

MINUTES OF A SPECIAL MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
APRIL 25, 2024

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street on Thursday, April 25, 2024, at 5:00 p.m. The meeting was held in-person and via Zoom.

The Board Vice Chair called the meeting to order and upon roll call the following were present and absent:

Present: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Joe Whitehouse, Yolanda Winstead.

Absent: Bahati Mutisya, Gregg Warren.

Visitors: Jacqueline Williams, ICC President; Hwa Huang, Wake County Housing Justice Coalition; Iesha Cobb, Heritage Park resident; Jacob Gill, Wallach Asset Management; Charlie Heritage, South Creek Development.

RHA Staff: Ashley Lommers-Johnson, Jennifer Morgan, Donna Perez, Gwen Wall.

The Board Chair declared a quorum present and welcomed everyone to the meeting.

MOMENT OF SILENCE

Commissioner Morris asked for a moment of silence on behalf of Liz Edgerton and her family on the passing of her husband.

RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

PUBLIC COMMENTS

Hwa Huang

There are two things I want to bring up. One is the reminder that the Wake County Housing Justice Coalition has been calling for the recording of the Raleigh Housing Authority Board Meetings to be made public since 2021, and that hasn't happened yet. We don't understand why. Every other city board and commissions meeting gets recorded and uploaded on the City of Raleigh YouTube – so why not Raleigh Housing Authority? Point number two is to our knowledge, the Raleigh Housing Authority is planning to have a resident meeting on Monday, April 29th, at 4pm. And the goal, according to the flyer, is to meet with a real estate development team on the HUD application. Also getting to know the Raleigh Police Department downtown district. This meeting is somewhat misleading because I don't think there was an open public

meeting for the community to decide if they wanted a security company to surveillance their community. So once again, Raleigh Housing Authority is using their authority to make decisions for the community instead of asking what a community wants. Our residents are being misled into thinking that the security is a collected choice. Furthermore, why is the meeting on policing and criminality being held during a restructuring meeting? That is a question that we would like to have answered.

Commissioner Morris said staff will look into those comments and follow up with you.

COMMISSIONER COMMENTS

There were no commissioner comments this evening.

NEW BUSINESS

(Resolution No. 31 (2024) was pulled from the agenda.)

Jennifer Morgan said this resolution is the inducement resolution for up to \$15 million in multifamily housing revenue bonds for Hoke Street Apartments. Per state statute, RHA is the issuer for these bonds. They are non-recourse bonds so if the developer were to default on these bonds RHA is not financially responsible.

The developer is Wallach Asset Management along with Passage Homes. The project details include:

- 120 units for seniors aged 55 and older.
- Located at 506 Hoke Street in Raleigh.
- The property includes 120 1-bedroom units located in one 4-storey elevator building.
- The target market will include 6 units at 20% AMI, 27 units at 30% AMI, 63 units at 60% AMI, and 24 units at 80% AMI.
- The property is required to accept housing choice vouchers due to a requirement of the 4% tax credits.
- The property will be managed by Partnership Property management.
- The net rents will range from \$360 to \$1,396, depending on the AMI percentage.

The total project is approximately \$27 million including funding from bonds, permanent financing, 4% tax credits, \$3.1 million from Wake County, and \$3.1 million from the city, along with deferred developer fee. The project is exempt from the City of Raleigh Affordable Housing Location Policy as it serves the elderly.

The amenities will include a community room, exercise room, computer room, laundry facility, tenant storage areas, secured building entry, and patio.

The developer is willing to include a preference in their Tenant Selection Plan for RHA residents displaced due to redevelopment.

This has been reviewed by RHA’s legal counsel with no exceptions.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 32 (2024)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS (HOKE STREET APARTMENTS)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) held a regular meeting at 5:00 p.m. on the 25th day of April, 2024; and

WHEREAS, the Authority is organized and operates pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”); and

WHEREAS, the Act defines “housing project” in N.C.G.S. § 157-3(12) to include “property, buildings and improvements . . . acquired or constructed . . . pursuant to a . . . plan or undertaking . . . [t]o provide grants, loans, interest supplements and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income”; and

WHEREAS, the Act in N.C.G.S. § 157-9 gives the Authority the power “to provide for the construction, reconstruction, improvement, alteration or repair of any housing project” and “to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, Wallick Asset Management LLC, an Ohio limited liability company, or an affiliated or related entity (the “Company”), intends to provide low and moderate income housing in the City of Raleigh, North Carolina (the “City”); and

WHEREAS, the Company has requested that the Authority assist it or an affiliate in financing the acquisition, construction and equipping of a 120-unit multifamily housing development to be known as Hoke Street Apartments and located at approximately 506 Hoke Street in the City (the “Development”); and

WHEREAS, the Company has described to the Authority the benefits of the Development to the City and the State of North Carolina and has requested the Authority to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, constructing and equipping the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

1. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Company in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority's multifamily housing revenue bonds (the "Bonds") in an amount now estimated not to exceed Fifteen Million Dollars (\$15,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as "official action" toward the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations issued by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the "Code").

3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the Authority and the Company. The Authority and the Company shall enter into a "financing agreement" pursuant to the Act for a term and with payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the Authority in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the Authority and a trustee (the "Trustee") or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the Authority's rights to payments under the financing agreement, except the Authority's right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Authority and the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.

4. The Authority hereby authorizes the Company to proceed, upon the prior advice, consent and approval of the Company and bond counsel, and consistent with the Company's representations to the Authority, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Raleigh, North Carolina, and, if required, the North Carolina Local Government Commission, and to obtain an allocation of a sufficient amount of the State of North Carolina's "private activity bond limit", as required by Section 141 of the Code and as defined in Section 146 of the Code, for the Bonds.

5. It having been represented to the Authority that it is desirable to proceed with the acquisition, construction and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, construction and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the Authority's adoption of this resolution. The Authority agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred by it as permitted by Treasury Regulations Section 1.150-2.

6. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Company to terms for the issuance, sale and delivery of the Bonds, and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. The Authority has not authorized and does not authorize the expenditure of any funds or monies of the Authority from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Development, including the reasonable fees and expenses of the Authority's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the Authority shall have no responsibility therefor. It is understood and agreed by the Authority and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the Authority.

7. The officers of the Authority are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.

8. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

9. The Authority hereby approves The Francis Law Firm, PLLC, Raleigh, North Carolina to act as issuer's counsel for the Bonds.

10. This resolution shall take effect immediately.

(Commissioner Ellinger recused herself from voting since she represents the City of Raleigh on this deal.)

Commissioner Whitehouse moved and Commissioner Fonville-Swint seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 32 (2024) has been adopted.

Jennifer Morgan said this resolution is the inducement resolution for up to \$25 million in multifamily housing revenue bonds for Maple Ridge. Per state statute, RHA is the issuer for these bonds. They are non-recourse bonds so if the developer were to default on these bonds, RHA is not financially responsible.

The developer is South Creek Development. Project details include:

- 146 units for families.
- Located at 500 Rawls Drive in Raleigh.

- The site is currently zoned R-10. They are in the process of obtaining rezoning and expect it to be approved this summer.
- The property includes 16 1-bedroom units, 82 2-bedroom units, and 48 3-bedroom units across three 4-storey buildings.
- The target market will be 15 units at 30% AMI, 25 units at 50% AMI, 39 units at 60% AMI, and 67 units at 70% AMI.
- The property is required to accept housing choice vouchers due to a requirement of the 4% tax credits.
- The property will be managed by Partnership Property Management.
- The net rents will range from \$522 to \$1,877, depending on the bedroom size and the AMI percentage it's serving.

The total project is approximately \$45 million including funding from bonds, permanent financing, 4% tax credits, \$3 million from Wake County, \$3.1 million from the City of Raleigh, and the deferred developer fee. The project is exempt from the City of Raleigh Affordable Housing Location Policy as it provides affordable housing near transit services that operate in 15-minute frequencies.

Amenities include a community room, computer center, picnic shelter, playground, and exercise room.

The developer is willing to include a preference in their Tenant Selection Plan for RHA residents displaced due to redevelopment.

This has been reviewed by RHA's legal counsel with no exceptions.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 33 (2024)**

**RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS (MAPLE RIDGE)**

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the "Authority") held a regular meeting at 5:00 p.m. on the 25th day of April, 2024; and

WHEREAS, the Authority is organized and operates pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the "Act"); and

WHEREAS, the Act defines "housing project" in N.C.G.S. § 157-3(12) to include "property, buildings and improvements . . . acquired or constructed . . . pursuant to a . . . plan or undertaking . . . [t]o provide grants, loans, interest supplements and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income"; and

WHEREAS, the Act in N.C.G.S. § 157-9 gives the Authority the power “to provide for the construction, reconstruction, improvement, alteration or repair of any housing project” and “to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, South Creek Development, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Company”), intends to provide low and moderate income housing in the City of Raleigh, North Carolina (the “City”); and

WHEREAS, the Company has requested that the Authority assist it or an affiliate in financing the acquisition, construction and equipping of a 146-unit multifamily housing development to be known as Maple Ridge and located at approximately 500 Rawls Drive in the City (the “Development”); and

WHEREAS, the Company has described to the Authority the benefits of the Development to the City and the State of North Carolina and has requested the Authority to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, constructing and equipping the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

11. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Company in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority’s multifamily housing revenue bonds (the “Bonds”) in an amount now estimated not to exceed Twenty-Five Million Dollars (\$25,000,000) to provide all or part of the cost of the Development.

12. The Authority intends that the adoption of this resolution be considered as “official action” toward the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations issued by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the “Code”).

13. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the Authority and the Company. The Authority and the Company shall enter into a “financing agreement” pursuant to the Act for a term and with payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the Authority in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the Authority and a trustee (the “Trustee”) or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder,

the Authority's rights to payments under the financing agreement, except the Authority's right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Authority and the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.

14. The Authority hereby authorizes the Company to proceed, upon the prior advice, consent and approval of the Company and bond counsel, and consistent with the Company's representations to the Authority, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Raleigh, North Carolina, and, if required, the North Carolina Local Government Commission, and to obtain an allocation of a sufficient amount of the State of North Carolina's "private activity bond limit", as required by Section 141 of the Code and as defined in Section 146 of the Code, for the Bonds.

15. It having been represented to the Authority that it is desirable to proceed with the acquisition, construction and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, construction and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the Authority's adoption of this resolution. The Authority agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred by it as permitted by Treasury Regulations Section 1.150-2.

16. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Company to terms for the issuance, sale and delivery of the Bonds, and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. The Authority has not authorized and does not authorize the expenditure of any funds or monies of the Authority from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Development, including the reasonable fees and expenses of the Authority's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the Authority shall have no responsibility therefor. It is understood and agreed by the Authority and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the Authority.

17. The officers of the Authority are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.

18. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

19. The Authority hereby approves The Francis Law Firm, PLLC, Raleigh, North Carolina to act as issuer's counsel for the Bonds.

20. This resolution shall take effect immediately.

(Commissioner Ellinger recused herself from voting since she represents the City of Raleigh on this deal.)

Commissioner Winstead moved and Commissioner Fonville-Swint seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 33 (2024) has been adopted.

Donna Perez said this resolution discusses the annual funding for the Capital Fund Program.

Allocations are used for capital improvements to the public housing inventory. RHA was awarded Capital Fund Program grant funds in May 2022 with funding allocations totaling \$4,302,119. Subsequent to the inception of the grant eligibility, the funding allocations increased by \$14,684. The final funding allocation totaled \$4,316,804.

Revisions to the grant are being proposed to adjust for additional funding that was received beyond previously budgeted amounts. Those additional funding adjustments are in lines 1410 and 1460. In accordance with HUD regulations, revisions to the annual statement must be accompanied by a performance and evaluation report. Staff is recommending that the attached performance evaluation report for the Capital Fund Program Grant be approved.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 34 (2024)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) receives annual funding for the Capital Fund Program from the Department of Housing and Urban Development (“HUD”); and

WHEREAS, the Capital Fund Program allocations are used for capital improvements to the public housing inventory; and

WHEREAS, RHA was awarded Capital Fund Program Grant NC19P00250122 in May 2022 with funding allocations totaling \$4,302,119.00; and

WHEREAS, subsequent to the inception of grant eligibility, the funding allocations increased by \$14,685.00, with final funding allocations totaling \$4,316,804.00; and

WHEREAS, revisions to the grant are being proposed to adjust for additional funding that was received beyond previously budgeted amounts; and

WHEREAS, in accordance with HUD regulations, revisions to the annual statement from the 5 Year Plan Statement must be accompanied by a performance and evaluation report to HUD for approval; and

WHEREAS, staff is recommending that the attached performance and evaluation report for Capital Fund Program Grant NC19P00250122 be approved, which by reference is made part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the revised final performance and evaluation report for Capital Fund Program grant NC19P00250122 in the amount of \$4,316,804.00 is approved for submittal to the Department of Housing and Urban Development.

Commissioner Braun moved and Commissioner Fonville-Swint seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 34 (2024) has been adopted.

ADJOURNMENT to EXECUTIVE SESSION

There being no further business to come before the Board, the RHA Board Meeting adjourned at 5:15 pm to go into Executive Session for a personnel matter.