

Community Preservation and Development Corporation

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May 14, 2019

Federal Reserve Bank of Richmond
 P.O. Box 27622
 Richmond, VA 23261

Federal Deposit Insurance Corporation
 Atlanta Regional Office
 10 10th Street, NW, Suite 800
 Atlanta, GA 30309-3849

F.D.I.C. - FDIC/DCP
 Atlanta Regional Office

2019 MAY 24 AM 9:45

Received

Re: Support for BB&T Corporation and SunTrust Banks, Inc.

Dear Sirs and Madams,

I am writing today on behalf of Community Preservation and Development Corporation (CPDC), an affiliate of Enterprise Community Investment, to express our appreciation for the collaborative relationships we have built with BB&T Corporation and SunTrust Banks Inc. and for their ongoing support in our shared efforts to achieve greater housing affordability for lower-income residents.

CPDC is a 30-year-old not for profit developer owner and operator of affordable housing in the mid-Atlantic region. We combine our real estate skills with extensive and award-winning resident services to our nearly 10,000 residents. We are headquartered in Silver Spring, MD with offices also in Richmond, VA. Seeing the need for economies of scale in our industry, CPDC became an affiliate of Enterprise in 2018.

Enterprise is a national nonprofit organization committed to making well-designed homes affordable so that communities can thrive. Headquartered in Columbia, MD, we have eleven regional offices and in the past several years have worked in more than 425 communities nationwide.

For more than 35 years, Enterprise has been committed to helping communities break down silos and build organizational capacity in both the public and private sectors so that funding for affordable housing is deployed more effectively. We have invested more than \$43 billion in capital to help create or preserve 585,000 homes in all 50 states plus the District of Columbia and Puerto Rico.



*Investing in the future of communities
 to grow and thrive*

Our success is achieved in large part through effective partnerships - with national, regional, and local housing organizations throughout the US as well as with philanthropic partners like SunTrust and BB&T, with whom we have been able to further our efforts to increase housing affordability and improve community access to opportunity.

CPDC has a long history of working with SunTrust Bank, beginning in 2001 with the financing and development of Edgewood III, a 127-unit age-restricted, affordable housing redevelopment of a failed public housing project. This complex, challenging senior development on our 792-unit Edgewood campus could not have occurred without the support of SunTrust Bank. From the beginning SunTrust understood our mission-driven work and our vision for redeveloping the failed Edgewood campus. SunTrust provided \$5.8 million Low-Income Housing Tax Credit (LIHTC) equity investment and a \$317,500 cash flow dependent loan under the Federal Home Loan Bank's Affordable Housing Program, both critical pieces to the ultimate success of this project which continues today to provide quality affordable housing for our most vulnerable senior citizens.

More recently, SunTrust has provided financing for several CPDC affordable housing projects. In the Brightwood neighborhood of Washington, DC, CPDC acquired a 65-year-old affordable apartment building. This 59-unit building was fully-occupied but badly in need of repair and modernization, with a barely functioning heating system, leaky plumbing and myriad code violations. A substantial rehabilitation was needed that would cost \$140,000 per unit, making the financing very challenging. SunTrust provided debt, both construction (\$7.8 million) and permanent (\$4.8 million) loans, and equity, a \$9.6 million LIHTC equity investment. It is important to note that CPDC received its financing commitments prior to the disintegration of the LIHTC equity markets that occurred in response to the anticipated reduction in corporate tax rates. While many LIHTC investors walked away from their existing commitments during this turmoil, SunTrust stayed with us and the project as we worked through restructuring the debt and equity to adjust to the new market realities. SunTrust's flexibility and continuing support was an important element in holding the deal together. The project was recently completed. All of the existing residents returned to their homes, albeit their brand new, beautiful homes. The building is 100% occupied. The two-story space that once contained the barely functioning boiler, is now a stunning two-story community room for use by the residents and by the programs that we provide them. All of this wonderful work would not have happened without the support of SunTrust Bank.

In Richmond, SunTrust has provided financing for two new construction projects that CPDC has underway in the Historic Jackson Ward community. The Van de Vyver Apartments is an 82 unit mixed-income, mixed-use community. The building will contain 36 apartments with rents affordable to households earning less than 60% of the area median income. The remaining 46 apartments will be leased at market rates. The building will also contain 6,000 square feet of retail space. The mixed-income and mixed-use elements of this project made underwriting difficult. SunTrust listened to our vision, analyzed the market data we presented and negotiated its underwriting terms. The flexibility of the SunTrust approach ultimately led to a \$3 million LIHTC equity investment. The project is now more than 50% complete.

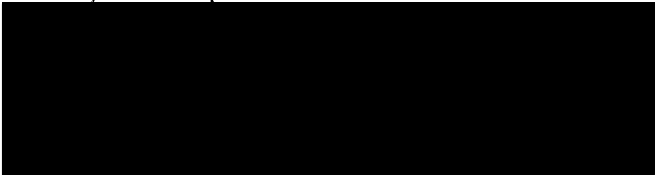
Across the block, CPDC is developing a 72-unit affordable senior apartment building under HUD's Rental Assistance Demonstration (RAD) program. Residents of a decrepit public housing building across the highway will be relocating to this new building at the end of this year. The low rents available under the RAD program made the financing of this project very tight. The project has a half dozen layers of financing. SunTrust is providing a \$7 million LIHTC equity investment and a \$500,000 loan under the Federal Home Loan Bank's Affordable Housing Program. SunTrust demonstrated flexibility and commitment not only in its underwriting, but also in negotiating with the other lenders and funders at the table.

CPDC is currently arranging the financing for our latest project, a 240-unit senior building in Reston, Virginia. The size of this project creates a large LIHTC equity investment of \$19.8 million and a very large construction loan of \$50 million. Only a few banks could handle an affordable project of this size. SunTrust was on the short list soliciting requests for proposals because they have shown in the past to be a reliable, creative financing partner that understands our mission and supports our communities and that has the expertise and capacity to finance a range of projects regardless of size or complexity.

We look forward to BB&T's and SunTrust's ongoing contributions of resources, expertise, and partnership to the communities we jointly serve, through housing affordability and other important nonprofit and philanthropic efforts.

Thank you for the opportunity to share our views, and for your consideration.

Sincerely,



J. Michael Pitchford
President and CEO

Cc: Muriel Garr, Senior Vice President, SunTrust
Craig Pascal, Senior Vice President, BB&T