELAND AVENUE HOMES  
AMENDED AND RESTATED ADDITIONAL SERVICES AGREEMENT**

*(Winston-Salem Phases II and III)*

THIS AGREEMENT (this “**Agreement**”) is made as of March \_\_, 2024, between the HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM, a body corporate, organized and existing under the laws of North Carolina (the “**Authority**”) and MCCORMACK BARON SALAZAR DEVELOPMENT, INC., a Missouri corporation (the “**Developer**”). Collectively, the Authority and the Developer are sometimes referred to herein as the “**Parties**.”

A. The Authority, in partnership with the City of Winston-Salem, has been awarded a \$30,000,000 Choice Neighborhoods Implementation (“**CNI**”) Grant from the U.S. Department of Housing and Urban Development (“**HUD**”) to redevelop the Cleveland Avenue Corridor, which is comprised of approximately 244 public housing units. The second phase of the redevelopment will have approximately seventy-two (72) units of multifamily rental housing upon completion (“**Phase 2**”). Similarly, a third phase of the redevelopment will have approximately forty-eight (48) units of multifamily housing (“**Phase 3**”).

B. The Authority and McCormack Baron Salazar, Inc., a Missouri corporation and an affiliate of the Developer (“**MBS**”), are parties to that certain Master Development Agreement, dated as of October 30, 2020 (the “**Master Development Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Master Development Agreement.

C. Section 2.3 of the Master Development Agreement provides that:

(a) the Authority may request that MBS undertake additional services in connection with one or more Phases of the Development with respect to activities which are the obligation of the Authority (the “**Additional Services**”), subject to agreement between the Authority and MBS regarding the scope of services and compensation therefor, which may be set forth in a separate agreement; and

(b) MBS shall provide any such Additional Services as an independent contractor and not as an agent of the Authority, unless the agreement providing for such Additional Services shall otherwise specifically provide. MBS may cause an Affiliate of MBS, including the Developer, to enter into Additional Services Agreements, to perform some or all of the Additional Services, to enter into associated agreements and/or to receive associated compensation.

D. As contemplated by the Master Development Agreement, the Authority desires to engage the Developer to perform the Work (as defined below) for Phase 2 and Phase 3, and the Developer desires to accept such engagement and to perform the Work.

E. The Parties previously entered into that certain Additional Services Agreement dated March 9, 2023 for Phase 2 (the “**Original ASA**”). The Parties now desire to amend and restate the Original ASA as set forth below.

NOW, THEREFORE, the Parties agree as follows:

**1. Work.**

**1.1 Scope of Work.** As stated in Recital C above, the Authority is contracting with the Developer to perform, pursuant to Section 2.3 of the Master Development Agreement, the Additional Services. The Additional Services are comprised of the work relating to Phase 2 and Phase 3 (in addition to site-wide work related to the Development generally, such as environmental remediation, if any) performed by the Developer, or third-party providers at the direction of and in support of the Developer, in furtherance of the Additional Services (collectively the “**Work**”), which is separated into the following components (each, a “**Component**”):

- (i) Demolition Abatement Component;
- (ii) Demolition Component;
- (iii) Site Preparation Component;
- (iv) Public Improvement Component; and
- (v) Environmental Testing Component.

The Budget and the Schedule are presented with separate line items and benchmarks corresponding to estimated costs of each Component. For the avoidance of doubt, the Additional Services and the Additional Services Budget and Schedule specifically exclude services provided by MBS to the Authority for services related to planning, coordination and implementation of the Choice Grant Agreement.

**1.2 Approval of Components.** Prior to commencement of a Component of the Work, the Developer will comply with Sections 1.3 and 1.6 herein. The Authority will review and approve any submissions required thereunder under the criteria set forth in this Agreement and the Master Development Agreement. The Authority will provide its approval or denial of such submissions in writing within ten (10) business days of receipt. All submissions from the Developer will include any required contracts or proposals for the Work, and a Component-specific Budget. Once such submissions are agreed to in writing, the foregoing shall constitute an amendment to this Agreement.

**1.3 Budget.** The Parties agree that the total amount set forth in the Scope of Work attached hereto as Exhibit “A” (the “**Budget**”) is not final and reflects the Parties’ best estimate as to the costs related to the Work for Phase 2 and Phase 3. As such, the Parties acknowledge and agree that the Budget has not been finalized and that the Budget may be modified by a change order/change directive, or otherwise modified upon the written agreement of the Authority and the Developer. Once the scope of work is established for each Component, the Developer will submit modifications to the Budget to reflect such Component, and the Authority will not unreasonably withhold, condition or delay its approval of such Budget once submitted. The total cost for any line item of the Work performed by the Developer will not exceed that which is reflected in the Budget until approvals are obtained from the Authority for such increases.

**1.4 Invoicing and Payment.** The Developer shall invoice the Authority not more frequently than one time every thirty (30) days for:

(a) the actual cost of the Work incurred and reflected in the Budget performed through the date of such invoice by the Developer and its third-party contractors and vendors, less amounts previously paid and less amounts for which request for payment is deferred by the Developer based on contractor or subcontractor retainage provisions. Such work shall only be for services rendered during the scope of Phase 2 and Phase 3 and as otherwise described in Section 1.1 herein; and

(b) the Additional Services Program Management Fee (as defined in Paragraph 1.8 below) billed as a percentage of completion of the Work through the date of such invoice, less Fee payments previously made.

The Authority shall provide payment to the Developer within thirty (30) days of receipt of an invoice, unless the Authority provides written notice to the Developer of reasonable objection to all or any part of such invoice within ten (10) days after the date of its submission to the Authority. If the Developer fails to respond in writing to the Authority's objection or to make any necessary corrections to the invoice, the Authority shall have the right to suspend payment of the questioned portion of such invoice. Following the Developer's response or correction of the invoice to the reasonable satisfaction of the Authority, the Authority shall pay the Developer for such invoice within the later of fifteen (15) days after the date of the Developer's response or correction or thirty (30) days from receipt of initial invoice (as described above). If, following the response or correction by the Developer to the Authority's reasonable satisfaction, the Authority fails to make payment within the periods and according to the procedures provided herein, the Developer may, upon seven (7) days' written notice to the Authority, suspend performance of Work under this Agreement. Unless payment in full is received by the Developer within seven days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of the Work, the Developer shall have no liability to the Authority for delay or damage caused to the Authority because of such suspension of the Work. Before resuming the Work, the Developer shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Work, including remobilization costs of the Developer's contractors. By making final payment, the Authority does not waive any claim that it may have against the Developer. By accepting final payment, the Developer does not waive any claim that it may have against the Authority.

The Authority shall initiate requests via the federal LOCCS system for CNI funds in a timely manner sufficient to permit transfer of funds to the Developer within the thirty (30) day period described above. The Parties acknowledge and agree that the Authority's ability to remit funds to the Developer is subject to approval and release of funds by HUD. The Authority agrees to act in good faith to timely and zealously seek HUD's approval and release of funds, and the Parties will work together to resolve any timing issues caused by HUD's failure to release funds in a timely manner provided that the Authority has otherwise complied with the terms of this Agreement.

**1.5. Delegation.** The Authority acknowledges that the Developer may delegate direct responsibility for any portion of the Work to third parties. Notwithstanding any such delegation,

the Developer shall remain primarily and directly responsible, and liable, to the Authority for the timely and satisfactory performance of the Work.

**1.6 Contracting.** Contract solicitation, negotiation, and award for any products or services that make up any Component of the Work will be conducted by the Developer in accordance with the Master Development Agreement. Except as otherwise set forth in Section 1.3 herein, no contract or subcontract for the Work shall be awarded by the Developer in an amount which causes the total contract cost for the Work to exceed the Budget without prior written approval by the Authority. Furthermore, all contracts and subcontracts will be submitted to the Authority prior to execution and will be subject to the Authority's review and approval. The source of funding for third-party contract work will be set forth in the Budget. The Authority will request approval or modification of any previously HUD-approved budget as required to permit drawdown of any funds for timely payment of amounts expected to become due to the Developer or third-party contractors for the Work. Authorization to the Developer by the Authority to cause or permit commencement of third-party work contracted for by the Developer for the Work shall constitute a representation by the Authority that funds for payment of the costs of such work (in the amount set forth in the Budget) are available and authorized for such purpose.

**1.7 Change Order Monitoring and Change Order Directive Process.** A change order log listing all pending change orders for each Component of the Work shall be maintained by the Developer. The change order log shall list all pending change order requests as well as all approved change orders; shall be updated weekly; and shall be reviewed with the Authority's designee during progress meetings. Developer shall include within the written progress meeting agenda an explicit topic heading entitled "Change Order Status" beneath which an ongoing itemization of Additional Services change orders is listed with emphasis/highlight provided for each new or modified change order. Prior to the Developer's approval of any change order/change directive, the Developer shall submit on a timely basis all change order/change directive requests that it intends to approve, with a detailed scope of work and itemized budget, to the Authority no later than 48 hours following the Developer's decision to approve such request.

The Authority agrees to respond, with approval or disapproval based on its reasonable determination, to any change order/change directive request (that otherwise complies with the terms of this Agreement) within ten (10) business days. If the Authority fails to respond to a change order within such ten (10) business day period, the Developer shall send a second notice regarding the change order. If the Authority fails to respond to such second notice within five (5) business days (stating that failure to reply will constitute an approval in accordance with this Agreement), then the change order shall be deemed approved. The second notice must specifically state that failure to respond within five (5) business days will constitute an approval in accordance with this Agreement.

**1.8 Compensation.** The Developer will be compensated for the Work on a cost plus fixed fee basis. The amount of the fixed fee shall be six percent (6%) of the total of such costs set forth in the Budget for each specific Component (Total fee for each component shall aggregate to comprise the "Additional Services Program Management Fee"). The fixed fee shall be determined by applying the applicable rate (i.e., six percent (6%) to the total costs for a particular Component at the time the Budget is established for a specific Component and approved by the Authority, all in accordance with Section 1.3. After that point, the Additional Services Program Management Fee



for a particular Component shall not be increased; provided, however, that the Additional Services Program Management Fee shall be adjusted as necessary with any amendment to the Budget. The Additional Services Program Management Fee shall be paid in accordance with Paragraphs 1.3 and 1.4 above.

**2. Disclaimer of Relationships.**

(a) Nothing contained in this Agreement shall be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and the Authority.

(b) The Authority and the Developer acknowledge that any transfer of Choice Neighborhood Initiative funds or public housing grant funds by the Authority to the Developer shall not be or be deemed to be an assignment of such funds, and the Developer will not succeed to any rights or benefits of the Authority under any agreement between the Authority and HUD or attain any privileges, authorities, interests, or rights in or under any such agreement.

**3. Indemnification.** To the fullest extent permitted by law, the Developer shall indemnify, defend, and release the Authority, its subsidiaries and their affiliates and their respective officers, directors, agents and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorneys' fees, arising out of or resulting from the performance of the Developer's services hereunder, and only to the extent caused directly by any acts or negligent omissions of the Developer or acts or negligent omissions of any third parties with whom the Developer contracts in regard to the work to be performed hereunder, and excluding any claims, damages, losses and expenses cause by the negligence of the Authority. The indemnification obligation of the Developer hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by the Developer or any consultant of the Developer or any other person or entity under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts.

**4. Termination for Convenience.** The Authority reserves the right to terminate this Agreement for the convenience of the Authority if the Authority shall determine in good faith that it is infeasible or contrary to the interests of the Authority to proceed with the Development. In the event of a termination for convenience under this Section 4, the Authority shall be liable to the Developer for reasonable and proper costs resulting from such termination which costs shall be paid to Developer within thirty (30) days of receipt by the Authority of a properly presented claim setting out in detail: (i) the total cost of all third-party costs actually incurred to date of termination, including costs paid previously by the Developer; (ii) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, or for settling other liabilities of Developer actually incurred in performance of its obligations hereunder; (iii) the cost of preserving and protecting the work already performed until the Authority or its assignee takes possession thereof or assumes responsibility therefor; and (iv) fair compensation to Developer for all tasks performed to date, including reasonable profit. To the extent the Authority terminates this Agreement in accordance with this Section 4, the Authority shall be obligated to perform or cause to be performed all work

that would otherwise be performed hereunder pursuant to contracts and contractors that are subject to Developer's reasonable approval.

**5. Miscellaneous.** This Agreement:

(i) may be amended, only by a writing signed by each of the Parties;

(ii) may not be assigned, pledged or otherwise transferred, whether by operation of law or otherwise, without the prior written consent of the other party;

(iii) may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute the same instrument;

(iv) contains the entire agreement of the Parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, with the exception of any written agreements that have expressly been incorporated herein by reference, relating to such transactions;

(v) shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina without giving effect to any conflict of laws rules and with respect to any dispute hereunder, jurisdiction and venue shall be exclusively with the courts located in Forsyth County, North Carolina; and

(vi) shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns. Notwithstanding the above, all activities shall be carried out in accordance with all applicable requirements contained in the Master Development Agreement, which is expressly incorporated herein by reference.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

**HOUSING AUTHORITY OF THE CITY  
OF WINSTON-SALEM**, a body corporate,  
organized and existing under the laws of North  
Carolina

By: \_\_\_\_\_  
Name: Kevin Cheshire  
Title: Executive Director

**MCCORMACK BARON SALAZAR  
DEVELOPMENT, INC.**, a Missouri  
corporation

By: \_\_\_\_\_  
Name: Brock Armstrong  
Title: Vice President

**EXHIBIT "A"**

Budget for Phase 2 and Phase 3

Winston-Salem Phases 2 & 3 - ASA Budget					3/27/2024
SOURCES:	DESCRIPTION:	City Funds	HAWS Funds	Total Budget	
HAWs - Choice Neighborhoods Funds	BLI 1430 - A&E/Legal/Professional Fees	\$ -	\$ -	\$ -	
HAWs - Choice Neighborhoods Funds	Phase 2 - BLI 1485 - Demolition/Remediation	\$ -	\$ -	\$ -	
HAWs - Choice Neighborhoods Funds	Phase 3 - BLI 1485 - Demolition/Remediation	\$ -	\$ 2,792,766	\$ 2,792,766	
HAWs - Choice Neighborhoods Funds	Phase 2 - BLI 1450 - Site Preparation and Infrastructure	\$ -	\$ 825,019	\$ 825,019	
HAWs - Choice Neighborhoods Funds	Phase 3 - BLI 1450 - Site Preparation and Infrastructure	\$ -	\$ 1,452,265	\$ 1,452,265	
City - GO Bonds	Phase 2	\$ 288,890	\$ -	\$ 288,890	
City - GO Bonds	Phase 3	\$ 368,938	\$ -	\$ 368,938	
City - CDBG	Phase 2	\$ 375,000	\$ -	\$ 375,000	
City - CDBG	Phase 3	\$ 281,250	\$ -	\$ 281,250	
City - Affordable Housing Funds	Phase 2	\$ 3,167,078	\$ -	\$ 3,167,078	
City - Economic Development	Phase 2	\$ 2,899,798	\$ -	\$ 2,899,798	
	<b>SUBTOTAL:</b>	<b>\$ 7,380,954</b>	<b>\$ 5,070,050</b>	<b>\$ 12,451,004</b>	
<b>USES / SCOPE OF WORK:</b>		<b>City Uses</b>	<b>HAWs Funds</b>	<b>Total Budget</b>	
Site Work					
	Demolition / Site Preparation (CDBG Eligible)	\$ 3,330,248	\$ 2,792,766	\$ 6,123,014	
	Public Improvements (CDBG Eligible)	\$ 1,306,228	\$ 2,277,284	\$ 3,583,512	
	Contingency (CDBG Eligible)	\$ 970,653	\$ -	\$ 970,653	
	<b>SUBTOTAL:</b>	<b>\$ 5,607,129</b>	<b>\$ 5,070,050</b>	<b>\$ 10,677,179</b>	
Soft Costs					
	Master Planning - Design, Survey & Title - Siterwide	\$ 238,400	\$ -	\$ 238,400	
	A & E - Demo/Site Prep/PI	\$ 212,800	\$ -	\$ 212,800	
	Section III/DBE/MBE Consultant	\$ 165,000	\$ -	\$ 165,000	
	Environmental	\$ 650,000	\$ -	\$ 650,000	
	Environmental - Siterwide	\$ 226,368	\$ -	\$ 226,368	
	Permits and Project Fees	\$ 20,000	\$ -	\$ 20,000	
	Legal	\$ 100,000	\$ -	\$ 100,000	
	Soft Contingency	\$ 161,257	\$ -	\$ 161,257	
	<b>SUBTOTAL:</b>	<b>\$ 1,773,825</b>	<b>\$ -</b>	<b>\$ 1,773,825</b>	
<b>TOTAL</b>		<b>\$ 7,380,954</b>	<b>\$ 5,070,050</b>	<b>\$ 12,451,004</b>	

**Notes:**

- 1 This is a portion of the ASA budget; for complete ASA budget please see All Phase. This budget does not currently include Construction Costs, HAWs Legal, Relocation, etc.
- 2 The GO Bonds and Economic Development sources listed on this budget page can be used to fund all of the Soft Cost use budget line items with a current budgeted amount.
- 3 Estimates are based on our general knowledge of development. MBS has not yet conducted full due diligence on the Cleveland Avenue Homes – either in terms of building conditions, site conditions, regulatory, legal and title issues.