

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
SEPTEMBER 23, 2021

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met in a Zoom meeting on Thursday, September 23, 2021 at 5:00 p.m.

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

Present: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Absent: Susan Ellinger, Bahati Mutisya, Doris Wrench

Visitors: Public: Paula Capolla; Connie Connors, Solstice Partners; Charles Francis, Francis Law Firm; Kristen Kirby, McGuireWoods LLP; Noah Wagner, Blake Hastings, Oppidan; Kimberly Moore, Congresswoman Ross's office

RHA Staff: Sonia Anderson, Priscilla Batts, Liz Edgerton, Bob Horn, Wayne Felton, Laura McCann, Jennifer Morgan, Donna Perez, Gwen Wall.

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

RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

ANNUAL MEETING

Commissioner Morris turned the meeting over to Mr. Felton to begin the annual meeting to elect the Chair and Vice Chair.

Mr. Felton, as secretary of the Board of Commissioners of the Housing Authority of the City of Raleigh, declared the annual meeting in session. He declared the offices of Chair and Vice Chair vacant and opened the floor for nominations for the office of Chair. Commissioner Warren moved and Commissioner Whitehouse seconded the nomination of Mr. Arne Morris for office of Chair. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Mr. Felton opened the floor for nominations for the office of Vice Chair. Commissioner Whitehouse moved and Commissioner Morris seconded the nomination of Mr. Eric Braun for office of Vice Chair. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

The annual meeting was closed. Mr. Felton congratulated Mr. Morris and Mr. Braun on their appointments.

CONSENT AGENDA

All items on the Consent Agenda are considered to be routine and may be enacted by one motion and second. If a Commissioner requests that an item be removed from the Consent Agenda it will be done and considered as a separate item. The vote will be a roll call vote.

Item 1

Charge-off of delinquent resident accounts for August 2021

Item 2

Financial Statements for August 2021

Item 3

Vacancy and Turnover Summary for August 2021

Item 4

Minutes of August 26, 2021 RHA Board Meeting.

RECOMMENDATION: Approval as submitted by staff.

Commissioner Whitehouse moved and Commissioner Fonville seconded approval of the Consent Agenda. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

The Consent Agenda has been adopted.

REPORT OF THE BOARD SECRETARY

PHADA Conference

RHA staff attended the PHADA Conference last week in Washington, DC. Discussions included:

- Reconciliation bill that Congress is considering. It will be a close vote – it must pass with 50 votes in the Senate (rather than a majority). It is \$3.5 trillion. Staff expects that it won't pass and there will be two or three continuing resolutions this year.
- PHADA and PHAs sued HUD a few years ago when HUD tried to recapture reserves. HUD said the Annual Contributions Contract (“ACC”) was not a “contract” but a “grant” and since the money wasn't spent and was in reserves, they took it back. PHADA and the PHAs argued that it is a contract. That suit went on for approximately eight years. The PHAs won the first one and also won an appeal by HUD. September 13, 2021 was the deadline for HUD to decide what they wanted to do – either continue the appeals, push it to the Supreme Court, or let it die. HUD decided to let it die so that was a very good outcome for PHADA and the other PHAs.
- HUD is getting away from the HQS inspections and will be doing their new NSPIRE protocol instead. RHA is part of the demonstration for this new method. However, due to COVID, nobody has been onsite to inspect. HUD is on schedule to change over to NSPIRE by 2023.

COVID Update

- There have been 10 resident's units added to the list this month because of COVID. Four to five staff have been out with COVID-related incidents.
- Staff met after the August Board meeting and it was suggested the vaccine incentive be changed from a \$1,000 lottery drawing to a check with a smaller amount that goes to everyone who has been vaccinated. This is in line with what other agencies/companies have done. RHA is offering any employee a \$100 incentive check who gets vaccinated by October 1st. Staff who provided a copy of their vaccination card have already been paid and they have been appreciative. There has been some movement in the unvaccinated. There are currently 49 out of 89 employees who have provided HR with a vaccination card.
- If staff is not vaccinated by October 1st, they are required to be tested once a week and turn in the results to their supervisor by Thursday of each week. Staff will be required to get tested on their time. They can use vacation or sick leave if they choose to be tested during working hours.
- Staff is unsure where RHA falls into President Biden's vaccination mandate. RHA employees are not federal employees but could be considered under Federal Contract with its ACC. This question was raised at the PHADA conference and they were going to check into it.

Heritage Park Redevelopment

- Staff received two proposals for the Master Development Consultant and is in the process of evaluating them.
- The RFQ for a Master Developer for Heritage Park has been advertised. The pre-proposal meeting was earlier this month and 5 developers were in that meeting. There were not as many developers interested as had hoped so staff made a list of additional developers to contact. The qualifications submittal had been extended to November 22nd.

Building Futures Initiative

The Building Futures Initiative is planning to present to the Board next month on the overall BFI program. There has been some interest, however, only one person has signed up and he dropped out of the program because he got a job.

Correction on Leased Housing Report

There is a correction to the Leased Housing Department Report in the Board Book. Under the Coordinated Entry, they have four vouchers utilized (instead of "43"). That was a typo.

Emergency Housing Vouchers

Staff has received a list of 15 people that the partnership has identified; none of them have found a unit yet. This is what staff has heard from several other agencies around the country (that they are not able to lease these vouchers). RHA and the CoCs are bound by rules and these rules seem to be too restrictive. Staff will speak with HUD and the CoC to try to improve those numbers.

RAD conversion

RHA's Fair Housing Equal Opportunities was approved earlier this week. Staff is waiting on the CNA to add radon mitigation and estimate for venting upgrades. Next, RHA will receive the RAD conversion commitment and staff will have 30 days to sign and start the closing process. Additional meetings are planned with residents to prepare them for this process. The units will need to be inspected and leases signed before closing. RHA is still on schedule to close in November.

Radon Testing

The radon testing has been completed. Fourteen units needed mitigation. Those are currently being mitigated and should be completed by the end of September. There are still a few units to test due to COVID or vacancy contractors in units. The units that were mitigated also need to be retested.

Staff is also inspecting the vent piping on the gas appliances in the units to make any necessary repairs.

ROSS Grants

Staff looked at the NOFO for ROSS grants which is a resident self-sufficiency program. This would help fund another position to work with residents to find employment. In order to apply, the PHA needed to send a survey out to the residents and get at least 20% participation in the survey. It was a very short turnaround time for the survey and RHA did not receive a 20% response. This grant was due September 17th.

Commissioner Morris Reappointed

A big congratulations and thank you for Commissioner Morris' reappointment. The letter from Mayor Baldwin is in the Board Book.

Commissioner Warren asked if staff is expecting additional resources coming from COVID response that RHA needs to be thinking about. Mr. Felton said staff is not expecting additional COVID funds.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the Repositioning Committee Meeting was on September 14th. It was an informative meeting with a detailed update about the RAD process and the meetings that have taken place. The committee discussed the RAD Collaborative effort, which is a proposal to bring in peers and former HUD leaders to come to RHA for 1-2 days to brainstorm issues regarding Heritage Park as well as the entire Agency portfolio. RHA staff has circulated a list of topics to the RHA Board to send to the RAD Collaborative. The Repositioning Committee made a motion to move forward with this proposal. The only cost to RHA would be for travel and hotel.

The topics on the collaborative list include:

- How RHA is structuring its affiliates and whether this is typical of other PHAs.
- Look at other RHA properties – particularly high-value sites in downtown Raleigh – and get an understanding about how RHA can deliver the most affordable housing with those high-value sites.
- Look at the existing single family homes portfolio and partnerships that can be formed with area organizations to move those existing residents into homeownership and move those properties outside of RHA jurisdiction.
- Identify additional land to potentially land bank for the future development of affordable housing.
- How RHA is approaching the entire portfolio repositioning process.

Commissioner Morris asked if the Cameron Village area is included in the “downtown” area. (The Mayview property is in that area.) He said that is a property that should be looked at since it is in a high-value area and RHA might be able to come up with a higher density.

Commissioner Braun asked for an overview of the Kentwood property. Mr. Felton said those are mostly two-story units, townhouse style, usually a quad per building. There are some one-story buildings and there are seven stand-alone (one unit) buildings with 4-5 bedrooms.

Commissioner Braun asked about the age of Kentwood. Mr. Felton said those 89 units were built in the mid-80s.

Commissioner Braun said the BRT is going to be built there eventually. He is familiar with the area because the Triangle Family Services office is there. Since RHA's property abuts their property, there may be an opportunity in the future for more density on this property as the BRT line becomes more certain. This would be something that the Strategic Plan could consider. There is a proposed BRT station at Kent and there is a mid-block crossing at the Triangle Family Services building so this will be a good opportunity for transit.

Commissioner Warren said RHA has some great holdings. He asked if those holdings be utilized to produce more affordable housing there or elsewhere, with greater density. He said to keep in mind that nearly half of the new RHA Board Commissioners came in during COVID (so they haven't seen some of the properties). Once COVID settles down, maybe another tour would be helpful.

Mr. Felton said that is a great idea. RHA has a cycle of going on an RHA property tour every other year with the RHA Board Commissioners, the Raleigh City Council, and the Wake County Commissioners. Staff will set up another bus tour as soon as it is safe.

Commissioner Warren said the Repositioning Committee recommends that RHA go ahead with the RAD Collaborative.

Mr. Felton suggested taking a vote with the full RHA Board. If the majority agrees, staff will move forward with it.

Commissioner Braun moved and Commissioner Warren seconded submitting the list of potential topics to the RAD Collaborative group and coordinating a contract with them.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

The recommendation to send the list of topics and coordinate a contract with the RAD Collaborative has been approved.

Commissioner Warren said the committee also looked at the RFPs and RFQ and discussed the Governing Agreement. He asked if RHA is still missing a response from one of the RFPs.

Mr. Felton said the Strategic Plan is currently in the scoring process with staff. The Communications Plan for Heritage Park and the Agency are both being discussed tonight. The Master Development Consultant is currently being scored by staff. The Strategic Plan RFP will be scored by staff next week.

Commissioner Warren asked if RHA has received responses for the Strategic Plan RFP. Mr. Felton said they have received responses.

Commissioner Warren asked if RHA can resolicit the RFPs if there isn't enough response to them. Mr. Felton said they could, if needed.

NEW BUSINESS

Mr. Felton said this resolution is the inducement resolution for up to \$17,000,000 in multi-family housing revenue bonds. The developer is Oppidan located in Minnesota.

The project consists of 119 family units. There will be 4 residential buildings on site that are three stories tall. The unit makeup is 34 one-bedroom units, 54 two-bedroom units, and 31 three-bedroom units.

The development is just off South Saunders in Southeast Raleigh. Amenities will include a clubhouse, fitness center, computer room, game room, outdoor picnic area, and playground.

The project is exempt from the City's Affordable Housing Location Policy as it is within ½ mile of a bus stop and a BRT station is going in nearby.

Oppidan will be closing in May 2022 and begin construction; with lease up from September '23 –January '24. The target market will be households at 60% or less AMI. They will not be doing income averaging; 10% will be funded by Keys Rental Assistance. They will accept Section 8 vouchers which RHA administers.

Rents will range from \$930 – \$1,260 depending on bedroom size and targeted income. The total project is approximately \$30 million.

Commissioner Warren said RHA is going to continue to see bond transactions – and that will help RHA with fee income while building more affordable housing in Raleigh. He wonders whether or not RHA has the capacity or staff to assert that they have fully underwritten these transactions and that they are viable. There are so many other hands in these deals – the investors and the bond underwriters are doing the underwriting. RHA could simply be a pass-through – and it seems as if that is what is happening now.

Commissioner Warren said another question that he has is whether or not there are particular RHA goals that staff might want to ask developers to consider if they're seeking RHA to issue tax exempt bonds on their behalf. For example, RHA has a focus on 30% AMI. RHA also has an interest in making sure RHA tenants who might be displaced – through RHA's actions or those of others – can rise to the top of the waiting list.

Commissioner Warren said he is bringing this up as a potential future discussion topic. He personally doesn't have any issues with any of the bond transactions this evening. However, he doesn't feel there is a lot of information to really say "yes" or "no" to any of them.

Commissioner Whitehouse said it would be nice to know a little bit more about each of these groups coming through – where they're from, do they have experience, a general overview of the group, etc. He said when he reads these, it's difficult to understand how much experience they have. A little more information would be helpful for the Board.

Mr. Felton said that Noah Wagner with Oppidan is on the Zoom meeting this evening.

Mr. Wagner shared the following information about Oppidan:

- He leads Oppidan's affordable housing platform.
- This is their first bond transaction in North Carolina.

- He previously worked for Dominion, the second largest affordable housing developer in the country.
- With them, he closed over 2,000 affordable housing units across the Southeast and the Midwest.
- This is their first project in North Carolina and they are very eager to get experience and kickoff their first transaction.
- Oppidan is a national developer. They have offices in Minnesota, North Carolina, and California.

Blake Hastings, President of Oppidan, added that Oppidan is a 30-year old development company based in Minneapolis. An office opened in Raleigh two years ago.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 55 (2021)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (THE PINES AT PEACH ROAD)

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 23rd day of September, 2021; 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, an affiliated or related entity of Oppidan, Inc., Affordable Housing Institute, Inc. and GDE Holdings, LLC (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 The Pines at Peach Road, consisting of 119 units located at approximately 505 Peach 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 Seventeen Million Dollars (\$17,000,000) 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 Whitehouse moved and Commissioner Fonville seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 55 (2021) has been adopted.

Mr. Felton said this resolution was originally approved on April 17, 2019. With the original inducement resolution, they were approved not to exceed \$18,000,000.

They received an allocation from NCHFA for \$15,500,000 earlier this year. 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 is requesting to increase the amount of the bonds not to exceed \$21,500,000. This project will consist of 200 multi-family units. It will be owned by a for-profit LLC.

The LLC is made up of individuals with significant experience in apartment development and affordable housing. This will require the purchase of 6.31 acres from Passage Homes. They are partnering with Passage Home for 5% of the units and Alliance Health for 5%. Solstice will also be partnering with Wake County's Rental Assistance Housing Program for 10% of the units to provide case management for residents. These entities will provide services to the tenants to maximize their ability to live independently.

There will be 200 units at the Summit: 78 one-bedrooms, 92 two-bedrooms and 30 three-bedrooms. There will be a management office centrally located on site. There will be a fully furnished community room which will include sitting areas, a flat screen TV and a fully equipped kitchen for public gatherings. Outside there will be seating areas, a gazebo, playground and tot lot. There are drawings attached to the resolution showing the site layout.

Once construction is complete, the property will be managed by United Management which is owned by one of the partners.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 56 (2021)

RESOLUTION AMENDING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (TOULON PLACE)

WHEREAS, on April 17, 2019, 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 an amount not to exceed \$18,000,000 (the “Bonds”), the proceeds of which would be loaned to Toulon Place LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”), to finance the acquisition, construction and equipping of a multifamily housing development to be known as Toulon Place, consisting of 200 units located at 1248 Angelus Drive in the City of Raleigh, North Carolina (the “Development”); and

WHEREAS, the Authority and 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 \$15,500,000 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 March 8, 2021; 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 \$21,500,000; and

WHEREAS, the Borrower will request the NCHFA and TRAC to increase the amount of volume cap for the Development from \$15,500,000 to up to \$21,500,000;

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 provide reasonable assistance to the Borrower 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-One Million Five Hundred Thousand Dollars (\$21,500,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as 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 Braun moved and Commissioner Fonville seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 56 (2021) has been adopted.

Mr. Felton said this resolution was originally approved on April 17, 2019. With the original inducement resolution, they were approved for not to exceed \$13,000,000.

They received an allocation from NCHFA for \$12,000,000 earlier this year. 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 is requesting to increase the amount of the bonds not to exceed \$16,000,000.

This project will consist of 154 multi-family units. It will be owned by a for-profit LLC. The LLC is made up of individuals with significant experience in apartment development and affordable housing.

Rehobeth Christian Reform Church (CRC) is a non-profit entity who is a 25% partner in this deal. They are not guaranteeing any of the financing. They have a relationship with one of the partners, Mr. Fred Mills. They have worked with him on other projects.

Rehobeth CRC will take their portion of the developer's fees and build a Community Center across the street from the development.

There will be 154 units at the Summit: 72 one-bedrooms and 82 two-bedrooms. There will be a management office centrally located on site. There will be a fully furnished community room which will include sitting areas, a flat screen TV, and a fully equipped kitchen for public gatherings. Outside there will be seating areas, a gazebo, playground and tot lot. There are drawings attached to the resolution showing the site layout.

This project meets the city's Affordable Housing plan. The City will loan the developer \$3.0 million for this project.

Staff checked the financial ratios and they were very strong. The target market for these units is below 40-70% area median income. They will accept tenant based vouchers and key program subsidy (NCHFA). These units will be affordable for at least 30 years due to the tax credits.

They are looking to close later this year and begin construction in early 2022.

Mr. Felton said Solstice Partners is the developer and Cathy Connors is on the Zoom meeting this evening.

Ms. Connors gave the Board the following information about Solstice:

- Solstice Partners is the lead developer in this project.
- She has been working in the low-income housing tax credit field since January 1997.

- In 2007, she started her own company.
- There are partners in both of these deals who are long-time developers in North Carolina.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 57 (2021)

RESOLUTION AMENDING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (SUMMIT AT SAWYER)

WHEREAS, on April 17, 2019, 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 an amount not to exceed \$13,000,000 (the “Bonds”), the proceeds of which would be loaned to The Summit at Sawyer LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”), to finance the acquisition, construction and equipping of a multifamily housing development to be known as The Summit at Sawyer, consisting of 154 units located at 1451 Sawyer Road in the City of Raleigh, North Carolina (the “Development”); and

WHEREAS, the Authority and 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 \$12,000,000 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 March 8, 2021; 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 \$16,000,000; and

WHEREAS, the Borrower will request the NCHFA and TRAC to increase the amount of volume cap for the Development from \$12,000,000 to up to \$16,000,000;

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 provide reasonable assistance to the Borrower 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 Sixteen Million Dollars (\$16,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as 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 Winstead moved and Commissioner Braun seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 57 (2021) has been adopted.

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

The project consists of 188 family units. There will be six residential buildings on site three stories tall. Unit makeup is: 12 one-bedroom units, 108 two-bedroom units and 72 three-bedroom units.

The development is off 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, 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 getting a waiver from the City.

South Creek Development will close later this year and begin construction early 2022.

The target market will be households at 60% or less AMI. 31 units will target 50% or less AMI, 130 units will target 60% AMI and 31 units will target 70% or less 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 RHA administers.

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 nearly \$400,000 in developer fees.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 58 (2021)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MULTIFAMILY
HOUSING REVENUE BONDS (ROCK QUARRY LANDING), SERIES 2021

WHEREAS, Rock Quarry SC Limited Partnership, a North Carolina limited partnership, or an affiliated or related entity (the "Borrower"), has requested that the Housing Authority of the City of Raleigh, North Carolina (the "Authority") assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental facility to be known as Rock Quarry Landing, consisting of 188 units to be located on an approximately 14-acre site at 3501 Rock Quarry Road in the City of Raleigh, North Carolina (the "Development") and the Authority has agreed to do so; and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Housing Revenue Bonds (Rock Quarry Landing), Series 2021 in the aggregate principal amount of not to exceed \$23,500,000 (the “Bonds”); and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, it is anticipated that the Bonds will be privately placed with Western Alliance Business Trust or an affiliated entity (the “Purchaser”), which is an Approved Buyer (as defined in the Indenture), which was identified by Stern Brothers & Co. (the “Placement Agent”), pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds, among the Authority, the Borrower, and the Placement Agent (the “Bond Purchase Agreement”); and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Borrower, for the purpose of (i) paying a portion of the costs of the acquisition, construction and equipping of the Development, and (ii) paying certain issuance expenses in connection with the issuance of the Bonds; and

WHEREAS, the Borrower’s obligations under the Loan Agreement will be secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (With Power of Sale) and Future Advance (the “Deed of Trust”), from the Borrower to the deed of trust trustee named therein for the benefit of the Authority, and various other security documents, all of which will be assigned to the Trustee for the benefit of the holder of the Bonds; and

WHEREAS, there have been presented to this meeting draft forms of the following instruments (collectively, the “Authority Documents”), which the Authority proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Authority:

- (a) the Indenture, together with the forms of the Bonds attached thereto;
- (b) the Loan Agreement;
- (c) the promissory note of the Borrower in favor of the Authority (the “Borrower Note”), which will be assigned by the Authority to the Trustee;
- (d) the Bond Purchase Agreement;
- (e) the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), pursuant to which the Borrower will be required to operate the Development in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended;
- (f) the Deed of Trust; and
- (g) the Assignment of Deed of Trust Documents (the “Assignment”), from the Authority to the Trustee;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA DOES HEREBY RESOLVE, AS FOLLOWS:

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Development through the issuance of the Bonds pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended, the loan of the proceeds thereof and the deposit of such proceeds with the Trustee in accordance with the Indenture and the Loan Agreement.

2. The Authority hereby authorizes the issuance and sale of the Bonds pursuant to and in accordance with the terms set forth in the Indenture. The Bonds will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Indenture; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$23,500,000.

3. Each of the Chairman, Vice Chairman and Executive Director of the Authority or his or her respective designee is hereby authorized and directed to execute and deliver the Authority Documents to the other parties thereto. Each of the Chairman, Vice Chairman and Executive Director of the Authority or his or her respective designee, is authorized and directed to execute and deliver such endorsements, assignments and other instruments as may be necessary to assign the Borrower Note and other security documents to the Trustee.

4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Bonds in the manner and subject to the conditions provided in the Indenture to the Trustee for authentication, and to cause the Bonds so executed and authenticated to be delivered to or for the account of the Purchaser, or any affiliate thereof, upon payment of the purchase price therefor.

5. The Authority Documents and the Bonds shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary or convenient to reflect the final terms of the Bonds, and as otherwise approved by the officers of the Authority executing them after consultation with counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

6. Any authorization made hereby to the officers of the Authority to execute a document shall include authorization to the Chairman, Vice Chairman or Executive Director of the Authority, or their respective designees, to execute the document, authorization to the Secretary or any Assistant Secretary to affix the seal of the Authority to such document and attest such seal and where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Authority Documents.

7. Such officers are hereby authorized and directed to execute and deliver any and all other documents, agreements, instruments, and certificates in the name and on behalf of the Authority as may be necessary or desirable to the issuance of the Bonds. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Development and the issuance and sale of the Bonds are hereby ratified, confirmed and approved.

8. This resolution shall take effect immediately.

Commissioner Braun moved and Commissioner Whitehouse seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Winstead

Nay: None

Resolution No. 58 (2021) has been adopted.

(Due to another commitment, Commissioner Winstead left the meeting.)

Mr. Felton said this resolution approves the finance team for the Rock Quarry Landing project. The resolution lists the different entities involved with financing including the attorneys.

This is approximately a \$34,000,000 project. It will have 180 units consisting of 1, 2, and 3-bedroom units.

These are non-recourse bonds so the Housing Authority is not financially responsible.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 59 (2021)

RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN
FINDINGS WITH RESPECT TO THE ISSUANCE OF MULTIFAMILY HOUSING
REVENUE BONDS (ROCK QUARRY LANDING), SERIES 2021

WHEREAS, Rock Quarry SC Limited Partnership, a North Carolina limited partnership, or an affiliated or related entity (the "Borrower"), has requested that the Housing Authority of the City of Raleigh, North Carolina (the "Authority") assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental facility to be known as Rock Quarry Landing, consisting of 188 units to be located on an approximately 14-acre site at 3501 Rock Quarry Road in the City of Raleigh, North Carolina (the "Development") and the Authority has agreed to do so; and

WHEREAS, the Authority finds that the financing of the Development through tax-exempt bonds will fulfill the Authority's purpose under the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the "Act") to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, which is defined in the statute to include "loans 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 Authority proposes to provide the financing for the Development by the issuance of its Multifamily Housing Revenue Bonds (Rock Quarry Landing), Series 2021 in the aggregate principal amount of not to exceed \$23,500,000 (the "Bonds"); and

WHEREAS, the North Carolina Local Government Commission has requested the Authority to make certain findings with respect to the Bonds consistent with Section 159-153 of the North Carolina General Statutes; and

WHEREAS, it is anticipated that the Bonds will be privately placed with Western Alliance Business Trust or an affiliate, as purchaser (the "Purchaser"), through Stern Brothers & Co., as placement agent; and

WHEREAS, the Borrower has requested that the Authority approve its selection of the following financing team members for the issuance and sale of the Bonds, on the terms and at the fees set forth in the documents and financial information relating to the financing, providing for the issuance and sale by the Authority and the purchase by the Purchaser of the Bonds and in the financial information provided to the Authority with respect to the Bonds:

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Francis Law Firm, PLLC
Trustee:	U.S. Bank National Association
Purchaser:	Western Alliance Business Trust
Placement Agent:	Stern Brothers & Co.
Majority Owner Representative:	Bellwether Enterprise Real Estate Capital, LLC
Tax Credit Investor:	First Horizon Community Investment Group
Borrower's Counsel:	Coleman Tally, LLP
Trustee's Counsel:	Nexsen Pruet PLLC
Majority Owner Rep.'s Counsel:	Kutak Rock LLP
Purchaser's Counsel:	Squire Patton Boggs (US) LLP
Tax Credit Investor's Counsel:	Arnall Golden Gregory LLP

WHEREAS, based upon information and evidence received by the Authority, it has determined to approve the Borrower's request;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA DOES HEREBY RESOLVE, AS FOLLOWS:

1. The above financing team for the issuance and sale of the Bonds by the Authority is hereby authorized and approved.
2. The Authority hereby finds that the financing is necessary and expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Raleigh, North Carolina, and that the acquisition, construction and equipping of the Development proposed by the Borrower are necessary and sufficient to accomplish the Authority's purposes with respect to the properties involved.
3. The Authority hereby finds that the Borrower has demonstrated that the amount of debt to be incurred in connection with the Development and the fees to be paid in connection therewith are sufficient but not excessive for the purpose of acquiring and constructing the Development.
4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitment of Bellwether Enterprise Real Estate Capital, LLC to arrange for the private placement of the Bonds with the Purchaser, through Stern Brothers & Co., and (iii) the award of bond volume cap allocation by the North Carolina Federal Tax Reform Allocation Committee at the recommendation of the North Carolina Housing Finance Agency, that the Borrower has demonstrated that (a) it is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Loan Agreement between the Authority and the Borrower (the "Loan Agreement"), which will provide the funds to pay principal and interest on the Bonds, and (b) the Development will generate sufficient revenues to make loan repayments and other payments under the Loan Agreement, to operate, repair and maintain the Development at its own expense and to discharge such other responsibilities as may be imposed under the Loan Agreement. The Authority further finds that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds, and the operation, repair and maintenance of the Development at the expense of the Borrower.

5. The Authority hereby finds that the use of the proceeds of the Bonds for a loan to finance the costs of the Development and for the other purposes stated above will accomplish the public purposes set forth in the Act and hereby approves such use of proceeds.

6. This Resolution shall take effect immediately upon its passage.

Commissioner Whitehouse moved and Commissioner Fonville seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse

Nay: None

Resolution No. 59 (2021) has been adopted.

Mr. Felton said RHA has been required to complete an Agency Plan since 2000. The purpose of this plan is to inform HUD, RHA residents, and the public about RHA's plans and policies.

RHA is not obligated to do the items which are included in the agency plan. However, if RHA potentially needs to change a policy, it should be in the Agency Plan.

These items are being discussed with RHA staff and residents to hear their concerns and suggestions. Staff has prepared a draft plan and will meet with the Resident Advisory Board and post the plan on the RHA website for comments. The plan will be ready for public review in October for 45 days. Staff will prepare the final plan for approval at the December board meeting.

Behind the resolution is a summary of the proposed changes to the Agency Plan including:

- Information on Project Based Vouchers.
- The ACOP and Administrative Plan will be updated and part of Agency Plan, including new preferences for displaced families.
- A Homebuyers program is being considered.
- Information from the Analysis of Impediments
- Capital improvements- parking lot improvements, radon testing for PH units.
- More information regarding the redevelopment of Heritage Park.

Commissioner Fonville asked if Commissioner Ellinger was able to review the ACOP and Administrative Plan and make comments to the staff (discussed during a previous RHA Board Meeting).

Mr. Felton said Commissioner Ellinger has made comments on other items, but not on those two plans.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 60 (2021)

WHEREAS, the Quality Housing and Work Responsibility Act of 1998 (QHWRA) requires the development of a comprehensive PHA Annual Plan; and

WHEREAS, Raleigh Housing Authority ("RHA") is in the process of revising the PHA Annual Plan and five-year Capital Fund plans to reflect actions to be effective April 1, 2022; and

WHEREAS, RHA will conduct an analysis and review a number of major policies and procedures to determine items that need to be included in the 2022-2023 PHA Annual Plan; and

WHEREAS, RHA will publish a public notice of this plan and policy revisions in the *News and Observer* which will also announce the date and time of a public hearing to discuss these revisions; and

WHEREAS, RHA will meet with the Inter-Community Council and Resident Advisory Board to provide an overview of the proposed plans and pending changes in policies; and

WHEREAS, there may be other items added to the plan over the next few months as RHA goes through the public comment and staff review process;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to complete the analysis needed for changes to the PHA Annual Plan and five-year Capital Fund plans and to seek public input and comment prior to presenting the final plans to the RHA Board.

BE IT FURTHER RESOLVED that the final plans will be brought back before the RHA Board of Commissioners at its December meeting for final approval prior to submitting it to the U. S. Department of Housing and Urban Development.

Commissioner Fonville moved and Commissioner Braun seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 60 (2021) has been adopted.

Mr. Felton said HUD considers rent to be the contract rent plus utilities. Therefore, a utility allowance is established that approximates a reasonable consumption of utilities by an energy conservative household per month. This is then used to calculate the tenant's monthly rent.

RHA is required every five years to have an outside consultant perform an energy study and establish a utility allowance, which was last done in 2016. Due to COVID-19, RHA was not required to do this study last year. Staff combined the study with Public Housing to save expense.

If the rates change more than 10%, the allowances must be adjusted. If the rates change less than 10%, RHA has the option to adjust the allowance.

Since a utility study was done, the consumption rates may have changed as well as the rates for the utilities. Natural gas went up slightly. However, the big change is bottled gas, which went up over 25%.

RHA is not required to make changes if the rate change is less than 10%. However, staff is recommending the utility allowances be revised to reflect all of the changes in rates. Staff feels this is a best practice so that bigger changes will not be needed later that will have a greater effect on residents.

There is an inverse relationship between Fair Market Rent and Utility Allowances. With the utility allowance going up, this actually gives tenants slightly more money for rent, which may bring more units into their price range.

This change will true up the allowance with the current projected costs so it more accurately reflects the cost of the utilities for the families.

Commissioner Whitehouse pointed out that the statement “WHEREAS, the Housing Authority of the City of Raleigh had not completed a study of the Utility Allowance Consumption rates from an outside company since November 16, 2021” should be “2020” and not “2021”.

Mr. Felton also corrected the statement that the utility allowances will be effective *January 1, 2022* (not March 1, 2017).

(These two changes have been made in the resolution below.)

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 61 (2021)

WHEREAS, 24 CFR, Part 982.517, Utility allowance schedule, requires housing authorities to maintain a utility allowance schedule for all tenant-paid utilities (except telephone) “*based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality... that complies with housing quality standards*”; and

WHEREAS, the regulations require housing authorities to review its schedule of utility allowances each year; and

WHEREAS, the Section 8 utility allowances for calendar year 2020 were adopted on October 29, 2020; and

WHEREAS, the Housing Authority of the City of Raleigh had not completed a study of the Utility Allowance Consumption rates from an outside company since November 16, ~~2021~~ 2020;

THEREFORE, the Housing Authority of the City of Raleigh hired The Nelrod Company to conduct a utility allowances study based upon a reasonable consumption of an energy conservative family of modest circumstances to provide for the basic essentials needed for a living environment that is safe, sanitary, and healthful; and

WHEREAS, the average monthly consumption for electricity, natural gas, bottle gas, fuel oil, water and sewer were developed utilizing the newest version of HUD’s Utility Schedule Model (HUSM) for the Section 8 HCV Program;

THEREFORE, staff recommends the utility allowances study be revised to reflect the changes to all utilities presented in the Utility Allowance study prepared by the Nelrod Company; and

WHEREAS, a copy of the Study completed by The Nelrod Company is attached to this resolution and thereby incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the recommended Utility Allowances for the Section 8 program be adopted effective ~~March 1, 2017~~ January 1, 2022.

Commissioner Whitehouse moved and Commissioner Fonville seconded approval of the foregoing resolution (with the stated changes).

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

(Revised) Resolution No. 61 (2021) has been adopted.

Mr. Felton said behind this resolution is a spreadsheet showing the utility rates for public housing units.

Mr. Felton said HUD considers rent to be the contract rent plus utilities. Therefore, a utility allowance is established that approximates a reasonable consumption of utilities by an energy conservative household per month. That allowance is used to calculate the tenant's monthly rent.

RHA is required every five years to have an outside consultant perform an energy study and establish a utility allowance. NelRod did this study for RHA.

The rates for utilities went up but some of the utility allowances went down. RHA is required to make adjustments to the utility allowance if the rates change by 10% or more. Staff is recommending the utility allowances be revised to reflect all of the changes.

Commissioner Whitehouse asked about the possibility of rents going up in areas where there may be a negative impact on utilities. He asked if there is a way "soften the blow".

Mr. Felton said staff talked about a way to phase it in and only do part of it. There is not anything in the regulations that allow PHAs to do that. Staff can continue to look into that. However, rents are based on the resident's income so they may not see an increase. They will only get less money to cover utilities.

Commissioner Whitehouse said he would like staff to consider looking at ways that RHA can soften that blow. RHA should be able to find some help for them.

Commissioner Warren asked about gas utilities in RHA properties. How many properties use gas appliances? DHIC uses all-electric appliances because gas can be dangerous.

Mr. Felton said all of the new properties are all electric (Capital Park, Chavis Heights, and Walnut Terrace). The only property that has gas stoves is on the even side at Heritage Park. Everywhere else has electric stoves with gas water heaters and gas furnaces.

Commissioner Warren asked if that is something that the Physical Needs Assessment might lead RHA to change. Is that a common thing to do?

Commissioner Whitehouse said that might be a big effort because often the units will only have so much power and it might require a replacement of the entire electric panel.

Mr. Felton said staff looked at that with the RAD conversion and those panels only have so much amperage so it's not just about swapping out equipment. The entire panel would need replacing.

Commissioner Warren said it's something staff should keep in mind, if there's an opportunity. RHA needs to do all it can to keep the residents safe.

Commissioner Whitehouse asked if the units that have gas appliance also have carbon monoxide monitors.

Mr. Felton said staff replaced all smoke detectors and carbon monoxide detectors in 2017 and 2018. There is a combo smoke detector/carbon monoxide detector on every floor in every unit – even in the all-electric units.

Commissioner Whitehouse asked if those are battery operated or hard-wired.

Mr. Felton said there are some of both, depending on the property.

Commissioner Whitehouse asked who maintains those.

Mr. Felton said staff maintains those. There were 10-year lithium batteries put into all of the units when they were changed.

Commissioner Whitehouse said he would like staff to continue searching ways that could soften the blow for any tenant whose rent may be going up due to utility allowances.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 62 (2021)

WHEREAS, The Department of Housing and Urban Development Regulations (24 CFR, Part 965) require public housing authorities establish utility allowances that “approximate a reasonable consumption of utilities by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment;” and

WHEREAS, Raleigh Housing Authority had The Nelrod Company, an affordable housing and energy efficiency consulting firm, to conduct an energy audit based on the average cost of utilities and found an average increase of 5.65% from the current allowances; and

WHEREAS, a public notice was sent to each resident household to encourage public review and comments; and

WHEREAS, the draft of the proposed utility allowance are available on RHA’s web page; and

WHEREAS, the public comment period will be held for thirty days and the deadline for providing written comments will be October 25, 2021; and

WHEREAS, such written comments will be retained by RHA and will be available for residents inspection; and

WHEREAS, the analysis of the utility allowance is attached to the resolution and by reference incorporated herein; and

WHEREAS, The Department of Housing and Urban Development’s threshold requirement for rate changes is 10% or greater; therefore, changes will be required;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the present Utility Allowances be revised effective January 1, 2022 to reflect the changes in the cost of utilities for new admissions and current residents who report changes requiring an interim. Utility allowance costs for the remaining residents will be adjusted at the next annual recertification.

Commissioner Whitehouse moved and Commissioner Braun seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 62 (2021) has been adopted.

Mr. Felton said staff would like to make changes to the lease to address issues that have come up throughout the past year. The Executive Summary is behind the resolution and the revised Lease is behind that.

The changes are consistent with the proposed changes to Admissions and Continued Occupancy Plan (“ACOP”) that was brought to the Board last month for approval. Highlights of the changes include:

- Language added to specify a HUD published brochure regarding Employment Income Verification (EIV).
- Language added to clarify remaining members of a household if a resident is absent or dies.
- A brochure on fire prevention will be given prior to move-in.
- Residents must transfer resident paid utilities into their name.

This will go out for public comments for 30 days and staff will bring it back to the Board for final approval.

Commissioner Whitehouse asked if the brochures are explained to the residents at the time of the lease signing (or are they just given to them and asked to read it).

Sonia Anderson said everything is explained and reviewed with them at the time of their move-in orientation.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 63 (2021)

WHEREAS, the Housing Authority of the City of Raleigh is required to enter into a Lease Agreement with each head of household in a dwelling unit; and

WHEREAS, the Housing Authority's dwelling lease must be in conformance with its Admissions and Continued Occupancy Policy; and

WHEREAS, a revised Lease Agreement is necessary to implement changes in the Housing Authority's operating procedures; and

WHEREAS, staff has updated the Lease and the attached summarizes the proposed changes that may be included in the Lease agreement; and

WHEREAS, the proposed changes will be submitted in accordance with federal regulations to the public housing residents for comment; and

WHEREAS, the draft of the proposed changes to the Lease will be available in each RHA management office and on RHA's web page; and

WHEREAS, there may be other changes made to the Lease as RHA goes through the public comment period;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to seek public input and comment prior to presenting the final policy to the RHA Board.

BE IT FURTHER RESOLVED that the final revisions will be brought back before the RHA Board of Commissioners at its December 2021 meeting for final approval.

Commissioner Whitehouse moved and Commissioner Fonville seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse

Nay: None

Resolution No. 63 (2021) has been adopted.

Mr. Felton said the Board requested that RHA hire a Communications Consultant to assist with the redevelopment efforts at Heritage Park. Staff sent out an RFP. It was posted on the RHA website,

advertised in the N&O, the Carolinian and Triangle Tribune. The proposal date was extended to facilitate more participation.

Two proposals were received. Staff reviewed the proposals and Public Participation Partners (P3) was the highest-scoring proposal. Their proposal is for \$57,100. If approved today, staff will execute a not-to-exceed contract with them and they will bill RHA hourly.

The money to pay for this service will come from the HOTMA bucket. Since RHA is doing Section 18, the money cannot be used for rebuilding units, but it can be used for this. CFP monies could also be used, if needed.

Commissioner Braun said he has been involved in several different planning efforts that the city has done. This group has frequently been retained by the city to assist in their outreach efforts. At least one of the partners is a relatively young African-American woman. He said he has seen her present at various meetings and he has been impressed with their work. One of their specialties is reaching under-served communities. They will be a good fit for what RHA needs.

Mr. Felton said their proposal was very well thought out. Looking at their website and some of the other projects that they've worked on, they seem to have good and relatable experience.

Commissioner Warren said he agrees with all of the comments. He was impressed with their proposal and it sounds like they've done good work elsewhere.

Commissioner Warren asked if RHA wants to enhance this proposal to reach out to the larger community, rather than focus on only residents. Does RHA have the capacity to do that? It's important to hold community-wide meetings and P3 would be a great resource to do that. Can the scope of work be adjusted as RHA moves forward?

Mr. Felton said staff can do a change order, if needed. However, staff can talk with them before a contract is executed.

Commissioner Warren suggested getting them underway immediately and talk about enhancements later.

Commissioner Whitehouse asked if they are primarily an outreach group. What exactly will they do?

Mr. Felton said they will work with flyers and communication on how to get residents to meetings. One of the things mentioned in their proposal is they use QR codes for meeting times and surveys. 76% of the RHA residents have smart phones so staff is looking at different programs that will work with a smart phone.

Commissioner Whitehouse asked if they will help RHA craft a message to take back to the public.

Mr. Felton said that will be included in their contract.

Commissioner Whitehouse asked if they will put this out there in other media templates – or is that something RHA will be doing.

Mr. Felton said that is in the overall RHA contract – the two contracts will tie together. Staff wants to enhance RHA's social media, not just for the Heritage Park redevelopment but for everything RHA does.

Commissioner Whitehouse asked how long this engagement is for.

Commissioner Braun asked Commissioner Whitehouse the purpose of his question.

Commissioner Whitehouse said he's curious if this is a 3-month engagement or will it be longer.

Commissioner Warren said they have task hours in their proposal.

Commissioner Whitehouse said it's important to make sure RHA has them engaged throughout the entire process (and not just for a couple of months).

Mr. Felton said he's unsure of the exact time in the RFP. However, it was close to two years.

Commissioner Warren suggested that all of the Board Commissioners review the proposal if they haven't already done so and come back to staff during a future meeting with questions and comments. There is the opportunity to enhance and expand on the contract.

Commissioner Whitehouse said he doesn't want to slow anything down. It's important to get them started right away. He said he was disappointed there were only two proposals.

Mr. Felton said staff had hoped there would be more. Staff had contacted and tried to reach more companies. However, this is a good firm that can do the job.

Commissioner Whitehouse said he's happy to get them on board. However, he thinks it should be flexible, in case additional work is needed.

Commissioner Braun agrees with that and he thinks this also ties into the Strategic Planning effort. RHA probably should be on Twitter for certain things. RHA will be dealing with community engagement and community interaction. This is something that will have to be in the organization's DNA and RHA will eventually have to bring a broader skillset into the agency. This won't be a long-term solution (having consultants help RHA with this kind of thing). However, right now it is vital. RHA should agree to keep this whole arrangement flexible because the Board and staff don't know where it's all going to go.

Commissioner Braun said the city will be investing in this project so this is a community investment – not just an investment that will benefit Heritage Park residents. RHA has an obligation to communicate and get community buy-in.

Mr. Felton said the RFP states “they will work with staff to implement an effective communication plan to communicate and convey plans and vision for the redevelopment of Heritage Park. Communication Plan should include engagement with residents, other stakeholders, and the public.” The timeframe states “provide support for implementation of the approved Communication Plan until the first phase of redevelopment where we expect to complete within 24 months.” The contract duration is expected to be 24 months.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 64 (2021)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) Board of Commissioners requested staff hire a Communications Consultant to work with staff on the redevelopment of Heritage Park; and

WHEREAS, RHA staff prepared a Request for Proposal (RFP) outlining the scope of work for the consultant for Heritage Park; and

WHEREAS, the RFP was advertised in the News and Observer, PHADA.org, and RHA’s website; and

WHEREAS, the RFP was publicly advertised stating that proposals must be received at RHA by 3:00 p.m. on August 20, 2021; and

WHEREAS, in an effort to ensure minority participation, the RFP was also advertised in the Carolinian and Triangle Tribune; and

WHEREAS, the proposal due date was extended until 3:00 pm on September 10, 2021; and

WHEREAS, two proposals were received as set forth on the attached bid tabulation sheet, which by reference is made part of the resolution; and

WHEREAS, the staff of RHA evaluated the proposals in areas including experience, qualifications, section 3 and minority/women owned business enterprise, and fair and reasonable cost; and

WHEREAS, the staff of RHA recommends the acceptance of the proposal for the Communications Consultant for Heritage Park as follows:

- Public Participation Partners (P3) \$57,100

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the contract for the Communications Consultant for Heritage Park Redevelopment be awarded to Public Participation Partners (P3).

BE IT FURTHER RESOLVED that the Executive Director is authorized to enter into a contract with the firm of Public Participation Partners (P3) for these services.

Commissioner Whitehouse moved and Commissioner Braun seconded approval of the foregoing resolution.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 64 (2021) has been adopted.

Mr. Felton said the Board requested that RHA hire a Communications Consultant to assist with overall communications with the agency.

Staff sent out an RFP. It was posted on the RHA website, advertised in the N&O, the Carolinian and Triangle Tribune. The proposal was extended to facilitate more participation.

One proposal was received. Staff reviewed the proposal and Public Participation Partners (P3) was the highest scoring proposal. Their proposal is for \$46,400. If approved today, staff will execute a not-to-exceed contract with them and they will bill RHA hourly.

A proposed budget was brought to the Board a few months ago of \$25,000. Even though this is higher than was budgeted, staff feels it can still be absorbed across all programs.

Commissioner Whitehouse said he looked at their website and wondered if they have done this sort of work before (an overall strategic communication plan). He doesn't see on their website where they talk about putting together strategic communication plans for organizations. Will RHA be taking them out of their comfort zone?

Mr. Felton said staff can speak with them about that.

Commissioner Whitehouse said it's very critical for the organization to put together a good Communication Plan. He said he isn't sure RHA is doing itself justice by considering only one proposal that was received for this RFP. The Communication Plan and outreach for Heritage Park is important and that can take the lead. He suggests they go back out for proposals for the development of a full communication strategy. It sounds like P3 is really good with community outreach programs. However, he doesn't see them as building a strategic plan for an association.

Commissioner Braun asked if staff mailed the RFP to potential firms (or was it just advertised).

Mr. Felton said staff contacted three firms – P3 was not one of them.

Commissioner Braun asked if there was any feedback as to why those three firms that were contacted didn't respond – or could staff reach out to those firms and ask why they weren't interested?

Mr. Felton said staff could do that.

Commissioner Braun suggested the following:

- Reaching out to those firms to find out why the RFP wasn't of interest to them.
- Re-bid it and see who responds.

Commissioner Braun said during that time staff will have started to work with P3 and will have a better idea of their capabilities. If they respond to the 2nd request, staff may have some comfort level with them to go ahead and contract with them.

Commissioner Warren suggested staff contact other housing authorities – Charlotte, Greensboro, etc. – and ask them about who they've worked with in the past. Staff will get to know P3 when they start the work on Heritage Park. At least take that as a first step and get that going. He doesn't think the firms necessarily need to be local, although local would be preferred. He is not against moving forward with them, if there is no other choice. However, maybe staff needs to step back and give it a little more time.

Commissioner Morris said it sounds like there is a motion to table this resolution.

Mr. Francis said there doesn't need to be a motion. The Board will just not take action on the resolution.

Commissioner Braun suggested the action should be to reject the resolution and rebid the RFP. Staff will be investigating why more firms didn't respond and then maybe it will get crafted differently to cast a broader net. When it is rejected, you officially need to say that RHA didn't get enough responses – not that the response that was received was insufficient.

Commissioner Whitehouse said RHA can reject anyone for any reason.

Commissioner Braun said he would like staff restart the process as quickly as possible and if P3 rebids and gets the bid with nobody else sending in a proposal, the Board will decide then.

Mr. Francis suggested one of the Commissioners make a motion to reject this resolution and rebid the RFP.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 65 (2021)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) Board of Commissioners requested staff hire a Communications Consultant to work with staff on agency wide communication efforts; and

WHEREAS, the staff of RHA prepared a Request for Proposal (RFP) outlining the scope of work for the communications consultant; and

WHEREAS, the RFP was publicly advertised stating that sealed proposals must be received at RHA by 3:00 p.m. on September 9, 2021; and

WHEREAS, the RFP was advertised in the News and Observer, the Carolinian, Triangle Tribune, PHADA.org and RHA’s website; and

WHEREAS, one (1) proposal was received for the Strategic Communications Plan for Raleigh Housing Authority; and

WHEREAS, the proposal received is set forth on the attached bid tabulation sheet, which by reference is made part of the resolution; and

WHEREAS, the staff of RHA evaluated the proposal in areas including experience, qualifications, section 3 and minority /women owned business enterprise, and fair and reasonable cost; and

WHEREAS, the staff of RHA recommends the acceptance of the proposal for Strategic Communications Plan for Raleigh Housing Authority for the agency as follows:

- Public Participation Partners (P3) \$46,400

WHEREAS, the Board approved a preliminary budget of \$25,000 based on estimates; and

WHEREAS, the proposal cost is higher than budgeted but staff feels can still be absorbed across all programs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the contract for the Strategic Communications Plan for Raleigh Housing Authority be awarded to Public Participation Partners (P3).

BE IT FURTHER RESOLVED that the Executive Director is authorized to enter into a contract with the firm of Public Participation Partners (P3) for these services.

Commissioner Warren moved and Commissioner Braun seconded rejecting Resolution No. 65 (2021) for the staff to seek additional resources for the RFP.

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse

Nay: None

Resolution No. 65 (2021) has been rejected.

(This resolution was originally included in the OCAC Board Book. However, it was determined that it should be an RHA resolution.)

Mr. Felton said since the RAD properties will be owned by Oak City Affordable Communities, which is controlled by RHA, RHA's Leased Housing Department cannot perform HQS Inspections or Rent Reasonableness calculations on those RAD properties.

The Interlocal Agreement is an agreement that RHA would execute with other local entities to perform inspections and Rent Reasonableness calculations for the RAD units. Staff will utilize the City Of Raleigh and the Wake County Housing Authority for inspections. The Wake County Housing Authority will also perform the rent reasonableness.

Since they are both local government, RHA would not procure them like a contractor so that is why an Interlocal Agreement will be used.

Staff will include a few contractors in RHA's pool of inspectors as well. Staff would like to have a pool of inspectors to assist in expediting the turning of RHA's vacant units. The contractors will need to be procured.

The city will have no charges, there may be charges with Wake County. Typically there will be reciprocal inspections. They have already asked RHA to inspect one of their projects that will be finished by the end of the year.

Commissioner Warren said Mr. Felton's explanation was very good. However, he suggested that staff preface the resolutions with a paragraph that explains "why" (maybe a description in the title of the resolution or on the agenda). Some of the policies and resolutions are alien to the newer RHA Board Commissioners.

RESOLUTION NO. 66 (2021)

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) introduced the Rental Assistance Demonstration (“RAD”) program in 2012 that, upon successful conversion, provides long-term Section 8 contracts to Public Housing Authorities (“PHAs”); and

WHEREAS, the RAD program seeks to preserve low income housing by allowing PHAs to access to more stable funding sources for capital needs improvements; and

WHEREAS, RHA successfully received a RAD portfolio award from HUD in January 2020; and

WHEREAS, since the portfolio award was granted, RHA has been working through the RAD conversion process in accordance with Revision 4; and

WHEREAS, HUD requires that PHAs converting units under RAD have an outside entity perform all required HQS inspections and rent reasonableness calculations; and

WHEREAS, RHA is seeking to implement an Interlocal Agreement that outlines the rights and actions that will take place between RHA and the Agency performing said inspections and calculations; and

WHEREAS, this Interlocal Agreement will ensure that both Agencies have an equitable ability to communicate and collaborate as this new process begins in accordance with Revision 4; and

WHEREAS, this Agreement can be amended or terminated as needed with Board approval and a proper notice period;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is authorized to implement the Interlocal Agency Agreement in accordance with all current RAD requirements.

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

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

Aye: Eric Braun, Niya Fonville, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 66 (2021) has been adopted.

PUBLIC COMMENTS

Kimberly Moore (With Congresswoman Ross’s office) said she was on the meeting tonight to listen for any issues that should be brought to her attention.

(There were no other public comments at this time.)

Commissioner Braun suggested staff open up Public Comments at the end of the OCAC Board Meeting as a courtesy to the public who might be expecting it at that time.

Commissioner Warren suggested moving the public comment period to earlier in the evening to make it easier for the public.

The Board agreed to move the public comments to the beginning of the meeting directly before the recognition of visitors.

ADJOURNMENT

There being no further business to come before the Board, the Chair declared the regular meeting adjourned at 6:40 p.m. to begin the OCAC Board Meeting.