

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
JUNE 23, 2022

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street and via Zoom on Thursday, June 23, 2022 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, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren.

Absent: Niya Fonville, Joe Whitehouse, Yolanda Winstead.

Visitors: Charles Francis, Francis Law Firm, PLLC; Eric Pristell, Banks Law Firm; Susan Lloyd, Bureau Veritas.

Public: Nellie Betancourt, Paula Coppola, Kevin Sullivan.

RHA Staff: Sonia Anderson, Priscilla Batts, Liz Edgerton, Laura McCann, Jennifer Morgan, Donna Perez, Jason Schloop, Gwen Wall.

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

RECOGNITION OF VISITORS

Ms. Edgerton welcomed the visitors to the meeting.

OATH OF OFFICE – VALERIE CRUTCHFIELD

Commissioner Morris administered the Oath of Office to Valerie Crutchfield. The Board and staff thanked Commissioner Crutchfield for her willingness to serve on the Board.

PUBLIC COMMENTS

Nellie Betancourt

What happens to those families who can't afford the rising housing costs – even though they are above the income limits for affordable housing? Does RHA have a plan in place for those families?

Commissioner Morris said this forum is for comments only. RHA staff can follow up with you or post the answers to your questions on the website.

I live in one of the facilities I think RHA owns. It's called Brighton Point Apartments. It's off of Lewisburg road on 401. I've been living here for about five years and for the last three years there's been mold issues and nothing has been done about it.

Commissioner Morris said that is not Raleigh Housing Authority's property and would not fall under RHA's jurisdiction.

Commissioner Braun asked Mrs. Edgerton if someone on staff could reach out to her and help her identify who she can contact.

Mrs. Edgerton said staff could look into that and get back with her if she could email us. She didn't give us her phone number or email address.

Paula Coppola

(Ms. Coppola said she has had difficulty with her computer during the meetings and was not able to comment.)

Who will continue to address the issues that are of concern to me since Mr. Felton is no longer there? I received an accounting sheet today which I have been asking for months. And it's different than the letter that I got from the department manager – my rent amount is different than what the accounting sheet has. I would like to contact Commissioner Warren or Commissioner Braun to discuss these issues because I feel staff bullies me.

Commissioner Warren said he doesn't think it's appropriate for him to respond to Ms. Coppola's inquiry. He asked Mrs. Edgerton, Interim Executive Director, to look into this issue. It's important that all residents are treated with respect. That's the Board's expectation, even if there may be confusion of information.

Commissioner Braun asked, when it's appropriate or when you have time, if you could update us on this on the situation. Ms. Coppola is welcome to come back. We are all learning in the virtual world. If you have trouble getting through in the future, let us know so we can figure out what the hang-up is. We don't want anybody having trouble presenting and attending our meetings and giving us input.

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 May 2022

Item 2

Financial Statements for May 2022

Item 3

Vacancy and Turnover Summary for May 2022

Item 4

Minutes from May 26, 2022 Regular Meeting.

RECOMMENDATION: Approval as submitted by staff.

Commissioner Braun moved and Commissioner Warren seconded approval of the Consent Agenda.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

The Board Chair had no report. However, he explained that some of the resolutions this evening would be taken out of order.

REPORT OF THE BOARD SECRETARY

Welcome Commissioner Crutchfield

Mrs. Edgerton welcomed and thanked Miss Crutchfield for her willingness to serve on the RHA Board.

Correction to Minutes

We will be making a correction to the minutes for Resolution No. 26 – Newbern Crossing Bond. The presenter should have been listed as Kenya Pleasant. We will make that change in the finalized minutes.

Virtual Meetings Update

Virtual meetings were authorized by a statute which authorized the Governor to declare a State of Emergency. This State of Emergency is still in place so we can continue to hold remote or hybrid meetings. When RHA goes back to in-person meetings, if all Commissioners attend in person, then the public must also attend in person. It may be possible to continue some form of hybrid meetings. We have asked Charles Francis to look into that.

RAD Update

Last month HUD told us we could hold resident meetings. Our first meeting was last Tuesday, held via zoom from 6:00pm-7:00pm. We had 8 residents and 4 staff members on the call. We have a two more meetings scheduled at different times, with one onsite meeting scheduled.

The closing documents have been prepared for Berkshire and this will be presented by our closing attorney later in this meeting. This is one of four properties we are working to convert to RAD.

Staff recently received a CHAP amendment for the other three properties in relation to the community center at Meadow Ridge and Terrace Park and the management office at Valleybrook. The updated proforma and other documents related to this amendment have been submitted. We hope to have the financing plan approved and the RCC issued soon.

We are tentatively scheduled to close on August 1st, with the leases and HAP contract to be signed by October 1st.

We are not planning on a July meeting at this time. This is dependent on when we receive the RCC's for the remaining properties.

Cyber Security Insurance

In May you were given an update that Cyber insurance providers will not provide a quote until we have a Multi-Faceted Authentication (MFA) in place. Since that time, our IT department has purchased licenses for each remote user and will be working to install these licenses in the next two weeks. We sent a follow-up email to our insurance representative to see if they can now provide a quote since we have purchased these licenses. Staff is waiting to hear back from them.

Request for Proposal (RFP) for new Software

Due to limitations of our current software, our IT department recently issued an RFP for software conversion. This RFP was issued on 6/6/22 and proposals are due back by 7/15/22. We sent the RFP to three public & affordable housing software providers (Yardi, Emphasys, and Sacs), posted in the N&O, and posted on our website. These will be evaluated and a recommendation will be made to the Board. The cost for replacing our software was included in our FYE 2023 Budget.

Contract Services Update

Ms. Perez and her staff are overseeing the installation of a new fire alarm system at Carriage House. We are now in phase 2 of this process. The contractor is going through each unit to install fire alarm devices and pull wiring to connect everything. This phase will be a 4-5 week process.

Contract services are also working with Google Fiber to bring their service to Carriage House. They went through the units to evaluate the previously-installed equipment. Google Fiber initially thought that there would be a cabinet of components on each floor. However, there is only one cabinet on the first floor, so they had to go back to the drawing board. We have no timeline yet when this service will be available but will stay in contact with them to see how to move forward with this project.

Ms. Perez and her staff have also been working to get the benches installed at Walnut Terrace. We had trouble finding contractors to bid on the concrete pad installs. Ms. Perez obtained one price and has worked to get a 2nd and 3rd price. In discussion with our Procurement Specialist, it

was agreed that we had performed our due diligence and can proceed using the one quote. Staff will proceed with contracting and scheduling this work to be completed in the month of July, 2022.

Auditing Services

Our auditor principal, Dale Rector, arrived Tuesday. The other auditing staff members are working remotely while auditing our tenant files and will join him onsite next week. They plan to wrap up the onsite work by next Thursday.

The entrance meeting with Audit Committee was held this past Tuesday. Mr. Rector has performed a preliminary analytic comparing this year to last year and no big changes stood out. We have scheduled our exit meeting with the auditor and Audit Committee on Thursday, June 30th.

Commissioner Warren said Joe Whitehouse had indicated that if the Board Meetings are going to be in person, he's going to have continued problems attending. He asked if there has been any effort to look at alternative meeting dates with Board members.

Mrs. Edgerton said there has been no discussion with the Board Commissioners yet. My hesitancy is that we've had this meeting on this date for several years, and the public is aware of it on the day that we have it. I want us to make sure we give it great consideration if we do start changing that. We need to make sure that we allow the public ample time to know that and get the word out there.

Commissioner Braun asked if we could also ask Charles to look into if there are any sort of exceptions since this is related to travel requirements with his job and it's not permanent, but it is for an extended period of time. I don't expect an answer today – but there may be an appropriate way to accommodate that issue on a temporary basis.

Mr. Francis said right now it is still my understanding that we're under the Governor State of Emergency and so we can still continue to do these hybrid meetings that we're doing now. So you'd be able to participate electronically. I think that even after the State of Emergency ends, there's still a mechanism by which you can have a hybrid virtual meeting, as long as one member of the body participates virtually. As long as we also make a physical place available for the public to come into. So the public would need to be able to participate virtually if they wanted to, or they would need to be able to come down and participate in the building with whoever's down at the headquarters. I think that opportunity exists even after the State of Emergency ends.

Commissioner Braun said he thinks it'd be great if there's a way to allow the public to participate both virtually and in person. It gives some people easier access to listen and participate in our meetings.

Mr. Francis said doing that requires at least one Board Member to be virtual. If all of the Board Members are in person, then the public must come to the meeting. However, if one Board Member is virtual then you have to make it virtual for the public.

Commissioner Warren asked if it is a definitive opinion that once the emergency order is lifted, we can go virtual, or does that still require additional research.

Mr. Francis said he will look into a little further. Right now we're still under the emergency order and so you can continue to do that for now. But let me look into that a little further and see what your options would be once the State of Emergency ends.

Commissioner Warren said he understand Mrs. Edgerton's point about not changing the meeting dates, but at least we could poll Commissioners to see if there are other meeting dates that would work better.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the Repositioning Committee met on June 14th and we had several items on our agenda. First of all, we had a discussion with Naomi Byrne from EJP on the Master Planning process. She noted that right now she doesn't have an exact schedule or plan in place. Her proposal basically stated their capacity to undertake master planning with a lot of different scenarios. I think that one of the discussion points that she wanted to have with us and the Co-Developer, when that Co-Developer is selected, is who will be leading the process for RHA and who is going to be leading the entire master planning process. That still needs to be determined.

I view this process as both a master planning process and a community engagement process. Ms. Byrne provided us with examples of different plans that came out of their work at EJP. Those are on the Board portal – along with one that came from DHIC's Washington Terrace master planning process. Those are available for all Commissioners to look at.

The general thinking is that once we have a Co-Developer selected, EJP and RHA would sit down and make sure that we all understood who's doing what, who's leading the process, and respective roles of all the entities.

We also had a rezoning discussion with Mack Paul. We have noted that we want to hold the submission of the rezoning until we have a Co-Developer on board and probably a meeting with that Co-Developer. The current plan remains DX-20 across the entire site with a special condition that the western-most half of the site would be further restricted to 12 stories in height, the balance of the site to the east would be up to 20. Although, our work would likely not be going to 20 stories.

There is still a question as to how the rezoning process will work with the master planning process as to whether or not we're going to be getting the community confused when we're doing these simultaneously. That's an issue the Repositioning Committee will talk about and have a recommendation for the Board's consideration.

We did go into executive session to discuss a real estate matter and largely that focused on our negotiations with the Co-Developer. The Frances Law Firm and Banks Law Firm provided us with a draft MOU today. There's going to be a quick conversation about that tomorrow morning

at 7:00. The Repositioning Committee is scheduled to meet June 28th at 2:00 pm. The sole agenda item will be the Memorandum of Understanding.

REPORT OF THE TRANSITION COMMITTEE

Commissioner Braun said we are in the middle of negotiating with the chosen search firm that's going to assist us with our executive search effort.

We have not completed that agreement yet and hope to do that in the next week or two. And then, as required by state law, we would bring it back to the Board for formal review and approval.

Since time is critical for our efforts to get going, we would like to recess this meeting and reconvene on July 14th for a very brief meeting, where the Board would have an opportunity to review the proposed contract and we would have whatever discussion we need and then vote to approve the contract. We can then move expeditiously with starting the recruiting effort for the CEO position.

Commissioner Morris said recessing the meeting will be fine.

COMMISSIONERS COMMENTS

There were no Commissioners comments this evening.

NEW BUSINESS

Mrs. Edgerton said the Board was given the draft version of the Transition Plan last month. Due to the size of the report, the Board packet excluded some of the appendices. We have place the full version on the Board portal.

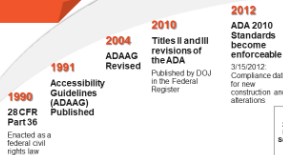
RHA contracted with Bureau Veritas agency to inspect all of our properties and create this plan. This document will be a living document that staff will review each year.

I will now turn it over to Susan Lloyd with Bureau Veritas to give the highlights of this plan.
(Ms. Lloyd gave the following presentation.)

THE AMERICANS WITH DISABILITIES ACT

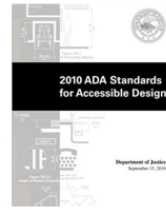
ADA'S DEFINITION:

Disability: A physical or mental impairment that substantially limits a major life activity.



THE AMERICANS WITH DISABILITIES ACT

Five ADA Categories



- **TITLE I:** Employment
- **TITLE II:** Public Entities including Public Transportation
- **TITLE III:** Public Accommodations & Commercial Facilities
- **TITLE IV:** Telecommunications
- **TITLE V:** Miscellaneous Provisions

HUD / DOJ JOINT LETTER

- HUD/DOJ Joint Letter
 - Issued April 30, 2013
- Accessibility (Design and Construction) Requirements for covered multifamily dwelling units under the Fair Housing Act.
 - Defines accessible features
 - Accessible Routes
 - Safe Harbors for Compliance with the Act (RHA used UFAS)
 - Accessible Public and Common use areas
 - Enforcement
 - Reasonable Accommodation and Reasonable Modification under the Act
- Beyond the Letter HUD considers all Public Based Voucher (PBV) units in the total count when determining the number of accessible units.

SCOPE OF ACCESSIBILITY REGULATIONS



PROGRAM ACCESS

PROGRAMS OF GOVERNMENT ENTITIES

- Programs as a whole must be accessible
- Each and every facility is not required to be made accessible
- Accessible facilities must be available so that a program is accessible when viewed in its entirety

PROGRAM ACCESS TEST

- **Unique** programs and facilities should be accessible
- **Recurring** programs and facilities can be made accessible based on priority criteria

PHYSICAL ACCESS

- Parking
- Loading zones
- Sidewalks and walkways
- Curb ramps
- Ramps
- Stairs
- Elevators
- Platform lifts
- Entrances and exits
- Doors
- Accessible routes, vestibules, corridors
- Ground/floor surfaces
- Protruding objects
- Hardware
- Assembly areas
- Playgrounds and play areas
- Pools/aquatic facilities
- Recreational assets
- Drinking fountains and water coolers
- Controls and operating mechanisms
- Space allowance/ranges
- Alarms (visual, audible)
- Detectable warnings
- Signage (Braille, visual)
- Telephones
- Switches and outlets
- Seating and tables
- Kitchens
- Counters and work surfaces
- Restrooms
- Shower rooms
- Lockers
- Dressing/fitting rooms
- Shower stalls
- Sinks
- Water closets
- Toilet stalls
- Urinals
- Lavatories and mirrors
- Handrails and grab bars
- Bath tubs
- Tub and shower seats
- Storage

This list is not all inclusive

HUD DEFINITION REASONABLE ACCOMMODATION / REASONABLE MODIFICATION

Reasonable Accommodation:

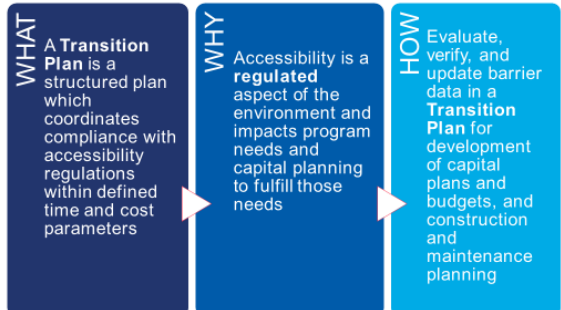
- Changes to programs or policies to meet the need(s) of an individual
- Allowing a service animal, when there is a no pet policy

Reasonable Modification:

- Making a physical structure change to meet the needs of an individual.
- In an accessible or non accessible unit.
- Adding grab bars to a non accessible unit to assist in getting up from the toilet
- There are several factors to determine who pays the cost.

Note: HUD's Reasonable Modification is how DOJ defines Reasonable Accommodation.

ADA TRANSITION PLAN





RALEIGH HOUSING AUTHORITY TRANSITION PLAN SUMMARY 900 HAYNES STREET RALEIGH, NC 27604



BUREAU VERITAS 10411 MILL RIVER CIRCLE, SUITE 1100, OWINGS MILLS, MD 21117
P 410.773.5900 | F 410.773.6221 | WWW.US.BUREAUVERITAS.COM

AMERICANS WITH DISABILITIES ACT (ADA)

"The ADA protects qualified individuals with disabilities from discrimination on the basis of disability in services, programs, and activities provided by state and local government entities."

Per Department of Justice (DOJ) which administers the ADA



KEY ACCESSIBILITY POINTS



Accessibility Regulations - Complex but manageable

Public Input - Part of the Transition Planning process

Goal - Develop a documented Transition Plan with an overall strategy and consistent goals

Strategy - Transition Plan strategy based on defined priorities and technical guidance



RALEIGH HOUSING AUTHORITY OVERVIEW

A Transition Plan is a living document that should be reviewed on a regular basis. At a minimum staff should annually record barriers that have been removed and at least every three years review the transition plan priorities and make necessary changes.



RALEIGH HOUSING AUTHORITY OVERVIEW

During the Self Evaluation, BV reviewed 24 facilities and found:

- 1,595 Barriers to Accessibility identified
- \$10,781,961 worth of work to remove the barriers in the following areas
 - \$1,003,015 is Exterior Accessible Routes
 - \$1,085,460 is Parking Space
 - \$2,876,902 is Bathroom/Restroom
 - \$1,696,593 is Kitchen
 - \$4,119,991 all other barriers



RALEIGH HOUSING AUTHORITY OVERVIEW

Raleigh Housing Authority determined 5 phases to complete the Barrier Removal Phases were determined on useability and planned future projects that may self eliminate the barrier
(Phases are not necessarily in year increments)



RALEIGH HOUSING AUTHORITY OVERVIEW

- Staff and volunteer training is needed to remediate simple barriers
 - Keeping door maneuvering clearance open
- Maintenance upkeep is needed to prevent return barriers
 - Keeping playground surfaces smooth and compact



LOOKING AHEAD

FINALIZE A LIVING TRANSITION PLAN
- Develop individual barrier removal by phases based on prioritization

- Integrate budgetary constraints and planned capital improvements into the plan

IMPLEMENT BARRIER REMOVAL
- Track barrier removal over time
- Update Transition Plan periodically



Commissioner Morris asked about budgeting the \$10 million that is needed. Mrs. Edgerton said this will be done over time. Also, as properties get redeveloped, there are some that will be eliminated off the list. We can also use Capital Funds to help with the cost.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 41 (2022)

WHEREAS, Raleigh Housing Authority (“RHA”) is the recipient of federal funding from the U. S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, HUD requires its funding recipients to conduct needs assessments that address the accessibility compliance of physical properties in accordance with regulations including the Americans with Disabilities Act of 1990; and

WHEREAS, a transition plan is a report that reviews properties in their current condition and provides a frame work to address identified compliance concerns over a period of time; and

WHEREAS, a transition plan is a living document that can be amended as needed including adjustments to projected timelines, required work, and priority items; and

WHEREAS, RHA has agreed to produce a new transition plan to HUD as part of the Voluntary Compliance Agreement entered into in 2021; and

WHEREAS, RHA solicited proposals to complete a new transition plan for the agency through the request for proposal process; and

WHEREAS, Bureau Veritas was selected as contractor to collect and compile all necessary information for a transition plan; and

WHEREAS, a copy of the proposed transition plan has been reviewed by staff and provided to RHA’s Board of Commissioners in May 2022;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached transition plan composed by Bureau Veritas be approved and adopted.

BE IT FURTHER RESOLVED that staff is directed to review the transition plan annually and amend the plan as needed.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 41 (2022) has been adopted.

(Resolution No. 47 was taken out of order.)

Mrs. Edgerton introduced Eric Pristell with Banks Law Firm to lead the discussion about Resolution No. 47 (2022) – closing documents for Berkshire Village.

Mr. Pristell said, just to give you some background, the Housing Authority wishes to convert the Berkshire Village public housing development from public housing to project based vouchers through HUD's RAD program. 40 units will be converted.

The renovations will be made primarily using RHA's operating reserves and Capital Funds (approximately \$620,000.)

The Housing Authority submitted an application to HUD to convert the project and HUD provided a commitment letter, called the RCC, that the Board approved at its last meeting.

The RCC is HUD's firm funding commitment to the Housing Authority and the new LLC that will own the project post conversion. The document generally outlines the term converting from public housing to project based voucher.

The approval resolution before you today is Resolution 47, authorizing and approving actions in connection with the conversion of public housing units at Berkshire Village pursuant to the RAD program established by HUD.

In the resolution, the Board is being asked to provide final approval of the transaction, including execution of all required closing documents.

A highlight of the HUD-required closing documents include:

- RAD Use Agreement. This is the new use restrictions that will be recorded on the public record at the Wake County Register of Deeds. Just to give you some background, you have several public housing sites and those developments have a restriction recorded at the Register of Deeds which restricts projects to be operated as public housing that's called a declaration of trust. When you convert the project from public housing to project based voucher, you have to replace the restriction and that's called Rad Use Agreement.
- Housing Assistance Payment Contract. This is the funding agreement between the Housing Authority and the new owner entity, Berkshire village, LLC. It spells out several material items such as the subsidy that would be provided by HUD to the housing authority for the benefit of the owner entity.
- Ground Lease. The project will no longer be owned by the housing authority. The dirt itself will be leased to the owner entity. The Housing Authority will remain the owner the new entity will own the improvements. However, at the end of the term, those improvements will revert back to the housing authority. The initial term is 20 years to match the term of the HAP contract. In addition, in the document we have the rent set at

\$100 for the entire term, but that can be modified by the Board if they feel it needs changing.

- Tenant Lease. This is straightforward – that's between the new owner and the tenant. The new lease term will need to match the beginning of the HAP contract according to HUD rules.

There are also various certifications in your packet:

- Consolidated Owner's Certificate. That's where the Housing Authority and the new owner entity certified to several items - such as, they have submitted the closing documents, they will complete the repairs following the closing, and that they deposited the required replacement reserves into an account.
- There's also a certification and assurances between the Housing Authority and the new owner where they're certifying that the closing documents comply with requirements and that the RAD Use Agreement will be an exempt carrier position.

In your packet, you will see the two legal opinions, both from our law firm, one for the housing authority, which is required by HUD, and the other for that single purpose entity. We'll have two legal opinions in this transaction. And then there's the Owner Entity Agreement that's for Berkshire village LLC, where you will see the non-profit affiliate is the sole member manager.

The approval of this resolution includes all of the transaction documents that that I mentioned. Of note, I will say that the transaction must close no later than Wednesday, August 31st. Pursuant to the RCC, our next steps are to clean up the closing documents and submit them to HUD for review and approval. They go to two sources at HUD, one on the program side (a closing coordinator), and then the other on the legal side to the Office of General Counsel.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 47 (2022)

AUTHORIZING AND APPROVING ACTIONS IN CONNECTION WITH THE CONVERSION OF PUBLIC HOUSING UNITS AT BERKSHIRE VILLAGE PURSUANT TO THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM ESTABLISHED BY HUD

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (“RHA”) is the owner of the Berkshire Village public housing development (NC002000025) which consists of 40 units located in Raleigh, North Carolina (the “*Development*”); and

WHEREAS, the Rental Assistance Demonstration program is authorized by the Consolidated and Further Continuing Appropriations Act of 2012, as amended (the “*RAD Program*”); and

WHEREAS, the RAD Program allows public housing authorities to convert projects funded under the public housing program to long-term project-based Section 8 rental assistance contracts; and

WHEREAS, RHA has received authorization from the United States Department of Housing and Urban Development (“HUD”) to convert the 40 public housing units in Berkshire Village to project-based voucher units, through the RAD Program (the “*RAD Conversion*”); and

WHEREAS, the authorization has been memorialized in a RAD Conversion Commitment (Public Housing First Component), executed by HUD on June 2, 2022 (the “RCC”); and

WHEREAS, it is anticipated the RAD Conversion will involve the transfer of the Development (through a long-term ground lease) to Berkshire Village, LLC, a North Carolina limited liability whose sole member is Oak City Affordable Communities, Inc. (“OCAC”), a North Carolina non-profit corporation and instrumentality of RHA (the “*Project Owner*”); and

WHEREAS, RHA has determined that the RAD Conversion is in its best interest, and it desires to enter into and execute and deliver all documents necessary to consummate the RAD Conversion.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Raleigh:

1. The RAD Conversion is in all respects authorized and approved, and all reasonable actions taken by RHA in good faith and in connection with the RAD Conversion are hereby confirmed and approved as being in the best interest of RHA.
2. RHA is authorized to execute and deliver all necessary documentation in connection with the RAD Conversion and any and all other documents or instruments as may reasonably be required.
3. RHA is hereby authorized to take any and all actions, execute any and all documents and instruments, make any and all filings and reasonable expenditures, and take any and all reasonable steps it deems to be necessary, desirable, or appropriate in order to carry out the purpose and intent of the foregoing resolutions. Projected Sources and Uses are attached as Exhibit A.
4. The Chairman and Interim Executive Director of RHA, including their respective authorized designees, if any, are hereby authorized to execute and deliver all documents or instruments as may reasonably be required in order to carry out the purpose and intent of the foregoing resolutions.
5. All actions taken by the Chairman or Interim Executive Director of RHA, including their respective authorized designees, if any, to effectuate the foregoing resolutions, shall be valid and binding obligations of RHA.
6. All reasonable and necessary actions taken by RHA in connection with the RAD Conversion, as contemplated in the foregoing resolutions and prior to the effective date of this Resolution, are hereby ratified and confirmed.
7. This Resolution shall take effect immediately.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 47 (2022) has been adopted.

Mrs. Edgerton said RHA's fiscal year runs through March 31st of each year. At that time, staff prepares financials to be submitted to HUD. Since those financials are very lengthy, the Finance staff has condensed them down to a 5- page summary including a memo.

Highlights include:

- Our net income for FYE 2022 is over \$3.9 million compared to \$4.3 million last year. (RHA is \$2.7 million and CAD is \$1.1 million.)
- RHA's total liabilities are \$9.8 million, down from \$10.2 million in 2021. This decrease is due to \$934,000 of payments against our non-federal debts.
- Pension numbers have not been booked yet. We received those numbers from the state office after our unaudited submission date. We will include these when we submit our audited submission.
- Restricted reserve fund balances are \$778,000. These funds have been approved by HUD to be used for redevelopment. The \$1.6 million amount has been restricted to cover our OPEB obligations. The remaining restricted reserve funds shown are for other specific programs.
- Emergency Housing Voucher (EHV) reserves are new this year. These funds were issued through the American Rescue Plan Act (ARPA) to help assist those who are homeless, at risk of being homeless, or at risk of domestic violence.
- The current year CARES Act funding activity is shown on page 4. Of the \$3.6 million received last year, \$3 million was used previously, and the remaining \$600,000 this year. All CARES act money had to be spent by December 2021 – and all has been spent.

The Unaudited financial data schedule has been submitted and is being reviewed by HUD.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 42 (2022)

WHEREAS, Federal Register Volume 65, Number 59 was issued on March 27, 2000 for the Uniform Financial Reporting Standards for Housing and Urban Development ("HUD") Housing Programs; Final Rule revising 24 CFR parts 5 and 266, requiring public housing authorities to electronically submit unaudited annual financial data following the end of each fiscal year; and

WHEREAS, the annual financial submission for the fiscal year ended March 31, 2022 was electronically submitted to HUD's Real Estate Assessment Center on May 31, 2022; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA implemented GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, as of the due date of the submission the NCDST had not yet provided the information required to complete the pension entries for the fiscal year ended March 31, 2022; and

WHEREAS, HUD advised the agency to complete the annual financial submission without the current year pension entries; and

WHEREAS, the attached documents summarize the unaudited financial data for the fiscal year ended March 31, 2022;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the unaudited annual financial submission for the fiscal year ended March 31, 2022 be accepted as prepared and as submitted to HUD.

BE IT FURTHER RESOLVED THAT the audited financial submission will be updated to include the current year pension entries.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 42 (2022) has been adopted.

Mrs. Edgerton said, with the audit, RHA is required by the General Accounting Standards Board, (“GASB”) to publish a narrative called Management’s Discussion and Analysis (“MD & A”) that describes the past year and prospects for the future. It is a 10-page executive summary of what happened this past year and what is going on now that will impact future years. This document adds some context to the numbers and provides benchmarks. Those include:

- Current assets are up 10% from \$43.1 million to \$47.4 million. This is largely due to an increase in unrestricted cash in our HCV program and in restricted cash in our EHV program.
- Capital Assets decreased 6% due to depreciation and writing off equipment.

- Total liabilities decreased 10%. Most of this is due to a decrease in our unearned revenue account where we used the remaining of the Cares Act funds received in the prior year and payments of \$934,000 against our non-federal debts owed.
- Total tenant revenue increased by \$414,000 (5%). This is due to increased tenant rental income across all programs.
- Overall expenses increased by \$1.1 million (2%). This is due to additional spending related to tenant services in the EHV program, increased utility rates for sewer and electricity, increased maintenance cost, and protective services.
- Maintenance costs increased by 10% over last year due to more contract and vacancy costs.
- Our overall net position increased by \$1.1 million (compared to \$2.4 million last year). This is due to positive results from operations.

RHA had a good financial year and the goal for the current year is to keep everything running as efficiently as possible and cash flowing. We are scheduled to close on our RAD properties in August and looking at getting our Co-Developer in place for the redevelopment at Heritage Park. This resolution allows for minor revisions, should something be identified as part of the audit that would make changes necessary.

If the MD&A is approved, it will be included in the audit.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 43 (2022)

WHEREAS, HUD Guidebook 7510.1, Public and Indian Housing Low-Rent Technical Accounting Guide, requires that a housing authority contract with an independent auditor for an annual financial audit; and

WHEREAS, the audit must conform to the requirements of the Office of Management and Budget (“OMB”) Uniform Guidance 2 CFR Part 200, Audits of States, Local Governments, and Non-Profit Organizations; and the Government Auditing Standards issued by the Comptroller General of the United States; and

WHEREAS, Governmental Accounting Standards Board (“GASB”) Statement 34 issued in June 1999 requires that audits include a narrative prepared by the auditee called Management’s Discussion and Analysis (“MD&A”), which was effective for RHA for the fiscal year ended March 31, 2001; and

WHEREAS, staff drafted an MD&A based upon the unaudited financial statements for the fiscal year ended March 31, 2022, which is attached to this resolution and thereby made a part of this resolution; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, as of the due date of submission the NCDST had not yet provided the information required to complete the pension entries for the fiscal year ended March 31, 2022; and

WHEREAS, HUD advised the agency to complete the annual financial submission without the current year pension entries; and

WHEREAS, the pension data for FYE March 31, 2022 will be recorded on the audited financial statements and MD&A as soon as it is available; and

WHEREAS, as the annual financial audit is completed for the fiscal year ended March 31, 2022 it may be necessary to make minor changes to the MD&A; and

WHEREAS, the final MD&A will be brought before the Board of Commissioners as part of the Report on the Audit of Financial Statements for the fiscal year ended March 31, 2022;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the draft of the Management’s Discussion and Analysis for the fiscal year ended March 31, 2022 be approved.

BE IT FURTHER RESOLVED that staff is authorized to make minor revisions to the MD&A for the fiscal year ended March 31, 2022 as may be identified during the completion of the annual financial audit and update the pension data as it becomes available.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 43 (2022) has been adopted.

Mrs. Edgerton said the next two resolutions are related to the newly awarded Capital Fund Grant. On May 13th, HUD sent out a notice with our awarded amount of Capital Fund for 2022. The amount will be approx. \$4.3 million.

In 2013, HUD decoupled the 5-Year Plan from the Agency Plan. Every year we have to update the 5-Year Plan to reflect the amount of the grant. This is a rolling plan which gets updated each year. This must be updated and submitted to HUD prior to being able to use the funding.

On the first page this resolution, you will see that we have set aside \$1 million for redevelopment activities for Heritage Park for the 2022 year. Activities must be in the 5-Year Plan before we can start.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 44 (2022)

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

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

WHEREAS, The Capital Fund Program’s final rule, effective November 25, 2013, stipulates the submission requirements for the program were decoupled from the Agency Plan which includes the five year action plan; and

WHEREAS, the capital improvements at each public housing development were identified through the input of staff and discussion with public housing residents, finalized and submitted to HUD as part of the agency’s annual plan; and

WHEREAS, staff has prepared a 2022-2026 five-year action plan in compliance with the Capital Fund Program’s final rule; and

WHEREAS, the five-year action plan must be submitted to the Board of Commissioners for approval; and

WHEREAS, staff is recommending that the attached five-year action plan for Capital Fund Program be approved as presented by the report attached hereto and by reference is made part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the five-year action plan for Capital Fund Program be approved for submission to the Department of Housing and Urban Development.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 44 (2022) has been adopted.

(Resolution No. 48 was taken out of order.)

Mrs. Edgerton said with this next resolution, you are approving the Performance & Evaluation Report for Capital Fund 2022 grant which will allow HUD to set up the grant so we can draw down money. Highlights include:

- \$1,000,000 for redevelopment of Heritage Park.
- The largest allocation is to dwelling structures where we have set aside \$1.2 million. These funds can be used for unit renovations where/as needed.
- We have set aside \$170,000 for current post-RAD Conversion to cover HAP payments for the remainder of the year after we close on our RAD properties.
- There is \$230,000 for future pre-RAD Cost.

We have two years to obligate these funds and 4 years to expend. The funds must be expended by 05/11/26.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 48 (2022)

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

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

WHEREAS, the capital improvements at each public housing development were identified through the input of staff and discussion with public housing residents, finalized and submitted to HUD as part of the agency’s annual plan; and

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

WHEREAS, in accordance with HUD regulations, an annual statement for the newly awarded grant must be submitted to HUD for approval; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the performance and evaluation report for Capital Fund Program Grant NC19P00250122 be approved for submission to the Department of Housing and Urban Development.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 48 (2022) has been adopted.

Mrs. Edgerton said this MOU was requested by Fernandez Community Center (“FCC”). RHA relies on its partners to provide additional supportive services outside of affordable housing.

The Fernandez Community Center has attended some events that our Resident Service Coordinator has set up for our properties. They provide mental health and substance abuse services and are within close proximity to several of our communities.

Some highlights of the MOU:

- RHA will refer residents they believe can benefit from this service
- FCC will provide marketing material to share with residents and applicants and will provide referrals for residents who need assistance outside their scope.
- There is no financial commitment between the parties. FCC may file with insurances but acknowledges RHA may refer all residents/applicants without regard to coverage.

This resolution approves RHA to enter into this relationship through the MOU with Fernandez Community Center.

Commissioner Morris asked if this could be an entity that RHA contributes to annually – are they a non-profit entity?

Mrs. Edgerton said they are a non-profit. There are criteria that staff scores the entities on so she will have staff look into that to see if they qualify.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 45 (2022)

WHEREAS, Raleigh Housing Authority (“RHA”) provides affordable housing to its public housing residents; and

WHEREAS, RHA relies on its partners to provide additional supportive services outside of affordable housing to its residents; and

WHEREAS, the Fernandez Community Center (FCC) is located in close proximity to several RHA public housing communities; and

WHEREAS, FCC provides mental health services and programs that benefit RHA public housing residents in a multitude of ways; and

WHEREAS, RHA and FCC wish to further establish and strengthen the partnership between both agencies; and

WHEREAS, the attached Memorandum of Understanding (“MOU”) outlines each agency’s roles and responsibilities to help foster this partnership; and

WHEREAS, both agencies have reviewed this MOU and seek to enter into this agreement to help solidify the partnership;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Memorandum of Understanding between RHA and the Fernandez Community Center be approved.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 45 (2022) has been adopted.

Mrs. Edgerton noted that the RX-20 reference will be amended to say DX-20.

In August 2020, The Board approved for staff to spend up to \$75,000 from HOTMA or Capital Funds on the rezoning process for Heritage Park. A contract was signed with J. Davis Architects in Nov 2020 and Jones & Hales dba Morningstar Law Group in Oct 2020.

To date, we have paid approx. \$58,000 (\$39,535 & \$17,502.50) between the two contracts. The initial focus for the contract was intended to be for the rezoning effort. Before the rezoning efforts received any momentum, there were numerous revisions made to the conceptual site plans, different meetings scheduled with residents, the public, repositioning committee, and board meetings that included Mr. Zucchini presenting the various conceptual plans.

Although these other tasks were necessary to get to the desired end result, the additional tasks and time have caused the need to increase the contract amount.

For that reason, staff is requesting that the Board approve the increase of \$25,000. The additional \$30,000 was added to prevent staff from having to come to the Board a third time if there are additional time/work constraints that we find as we work through this process.

Commissioner Morris asked about the difference between RX-20 and DX-20.

Commissioner Braun said RX-20 is “residential mixed-use” and it allows a limited amount of commercial or office use. It is primarily a residential district. DX-20 is the downtown district that allows different mixed-uses (but not industrial uses). It’s more commercial and office uses, in addition to residential.

Commissioner Warren said this is justified. I think we probably have different buckets that we need to put this into. Keep in mind that we're going to park, at least for a little while, the rezoning activity. And then we're also trying to get started on the master planning activity. So my sense is, based on my prior experience, the design and work of JDavis architects will probably go more into the master planning bucket than the rezoning bucket. We still need to work out all these various programs for Heritage Park. There's master planning, site development work, and a number of other things. I think that this is fine to move ahead. But I do think that we're probably going to reclassify and set up a budget for master planning and set up a budget for pre-development work. Some of the Larry's work will probably go into master planning. However, we can work through that later.

Mrs. Edgerton said we want to make sure we go through the procurement process correctly. If we're changing the scope of work from the current contract, we may need to go through the procurement process to procure JDavis for the other, or it may run through the Co-Developer.

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 46 (2022)

WHEREAS, Heritage Park is a 122 unit complex built in 1975 and 1978, located on 17.83 acres outside of downtown Raleigh; and

WHEREAS, the Board of Commissioners approved Resolution No. 43 on June 27, 2019 to spend Replacement Housing Factor funds on the preliminary reports required to submit Heritage Park to HUD for demolition; and

WHEREAS, on October 24, 2019, with Resolution No. 60, the RHA Board of Commissioners approved staff to prepare the demolition application and development plan for Heritage Park; and

WHEREAS, Heritage Park is currently zoned as RX-3 Residential Mixed-use, which allows a variety of homes and limited retail, up to three stories high; and

WHEREAS, there is a lack of affordable housing options in Raleigh, NC; and

WHEREAS, to allow for the option of a more dense redevelopment, RHA desires to rezone Heritage Park to DX-20; and

WHEREAS, staff was authorized to spend up to \$75,000 from HOTMA or Capital Funds on the rezoning process for Heritage Park with Resolution No. 41 on August 27, 2020; and

WHEREAS, the rezoning determinations are taking longer than anticipated, producing the need for additional funds to complete the rezoning process;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the approved amount for the rezoning process for Heritage Park increase to an amount of up to \$100,000 from HOTMA funds or Capital Funds.

BE IT FURTHER RESOLVED that the Executive Director is authorized to approve the expenditures of funds in excess of the amount if deemed necessary in order to address the completion of the rezoning process providing that the total expenditures does not exceed \$130,000.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None

Resolution No. 46 (2022) has been adopted.

Meeting was recessed to July 14, 2022 at 4:00 pm

Commissioner Braun moved and Commissioner Ellinger seconded recessing the meeting at 6:30 p.m. to move into the Oak City Affordable Communities, Inc. meeting.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren

Nay: None