## **City Council – Action Request Form**

Date: November 7, 2022

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

From: Patrice Toney, Assistant City Manager Marla Y. Newman, Community Development Director

## **Council Action Requested**:

Resolution authorizing subordination of the City of Winston-Salem's existing permanent financing for Drayton Pines to new financing

Strategic Focus Area: Livable Neighborhoods Strategic Objective: No Strategic Plan Action Item: No Key Work Item: No



## **Summary of Information**:

In February 2017, the City Council authorized \$500,000 in Community Development Block Grant (CDBG) funds to the Housing Authority of the City of Winston-Salem (HAWS) to substantially rehabilitate Drayton Pines, located on Bohannon Park Circle. The City's loan is subordinate to a first loan from Wells Fargo Bank and a second loan from Branch Banking and Trust Company (BB&T, now Truist). Rehabilitation was completed in 2019, and Drayton Pines continues to have high occupancy.

HAWS is now seeking to refinance the Wells Fargo loan, which will mature later this year, with a similarly structured conventional loan from Piedmont Federal Savings Bank. HAWS is requesting that the City of Winston-Salem subordinate its loan to the new Piedmont Federal loan and the existing Truist loan and remain in third-lien position. An appropriate resolution is attached.

Committee Action:			
Committee	Finance 11/7/2022	Action	Approval
For	Unanimous	Against	
<b>Remarks:</b>			