



September 30, 2022

Lee Garrity, City Manager
City of Winston-Salem, City Hall - 101 N. Main Street
Winston-Salem, NC 27101

Subj: Drayton Pines

Dear Mr. Garrity:

I hope this finds you well. As you might recall, the City of Winston-Salem was instrumental in supporting the renovation of our Drayton Pines affordable housing community in 2017. Among other things, the City provided soft financing in the amount of five-hundred thousand dollars (\$500,000.00). We are happy to report that Drayton Pines continues to be one of our most in-demand communities, serving formerly homeless families, veterans, and other low to moderate income households. By any measure, the Drayton Pines renovation was a resounding success, preserving this valuable affordable housing community for decades to come.

In addition to City financing, the Drayton Pines renovation was funded with an Affordable Housing Program grant and two conventional loans – one from BB&T (now Truist) and one from Wells Fargo. The City is currently in third lien position (behind Wells Fargo [first position] and Truist).

I write today because the Wells Fargo loan is set to mature later this year. We are currently seeking to refinance the Wells Fargo loan with a similarly structured conventional loan from Piedmont Federal. With Council's consent, at closing, Piedmont Federal will move into first lien position while Truist and the City will retain their current positions (second and third, respectively). In other words, the status quo is maintained with the exception of Piedmont Federal taking the place of Wells Fargo in first position. There is no change to the City's lien position or security.

I am, of course, more than happy to discuss the Drayton Pines community and the proposed refinancing. I will also be prepared to present the foregoing request to City Council at your request.

Thank you as always for your support of our agency.

Sincerely,

Kevin Cheshire, Executive Director

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