

**RESOLUTION APPROVING AN AMENDMENT TO AN AGREEMENT FOR  
HOUSING PRODUCTION AT DRAYTON PINES WITH THE HOUSING AUTHORITY  
OF WINSTON-SALEM AND EXECUTION OF A RELEASE DEED AND  
DECLARATION OF COVENANT PERTAINING, THERETO**

**WHEREAS**, On January 28, 1986, the City and the Housing Authority of Winston-Salem (the “Authority”) entered into an agreement for the production of affordable housing for low-income families (the “Agreement”), which housing is colloquially known as “Drayton Pines”; and

**WHEREAS**, the City also executed a deed to the Authority, recorded in Deed Book 1622, at Page 2953 in the Office of the Forsyth County Register of Deeds (the “Deed”), whereby the City conveyed to the Authority two parcels of property for the siting of Drayton Pines, which parcels of property are alternately identified as PIN #s 6836-01-3400 and 6826-91-6834 and Lots 174A and 176B on a plat of Drayton Pines, recorded in Plat Book 32, at Pages 46 and 47, in the Office of the Forsyth County Register of Deeds; and

**WHEREAS**, said Agreement and Deed contain language which prohibits the Authority from conveying Drayton Pines or the underlying property to another entity, absent the City’s consent, and which permits the City, in said event, to force a reversion of the property and housing to the City; and

**WHEREAS**, the Deed contains similar language which permits the City to force a reversion of the property and housing to the City if the Authority experiences a change of control in its corporate structure or the ownership or distribution of its stock; and

**WHEREAS**, the Deed also contains language which would have required the City to furnish the Authority a recordable certificate of completion, release deed, or other appropriate

instrument extinguishing the City’s right to force a reversion of the property and housing, once the housing was satisfactorily completed; and

**WHEREAS**, construction of the housing was completed more than two decades ago, but a certificate of completion, release deed, or other instrument was never recorded; and

**WHEREAS**, the Authority now desires to obtain federal funding from the U.S. Department of Housing and Urban Development (the “HUD”) and/or other funding for the rehabilitation of the housing and property; and

**WHEREAS**, in order to qualify for funding, the Authority must transfer the housing to a single-purpose entity, which, in turn, requires that the City relinquish its right to force a reversion of the housing and property if either is transferred; and

**WHEREAS**, staff, therefore, proposes to execute a release deed and amendment to the Agreement, the terms of which shall be approved by the City Attorney’s Office, to effectuate a release of the City’s right to force a reversion of the housing and property if either is transferred or if the Authority experiences a change of control in its corporate structure or the ownership or distribution of its stock; and

**WHEREAS**, staff proposes to add a restrictive covenant to the release deed and amendment to the Agreement to run with the land and to ensure that the housing will remain affordable housing, as defined by HUD, in all subsequent transferees’ hands; and

**WHEREAS**, the Deed also contains certain covenants and restrictions regarding fencing, confines, paling, palisades, pickets, weirs, rail balustrades, walls, garden walls, parapets, espaliers, trellises, gates, ditches, and water channels, which covenants and restrictions run with the land, but which no longer appear to serve a purpose and which hinder the Authority’s current effort to erect a fence to separate the housing from an adjacent public park; and

**WHEREAS**, the Authority would like to erect an ornamental fence, which mimics the look of wrought iron, between the housing and the park, in order to improve security at the housing units and to respond to residents' complaints pertaining, thereto; and

**WHEREAS**, staff, therefore, recommends including language in the release deed and amendment to the Agreement to eliminate the Deed restrictions and covenants pertaining to the fencing, pickets, garden walls, gates, ditches, water channels, etc.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Winston-Salem, upon the recommendation of the Finance Committee, authorizes the City Manager or his appropriate designee(s) to execute a release deed and amendment to the Agreement, as outlined above, said documents to be approved by the City Attorney's Office.