

MINUTES OF A TELEPHONIC MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
MAY 7, 2020

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met in a telephonic meeting on Thursday, May 7, 2020 at 11:00 a.m.

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

Present: Eric Braun, Kyle Dilday, Kistina Freeman, Arne Morris, Gregg Warren, Yolanda Winstead

Absent: Don Carothers, Bahati Mutisya, Doris Wrench

Visitors: None

RHA Staff: Suzy Bryan, Liz Edgerton, Wayne Felton, Laura McCann, Jennifer Morgan, Gwen Wall.

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

Overview

These resolutions today are for inducement resolutions for the issuance of multi- family housing revenue bonds. Per state statute, RHA is the “gate keeper” for these bonds. These are non-recourse bonds so if the developer were to default on these bonds, the Housing Authority is not financially responsible.

Staff receives applications from developers who want to do a tax credit deal and need bonds to complete their financial package. Most of the deals RHA sees have tax credits, bonds, money from municipalities and deferred developer fees. All of these are for affordable housing and typically serve tenants making 60% AMI or less. Staff does a broad overview of the applications and looks at the financials and the overall submittal to make sure it seems viable and meets City requirements such as Affordable Housing location plan. Staff then brings the inducement resolution to the Board for approval.

Once approved, the developers apply for the tax credits with the North Carolina Housing Finance Agency (“NCHFA”). Then the development gets reviewed again, in much more detail. Once the developer is ready, they close on deal and begin construction. At closing, RHA receives 1% or \$91,000, whichever is greater, as issuance fee for issuing the bonds. Any money RHA receives goes into the Local Fund – funds not subject to recapture. Occasionally these deals do not close and no bonds are issued. With these resolutions today, they represent 592 new affordable housing units which would be available to the low income families that RHA serves.

Over the last few years, through these bond deals, RHA has been able to preserve 131 senior affordable units at Sir Walter Apartments; over 400 family units at Raleigh Millbank North, and over 200 units at Capitol Towers, a senior high-rise building. There are also 100 new affordable units being built at Beacon Ridge.

NEW BUSINESS

Mr. Felton said in May 2017 the Board passed an inducement resolution for Walnut Trace in the amount of \$16.5 million. Since that approval, the developer, Taft – Mills Group, has been working through deed restrictions and rezoning of the property.

Given the delay of the project, the construction costs increased. Because of the unforeseen delays and additional costs, they are requesting to revise the amount of the bonds to \$23 million. They are moving forward with this deal and are on schedule to close in early July.

Highlights of the development include:

- Walnut Trace will be situated on 14.2 acres behind the Southgate Plaza shopping center at the corner of Rock Quarry Road and Cross Link Road.
- They are proposing to build 180 units with 6 1-bedrooms, 108 2-bedrooms and 66 3-bedrooms. The unit rents range from \$478- \$1,043. All rents will be equal to or less than 60% of Wake County's AMI. They will remain affordable for 40 years.
- The development will have an onsite management office, a computer center, community room, exercise facility, laundry room, playground, dog park and indoor/outdoor seating.
- They are on schedule to close in early July and start construction soon thereafter. Construction completion is scheduled for January 2022.

A public hearing was held for this development on Tuesday and received no comments from the public. The total development and acquisition will be approximately \$29,000,000. They have funding sources of \$23 million in bonds, \$2.2 million commitment from the City, deferring a portion of their developer's fee. Staff feels this is good for the City in creating more affordable housing units in an area that needs them. The site is near employment and commercial centers. They will be accepting Section 8 vouchers, which RHA administers.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 24 (2020)

RESOLUTION AMENDING PRELIMINARY APPROVAL OF ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS

WHEREAS, on May 4, 2017, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the "Authority") adopted a resolution (the "Preliminary Resolution") giving preliminary approval to the issuance of the Authority's multifamily housing revenue bonds in one or more series in an aggregate amount not to exceed \$16,500,000 (the "Bonds"), the proceeds of which would be loaned to Taft-Mills Group, LLC, a North Carolina limited liability company, or an affiliated or related entity, to finance the acquisition, construction and equipping of a 180-unit affordable housing development to be known as Walnut Trace Apartments and located in the City of Raleigh, North Carolina (the "Development"); and

WHEREAS, the Authority and Walnut Trace, LLC, a North Carolina limited liability company and an affiliated or related entity of the Taft-Mills Group, LLC (the "Borrower"), received an allocation of volume cap under Section 146 of the Internal Revenue Code of 1986, as amended (the "Code") for the Bonds in the amount of \$16,500,000 from the North Carolina Federal Tax Reform Allocation Committee ("TRAC"), based on the recommendation of the North Carolina Housing Finance Agency ("NCHFA"), as evidenced by a letter dated April 13, 2020; and

WHEREAS, the Borrower has determined that the amount of tax-exempt debt to be provided to finance the cost of the Development is more than originally anticipated, and has requested the Authority to amend the Preliminary Resolution to increase the amount of the Bonds to an amount not to exceed \$23,000,000; and

WHEREAS, the Borrower will request the NCHFA and TRAC to increase the amount of volume cap for the Development from \$16,500,000 to up to \$23,000,000;

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

1. The Authority hereby confirms the determination it made in the Preliminary Resolution 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 assist the Borrower in every reasonable way to issue 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-three million dollars (\$23,000,000) to provide a portion of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as an expression of official intent toward the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2 promulgated by the Internal Revenue Service pursuant to the Code.

3. All other terms of the Preliminary Resolution remain in full force and effect.

4. This resolution shall take effect immediately.

Commissioner Dilday moved and Commissioner Winstead seconded approval of the foregoing resolution.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Kyle Dilday, Arne Morris, Gregg Warren, Yolanda Winstead, Kistina Freeman,

Nay: None

Resolution No. 24 (2020) has been adopted.

Mr. Felton said this resolution is the inducement resolution for up to \$19,000,000 in multi-family housing revenue bonds. Highlights of this development include:

- The project consists of 164 senior units.
- The building is 3-story building with an elevator.
- Unit makeup is 130 one bedroom units and 34 2-bedroom units.
- The development is off Spring Forest Road in north Raleigh near the 401/540 interchange.
- The units will be energy efficient, built to Energy Star 2.0 standards.
- The project is exempt from the City’s Affordable Housing location Policy because the project will be serving low income seniors.
- DHIC is on schedule to close and start construction in August 2021 and complete construction in November 2022.

- The target market will be households from 40-70% AMI or less. Average target market income is less than 60% AMI. 60 units will be targeting both 50 and 40% AMI. DHIC will be partnering with Alliance Behavioral Health to refer clients to 5% of the units, 10% will be set aside for referrals from Department of Health and Human Services and 10% of the units will be for Wake County's Rental Assistance Housing Program voucher recipients. They will accept Section 8 vouchers which RHA administers.
- The development will be affordable for 30 years.
- Rents will range from \$595- \$1,235 depending on bedroom size and targeted income.
- Total project is around \$30 million. The City of Raleigh is loaning \$4.4 million in the development and Wake County is loaning \$2.9 million.

Gregg Warren recently retired from DHIC. However, he still has a contractual agreement with DHIC to help with the transition so he recused himself from voting on this resolution.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 25 (2020)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (PRIMAVERA)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the "Authority") held a telephonic meeting at 11:00 a.m. on the 7th day of May, 2020; 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 and 157-37 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, DHIC, Inc., a North Carolina nonprofit corporation, 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 multifamily housing development to be known as Primavera Apartments, consisting of 164 units located at 5001 Spring Forest Road 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 Nineteen Million Dollars (\$19,000,000) 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 Dilday moved and Commissioner Morris seconded approval of the foregoing resolution.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Kyle Dilday, Arne Morris, Yolanda Winstead, Kistina Freeman,

Nay: None

Resolution No. 25 (2020) has been adopted.

Mr. Felton said this resolution is the inducement resolution for up to \$23,500,000 in multi-family housing revenue bonds. The developer is South Creek Development.

Highlights of the development include:

- The project consists of 192 family units.
- There will be six residential buildings on site, 3-stories tall.
- Unit makeup is 12 1-bedroom units, 108 2-bedroom units and 72 3 bedroom units.
- The development is off of Sunnybrook Road and Rock Quarry Road in Southeast Raleigh.
- Amenities will include a clubhouse, outdoor sitting areas, gazebo, playground and covered picnic shelter. There will be a community room with house kitchen facilities and a multipurpose room and a computer center for children to complete their homework.
- The project is not exempt from the City's Affordable Housing location Policy so the developer is requesting a waiver from the City. This waiver request will be going to the City council and should be approved as the city has already approved a rezoning and is familiar with the project.
- South Creek Development would close 11/1/20 and begin construction with completion 11/1/21.

- The target market will be households at 60% or less AMI. 31 units will be targeting 50% AMI; 130 will be targeting 60% AMI and 31 units will be targeting 70% AMI. 105 of the units will be targeted for people with disabilities. Average target market income is 60% AMI. They will accept Section 8 vouchers which we administer at RHA.
- Rents will range from \$753- \$1,250 depending on bedroom size and targeted income.
- The total project is approximately \$34 million. They are receiving a loan from Wake County of \$1.75 million and deferring almost \$400k in developer fees.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 26 (2020)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (ROCK QUARRY LANDING)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) held a telephonic meeting at 11:00 a.m. on the 7th day of May, 2020; 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 and 157-37 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 multifamily housing development to be known as Rock Quarry Landing, consisting of 192 units located at 3501 Rock Quarry Road 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-Three Million Five Hundred Thousand Dollars (\$23,500,000) 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 Warren moved and Commissioner Dilday seconded approval of the foregoing resolution.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Kyle Dilday, Arne Morris, Gregg Warren, Yolanda Winstead, Kistina Freeman,

Nay: None

Resolution No. 26 (2020) has been adopted.

Mr. Felton said this resolution is the inducement resolution for up to \$6,000,000 in multi-family housing revenue bonds. The developer is Evergreen Construction Co.

Highlights of the development include:

- The project consists of 56 senior units. It will be a 3-story L-shaped building with an elevator.
- Unit makeup is 28 1-bedroom units and 28 2-bedroom units.
- The development is Buck Jones Road in Raleigh.
- Amenities will include a multi-purpose room with full kitchen, a computer/library center, an exercise room, TV room, tenant storage areas, and laundry facilities.
- The project is exempt from the City's Affordable Housing Location Policy because the project will be serving low income seniors.
- Evergreen is on schedule to close and start construction in August 2021 and complete construction in November 2022.
- The target market will be households at 60% or less AMI. 8 units will be targeting 50% AMI; 48 units will be targeting 60% AMI. They will accept Section 8 vouchers which RHA administers.
- Rents will range from \$700- \$950 depending on bedroom size and targeted income.
- Total project is around \$10 million. The City of Raleigh is loaning \$1.7 million to the development and Wake County is loaning \$1.44 million.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 27 (2020)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (HAMPTON SPRING)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) held a telephonic meeting at 11:00 a.m. on the 7th day of May, 2020; 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 and 157-37 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, Evergreen Construction Co., a North Carolina corporation, 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 multifamily housing development for seniors to be known as Hampton Spring Apartments, consisting of 56 units located at 216 Buck Jones Road 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:

21. 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 Six Million Dollars (\$6,000,000) to provide all or part of the cost of the Development.

22. 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”).

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

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

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

30. This resolution shall take effect immediately.

Commissioner Warren moved and Commissioner Winstead seconded approval of the foregoing resolution.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Kyle Dilday, Arne Morris, Gregg Warren, Yolanda Winstead, Kistina Freeman,

Nay: None

Resolution No. 27 (2020) has been adopted.

REPORT OF THE BOARD CHAIR

Mr. Felton thanked everyone for being flexible and understanding as RHA is practicing social distancing during this crisis

Update on COVID-19

- Essential staff will be doing essential duties. Letters have been issued to staff so if they get stopped or questioned, they have a letter explaining why they are essential. Staff will be paid time and ½ when they are performing essential duties. Directors and Assistant Directors would not be paid but will possibly be given comp time.
- Staff is processing HAP payments, Change of status forms and paying RHA's vendors.
- Staff is not doing any inspections of units except for new move-ins. If the unit is occupied, staff will do the inspection utilizing video.
- Staff will meet with residents to lease a unit.
- No units are being entered except for urgent and emergency work orders.
- Before staff enters a unit, they are asking tenants "4 questions" to ensure they aren't entering a unit with potential coronavirus exposure. After-hours operators and Work Order Clerk are also asking these questions.
- If any of the employees are missing work due to the coronavirus, RHA is looking to make up any loss in income not covered by other government programs. Employees are being encouraged to work from home if they are able to minimize any impact to the agency. Staff will reassess this each week as the situation changes.
- Staff has asked the seniors to reduce visitors to only necessary visits and practice social distancing. All community areas have been locked down and chairs have been removed, where applicable.
- Staff has increased our cleaning frequency of the common areas.

- A few residents have tested positive but they were quarantined and staff does not know of any active cases at the properties at this time.

Commissioner Dilday asked how staff keeps the residents quarantined. Mr. Felton said there is really no way for staff to force a quarantine – it is up to the individual. So far, those individuals are adhering to the quarantine.

- Staff is following guidance from HUD on rent payment and evictions. The online rent payment has been opened to all residents.
- Staff has accepted the waivers that HUD put out a few weeks ago. These are posted on RHA's website. A few of them are: verification of income for annual reexams, initial inspections of Section 8 units and extension of vouchers.
- 30 infra-red thermometers have been ordered. Four have been received so far and an addition 20 should be here by early next week. The staff's temperatures are being taken when they enter the building and each employee must sign the risk management form for COVID-19 daily. The same is being done for the contractors in the senior buildings. Staff will be checking residents before entering a unit.
- More laptops have been purchased as staff continues working from home with staggered hours.

RAD conversion

Staff has contracted with Dominion Due Diligence. RHA is currently on hold with the CNA. Staff will talk with them tomorrow to see what they can be doing while we are shutdown as there will be a backlog once this is over.

Commissioner Warren asked if RHA is being affected by tenant's loss in income. Mr. Felton said with Public Housing, rents are based on 30% of their income. If a tenant loses their job, they fill out a change of status form. If they have zero income, they would have zero rent due (and the rent would all come from subsidy). Staff has been processing those change of status forms so that residents are kept current and don't get in a bind.

Commissioner Warren asked about the status of CAD properties. Mr. Felton said that there hasn't been a change from March to April. Staff is still sending out late rent notices, even though the courts are closed. Many of the residents are getting unemployment and government subsidy and they should be using some of that money for rent.

Mr. Felton said Section 8 is similar to Public Housing in that the rent is based on income. Staff is trying to keep the change of status forms current so that the residents don't get behind. If the tenants are paying less rent, RHA is using more subsidy. Staff is keeping an eye on the subsidy amount to make sure RHA doesn't run out of money.

ADJOURNMENT

There being no further regular business to come before the Board, the Chair declared the regular meeting adjourned at 11:40 a.m.