

MINUTES OF A REGULAR MEETING OF  
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH  
BOARD OF COMMISSIONERS  
OCTOBER 27, 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, October 27, 2022 at 5:00 p.m.

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

Present: Eric Braun, Valerie Crutchfield, Susan Ellinger, Arne Morris (late and left early), Gregg Warren, Joe Whitehouse (left early), Yolanda Winstead.

Absent: Niya Fonville-Swint, Bahati Mutisya.

Visitors: Charles Francis, Francis Law Firm, PLLC; Kristen Kirby, McGuireWoods, PLLC; Kayla Rosenberg, DHIC; Public: Iesha Cobb, Naquita Jarman.

RHA Staff: Sonia Anderson, Susie Bass, Priscilla Batts, Suzy Bryan, Liz Edgerton, Laura McCann, Jennifer Morgan, Tanya Orr, Jason Schloop, Gwen Wall.

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

(Commissioner Braun ran the meeting because Commissioner Morris was attending the meeting via cell phone.)

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RECOGNITION OF VISITORS

Mrs. Edgerton welcomed the visitors to the meeting.

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PUBLIC COMMENTS

There were no public comments this evening.

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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 September 2022

Item 2

Financial Statements for September 2022

Item 3

Vacancy and Turnover Summary for September 2022

Item 4

Minutes from September 22, 2022 Regular Meeting.

RECOMMENDATION: Approval as submitted by staff.

Commissioner Warren moved and Commissioner Winstead 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, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

The Consent Agenda has been adopted.

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REPORT OF THE BOARD CHAIR

The Board Chair or Vice Chair had no report this evening.

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REPORT OF THE BOARD SECRETARY

**Public Comment from the Last Meeting**

Last month it was stated during the public comments that there are complaints about maintenance charges at Heritage Park due to the apartments being “unfixable”. “Can there be any consideration to remove these work order charges for the items that aren’t fixable?”

HUD puts emphasis on properly maintaining the premises as evidence in the types of inspections: UPCS, REAC and NSPIRE. This confirms the importance placed upon maintaining the federally subsidized property by both the resident and the housing authority. RHA places emphasis on staff and resident compliance with state and local housing and building codes.

Heritage Park has met the threshold of obsolescence. However, Heritage Park, as a community, is not uninhabitable and the lease requires them to report maintenance issues immediately. Failure to do so is a lease violation. Many statements are located in the lease related to our charges.

In addition to rent and the charges set forth elsewhere, the resident will be charged for maintenance and repair of the leased premises beyond normal wear and tear, and for retroactive rent resulting from resident's failure to report any increase of household income. The costs assessed for maintenance and other charges shall not become due and collectible until thirty (30) days after the Housing Authority gives written notice of the charges to the Resident.

Residents may request an informal grievance hearing if they disagree with the charges.

Since we are still in 2022, I looked at the maintenance labor charges for 2020 & 2021. The charges that were charged, seemed to be charges that are caused by damage and not just normal wear and tear.

	2020	2021
Install/Repair Doors	39%	28%
Replace missing smoke alarms	26%	15%
Repair plaster - holes in sheetrocks	8%	12%
Clean Yard	1%	17%
	74%	72%

If a resident has a disagreement with their charges, please see their property manager to discuss it with them.

Commissioner Braun asked what the average charge is.

Mrs. Edgerton said she looked at some of those charges – one year the charge was about \$182. That was the highest charge. For the other year, the highest charge was \$100 for a work order. I can look back and get you averages of that and share that, if you'd like.

Commissioner Braun said that wasn't necessary – this gives him an idea of the costs.

Commissioner Winstead asked if the resident is invoiced when they are charged. Are they invoiced in full at one time or do they have the opportunity to pay over time for the damages?

Mrs. Edgerton said we give them a 30 day notice to pay that charge. If it's a hardship, they can report to their property manager and they can set up a hardship payment plan.

Commissioner Braun asked if we charge any sort of penalty on top of that if they can't pay. If they asked for the hardship, do we charge interest?

Mrs. Edgerton said if they are just late paying it there will be a late fee charge on top of that. If they're reaching out to the property manager and walking through the proper channels there is no extra charge.

**RHA hosted its annual Flu shot Clinic on Monday Oct. 24<sup>th</sup>.**

In addition to the flu shots, the provider also administered COVID Vaccines for the staff.

## **RAD update**

- We have been given the all clear by the HUD field office attorney for closing on three properties: Meadowridge, Valleybrook , & Terrace Park
- They will send our attorney an escrow instruction letter in the next couple of days.
- We will have up to two weeks to close.
- It is expected that these three properties will close by October 31<sup>st</sup> with a HAP and lease effective date of December 1, 2022.
- Our Housing Management and Section 8 departments have scheduled meetings with the residents to sign the new lease and complete necessary voucher paperwork on Nov 1<sup>st</sup> – 9<sup>th</sup>. We will be meeting with up to 24 residents at a time.
- The repairs cited in the Critical Needs Assessment for Berkshire Village are underway and should be completed by December 1<sup>st</sup>. The repairs for the other properties will begin after the RAD closing. Once these repairs are complete, staff will upload a completion certification to HUD to document that the work was completed.

## **Operating Reserve for RAD properties**

- Per HUD RAD guidance, the only funds that housing authorities are allowed to use in a RAD transaction are the funds that are identified on the final sources and uses.
- The final sources and uses are required to be uploaded to HUD approximately two weeks prior to closing, requiring the final weeks of the expenses and income that affect the operating reserve amount for the property to be estimated.
- If the balance in the operating reserve account is over estimated then the additional funds have to be pulled from another source because what is represented on the sources and uses must go to the established RAD property.
- The resolution for the draft closing package that was approved by the Board in September including the following verbiage (see below) which allows RHA to take actions necessary to finalize these transactions. If funds are needed to make the RAD property whole, the funds will be taken from either the Local Fund or the CCC and we will update the Board accordingly. We do not think this will be a significant amount of funds if any. It is hard to estimate exactly what invoices will come due as well as how much rent we will collect during the last two weeks.
  - *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.*

## **IT Updates**

### **Network Contractor**

- Finished with Phase 1 with the Domain Controller upgrades.
- Phase 2 is replacing the network switches. The switches are on order and we have reached out for an update on when we expect to receive them. This will give us additional functionality for voice over IP to separate from user data from guest Wi-Fi access.

## **Yardi Conversion**

- Virtual meeting with Yardi rep and asked about implementation process.
- We should be able to start the process in January, and from there it will take 6-9 months, depending on RHA staff providing the information as needed.
- They usually start with the General Ledger and setting up accounts.
- We have added new members to the IT committee so that we have minimum of 2 members from each department. We have asked that these members have knowledge of a wide array of tasks from the departments so that they are good representatives.
- Have tasked the committee to discuss areas that we need to clean up before moving information from one system to another. For example, we have vendors that are still marked as active but we haven't used them in a decade so we are going into the system to mark them as inactive.
- RHA's IT manager is putting together a cost analysis based on new pricing received from Yardi to what we currently have. It is not really comparing apples to apples since we will get more bells and whistles to ease processes. There are other areas that we expect to see savings, such as paper usage and postage.

## **Contract Services Update**

- Ms. Perez and her staff have completed monitoring logistics with our vendor and the final testing and inspection of the new fire alarm system at Carriage House. This will take place the remainder of October and into November.
- Ms. Perez and her staff are completing the bench installation project at Walnut Terrace. The benches have been ordered and we are waiting on an ETA from the vendor.
- During the last meeting, staff was asked if there are other properties that have open areas with no benches:
  - Staff is looking to identify locations within Chavis Heights and The Oaks.
  - Staff will also evaluate existing benches at Stonecrest for enhancement and/or replacement.
- Ms. Perez and her staff have overseen the installation of eight (8) security camera poles at Chavis Heights. Arborists from the City of Raleigh have not yet signed off on our request. However, they have advised us that an approval is forthcoming. Duke Energy has completed their final tasks and poles have been energized.
- Contract Services staff has made positive contact with Google Fiber to begin planning final installation at Carriage House and Chavis Heights. Since we are wrapping up the fire alarm and security camera installations at these sites, Google Fiber is working on exterior and plant services. We anticipate authorizing Google Fiber to proceed with final installation at both properties by December 2022.
- Contract Services staff is seeking competitive pricing for the re-striping of Heritage Park parking lots. We will wait to get back pricing to determine how we move forward.
- Contract Services staff is preparing a Request for Proposals (RFP) to complete a Capital Needs Assessment of our scattered site homes. This RFP will be distributed by December 2022.

Commissioner Braun asked how detailed those reports will be for the single family homes. It can be helpful if we decide that we're going to somehow dispose of them or use them some other way.

Mrs. Edgerton said we haven't gotten the whole RFP put together yet. Please let us know if there's something you want us to make sure we think about. That could be something we can address at the next Repositioning Committee Meeting.

### **NCHARRP Risk Assessment**

- Robert Shuford from NCHARRP visited Eastwood/Birchwood, Kentwood, Walnut Terrace, and Heritage Park for our annual risk assessment
- The exteriors of the properties that they inspected were in good conditions with no recommendations for repairs.
- He was happy to see us installing smart burners for stovetops in all units.

Commissioner Warren asked what a smart burner is.

Mrs. Edgerton said they don't get as hot as your normal burner gets – so that helps prevent fires.

Jason Schloop said it's a safety mechanism that shuts itself down if anything touches it outside the pan.

- Cameras that were installed at Chavis Heights and Mayview.
- He would like to see that we are working on an exterior preventative maintenance plan (i.e. power washing, and cleaning gutters).
- Provided loss history for RHA for period 1/1/21 through 9/30/22.
  - Property Claims:
    - 2021 – 4 claims made.
    - 2022 – 2 claims made to date.
  - General Liability
    - 2021 – 4 made.
    - 2022 – 1 made to date.
  - 3) Workers comp
    - 2021 – 14 made.
    - 2022 – 0 made to date.
- The risk consultant was impressed that we have a zero workers comp claims this year and ask what we are doing different. We explained that this year we have invested in maintenance equipment to ensure the safety of our technicians (lifts for back of trucks, multiforce mowers with dumps so we don't have to use wheelbarrows, and appliance hand truck with shoulder straps).

### **NCHADA (North Carolina Housing Authority Directors Association) Conference**

- The conference was held Oct 17-18<sup>th</sup> at the Raleigh Marriott Crabtree.
- It was the first conference post COVID.

- This is an opportunity to hear from Executive Directors and other executive staff across state.
- The conference also provides an opportunity to meet with HUD staff.
- Our entire team from the local field office – except for two – were able to attend.
- A bus tour through RHA properties was scheduled on Tuesday morning. We rode through Mayview, Glenwood Towers, Capitol Park, Walnut Terrace, and Heritage Park.
- We were complimented on our properties from other directors.

### **Co-Developer Kickoff Meeting**

- The meeting was a one-hour meeting on October 13<sup>th</sup>.
- The agenda included:
  - Introductions of the team.
  - Established date for future meetings (next meeting will be Nov 2<sup>nd</sup> – biweekly after that).

### **HCV Report**

- Last month some questions from the Board related to our HCV program particularly related to incentivizing landlords and inspections.
- Ms. Batts has prepared a report that has been shared with the Board. Highlights included:
  - A section about the Emergency Housing Vouchers and how many were issued to RHA. We were issued 138. As of 10/19/22, we have used 33 of those. We had 55 families currently that were looking for housing and 15 RFTAs that were in the final leasing process. We're currently offering incentives for the landlords of those Emergency Housing Vouchers. There's a \$500 signing bonus for new landlords. And then a \$250 referral bonus for referrals from other landlords that lead to a leased unit. There wasn't a cap placed on the amount that they can receive. A table was provided of how much we have spent to date for those, and you can also see what we spent last year and how much is remaining in that program.

Commissioner Braun asked if those made a difference relative to typical vouchers.

Mrs. Edgerton said she doesn't know if it made a difference. It was difficult getting off the ground running. HUD gives us these vouchers and then we have to work through the guidance they provide to try to utilize those.

- In our regular Housing Choice Vouchers, we're talking about what we can do to try to use those as well.
  - We got permission from HUD to use 120% above FMR, so that's what we're doing for the 1, 2, and 3-bedroom units. We're doing 105% above FMR for the 4 and 5-bedroom units. Our voucher holders are mainly looking for the 1, 2, and 3-bedroom units.
  - Other things that we're proposing that we could do is have a sign on bonus for new landlords. If we did this, we would want to put a cap on it because we have a lot of vouchers and we would eat away the money that we have set aside. We could look at a cap of five units, possibly. And then also we could look at a

referral bonus. Mrs. Batts has looked around at what other housing authorities are doing so that's where these numbers came from. The Asheville Housing Authority does a private salary study – it was \$75,000. It's a bit pricey, however, if you think the FMRs in your area are low, this is something that you could do to submit to HUD to get their approval to raise those FMRs. That's a potential that we could look into. Possible potential items, if the budget allows, would be to pay up to \$2,000 for repairs.

- We've talked about hiring either an employee or a contractor as a liaison to seek opportunities when they're available. We don't feel this would be a full-time position. We haven't really dug into what that would look like for us.
- We talked about producing publications that we can use as hangers or mailers when the inspectors are out looking for units for lease. They can add these door hangers on their doors. We had budgeted for a landlord appreciation function, to thank the current landlords for their participation. We had to put it on hold when COVID hit so that's something we're looking to do in the near future to get them in.
- We've talked about doing briefings to help train the landlords because a big problem we have is getting the paperwork completed correctly and timely and being ready for the inspections. If the units aren't ready, we have to fail the inspection this set up another a second inspection.
- I talked about how we can improve our processes. We're always looking at ways to streamline our processes and make improvements. We listed some of the areas we think we can try to improve on, including our timeframe for affordability calculations, and for inspections.

Commissioner Braun said, in terms of some of these proposals, will you bring something back to us with your recommendations on some changes? Do you need the Board's approval to do these or are just things you can do?

Mrs. Edgerton said those are things we can do. If you want to make suggestions, we can go back and look at the budget. I think one thing we can do would be to have the sign on bonuses. That is something we take away and possibly start in January just so we can get our paperwork and costs and our processes in place.

Commissioner Warren said it's great that we're at 120% of FMRs. I still wonder if it's too low. Or if that isn't the problem really, that landlord participation is more based on biases, etc. I just wonder how you we can deal with that discrimination.

Commissioner Braun said the impression he gets is that there's a perception that it's difficult. It's likely more difficult than it is to just rent to somebody that doesn't need assistance. However, even if a small percentage of new landlords would come into the program, because we're offering some additional incentives, and they find out it's not as difficult as they may have perceived it to be, it might be worth the investment.

Mrs. Edgerton said we have videos on the website to help work through some of the difficulties. It's just a little daunting to see all the paperwork that is required.



Commissioner Warren said we have a lot of large property management companies here, managing property. Every applicant goes through a computerized system that basically rates their capacity and gives them a thumbs up or thumbs down on credit scores and that type of thing.

Mrs. Edgerton said the new portal is going to be helpful. They have a portal for residents to submit their paperwork, and they have a portal for landlords as well. Once you put portal in place, you can set parameters where they have to fill out certain lines and put signatures, and these are things that we're missing. If it's in an electronic format, it will flag anything you missed signing, etc.

Commissioner Warren said what he meant is more of what a rental applicant goes through in that information gets pushed into a computerized system and a score is put out there by the property management company. If you're below that score, you are unable to rent that property. I wonder if we could get a better understanding if that's going on, too, so that landlords aren't explicitly saying "no" to Section Eight, but rather, the Section Eight applicants are failing to qualify.

Commissioner Warren said for any applicant in many property management companies, there's a scoring system and it is a rubric. Every owner can set the dials how they want them. I think that that's that screening system fits into that too. I'm just throwing that out there as a question as to whether or not that is a factor. You're not really dealing with landlords, per se. You're dealing with large property management companies. If we do have high enough rents, are our voucher holders might not be able to apply there.

Mrs. Edgerton asked Mrs. Batts if she knows if we've had landlords that have said explicitly it's because of credit scores.

Mrs. Batts said yes. That is one of the things that they do check. They do credit scores, and disqualify our families because of that. In some cases, they want three times the rent and a lot of our families are not able to produce that so they disqualify them for that. It is usually the larger property management companies that do this. The smaller agencies or individual landlords don't do it as much. Without saying they don't want section eight, that is a way that they do it. It is industry-wide.

Commissioner Braun asked if there is a possibility that we could try to set up meetings with some of their local managers to try to change this.

Commissioner Winstead said their site staff aren't going to have the authority to change the guidelines.

Commissioner Warren said he just raised that question – he doesn't know the answer. I would encourage you to look into the DC finding of discrimination that just occurred.

Commissioner Winstead that we need to look locally, to deal with that source of income discrimination, kind of like they did in Charlotte.

Commissioner Braun said DC has its own authority so they had source of income legislation, which, unfortunately, North Carolina doesn't have, and cities don't have the legal authority to enact our own. I just thought that maybe we could do a pilot project and come up with something we can do to entice landlords to let our tenants have an opportunity to lease with them.

Commissioner Warren said maybe Mrs. Batts can give us some suggestions of large property management companies where we have had some success and ask them how it has worked out and why did they make that decision to help our residents get into their properties. Approach it from a positive finish and find out who is working well with it, and learn why they made that decision.

Commissioner Braun said he's fine with the other expenditures since they aren't that much to go ahead and try. If we can get three or four more people housed that wouldn't be otherwise, I think it's a good adjustment to make. If something works, for whatever reason, bring it back to us and we can consider expanding it.

Commissioner Warren suggested get a better understanding of the tenant profiles that are working, or the landlord profiles that are out there. How many are relatively small, locally based firms rather than big management companies that are flipping the properties every two years versus the local guys versus LIHTC? I assume that we're having relatively good success placing Section Eight residents in LIHTC. I think I saw some statistics that we had good absorption in most of the LIHTC properties.

Mrs. Batts said that is correct.

Commissioner Braun said the Board is interested in trying to take steps to get more of our residents housed and stay housed. So if you've come across things that might work that we can help with somehow, let us know.

#### REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the committee met on October 11<sup>th</sup> and we're going to be meeting again on November 8<sup>th</sup>. During our last meeting, we discussed a Master Planning plan and schedule. We discussed the MOU and where we were with the Co-Developer. We also discussed architecture and land planning. There was a general consensus that the Co-Developer should be the one that employs the architect and land planner, but we have, under the MOU, approval rights. There is general agreement that the Co-Developer should open this up to interview local firms. That's a suggestion that we'd like to promote. We hope that RHA might be involved in that process, too – both the Board and staff.

Commissioner Warren said he would like to see representatives from EJP, and the Co-Developer participate in our next meeting, if that's possible. But we did decide that we wanted to step back a little bit and let staff work with the Co-Developer and EJP, maybe put some flesh

on this and bring it back to the Repositioning Committee when they think they have both a Master Planning strategy, schedule, communications plan, and architecture and land planning strategy. We really need the architectural and planning people involved in the planning process. I don't know if that'll be the November 8<sup>th</sup> meeting or some other time.

Commissioner Warren said we also discussed bringing up some other topics that are out there for the Repositioning Committee including the fact that the JDavis architects have done some very broad based conceptual redevelopment plans for some of the other RHA properties. And the scattered site homes might be another topic that the Repositioning Committee could be helpful on and anything else that the Board or staff thinks we can assist with.

Commissioner Braun said in terms of scheduling, and I know we don't have a schedule, but from what I gather, we are going to start an engagement process. We haven't even submitted anything to the city and we're not close to doing that at this point. So in terms of residents and needing to move, there is a lot of time. Nothing is going to happen in the next six months to a year probably in terms of residents needing to move.

Commissioner Warren said that is correct. We don't have the exact timeframe on the Master Planning process, but I'm thinking it's 9 to 12 months. As we noted at the last meeting with Heritage Park residents, we'd let them know as soon as we have a Co-Developer selected and then keep them informed and make sure that we've got them engaged genuinely in the process.

#### REPORT OF THE TRANSITION COMMITTEE CHAIR

Commissioner Braun said we start our initial interviews for the CEO position next week. We just received a pool of candidates. If all goes well, the full Board interviews with finalists will be December 8<sup>th</sup>, 9<sup>th</sup>, and 10<sup>th</sup>. If that all goes well, we'll have to negotiate an employment arrangement with whoever that person is. Ideally, they'll be in position to start the year. However, without knowing who the person is going to be and what their situation is, it could be outside of that timeframe. That's where we are. We're excited and optimistic that we'll have someone here in the next few months.

#### REPORT OF THE AUDITOR

Mr. Rector thanked Mrs. Edgerton for stepping in. He thanked Mrs. Bryan and the rest of the RHA staff for everything.

COVID put a strain on everybody, with people being gone, and things that have happened. Some of the things that happened this year, and in the audit, are really a result of things that we pivoted on and changed. There is a lot of good news and there's a little bit of negative news. But auditors are charged with coming in after the war is fought. I am going to report what you already know.

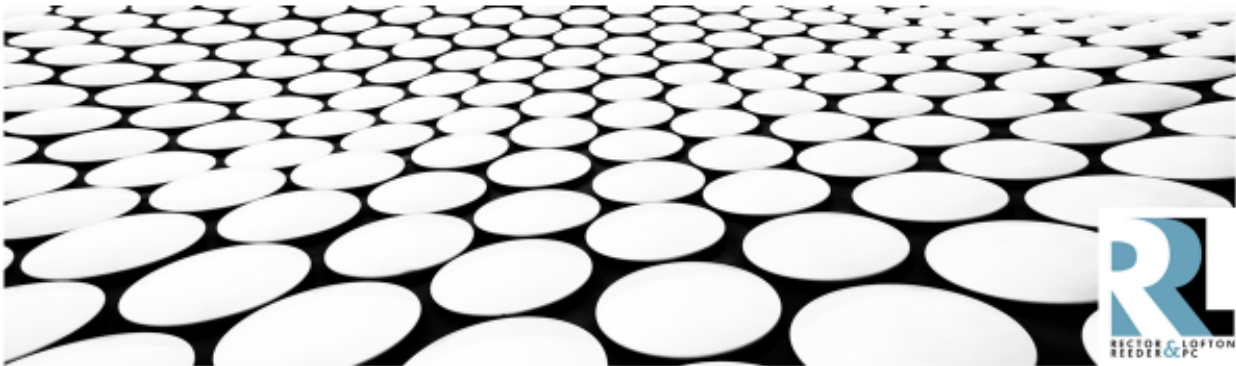
(Mr. Rector showed the following presentation.)

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# HOUSING AUTHORITY OF THE CITY OF RALEIGH

FISCAL YEAR ENDED MARCH 31, 2022

AUDIT PRESENTATION – OCTOBER 27, 2022



11/15/2022

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## WHAT DO I LOOK AT IN THE AUDIT REPORT?



- Page 1 – Auditor’s Opinion on Financial Statements – clean opinion – financial statements “fairly present.”
- Pages 4 – 13, Management Discussion & Analysis
- Page 20, Statement of Cash Flow - \$3.935 million increase in operating cash and investments.
- Page 58 – Auditor’s Opinion on Government Auditing Standards – Clean, unmodified opinion.
- Page 60 – Auditor’s Opinion on Single Audit Act – one area of noncompliance and significant deficiency on the Housing Choice Voucher – 14.871 program.
- Page 63, One audit finding described – Housing Voucher reexaminations not done timely in 22.5% of files examined.
- Page 94, (SEFA) Schedule of Expenditures of Federal Awards - \$43.68 million. Includes a small amount from the CARES Act

11/15/2022

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11/15/2022

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## MANAGEMENT DISCUSSION & ANALYSIS

Table I - Comparative Statement of Net Position

	2022	2021	Variance	% Change
Total Current Assets	\$ 47,472,239	\$ 43,101,623	\$ 4,370,616	10%
Other Non-Current Assets	1,671,272	1,402,271	269,001	19%
Capital Assets	67,228,592	71,756,870	(4,528,278)	-6%
Deferred Outflow of Resources	1,597,315	1,209,516	387,799	32%
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$117,969,418</b>	<b>\$117,470,280</b>	<b>\$499,138</b>	<b>0%</b>
Total Current Liabilities	4,006,153	4,112,492	(106,339)	-3%
Total Non-current Liabilities	4,058,597	6,357,370	(2,298,773)	-36%
<b>Total Liabilities</b>	<b>\$8,064,750</b>	<b>\$10,469,862</b>	<b>(\$2,405,112)</b>	<b>-23%</b>
Deferred Inflow of Resources	1,908,302	180,507	1,727,795	957%
Net Investment in Capital Assets	62,715,073	67,682,658	(4,967,585)	-7%
Restricted	3,039,962	2,058,794	981,168	48%
Unrestricted	42,241,331	37,078,459	5,162,872	14%
<b>Total Net Position</b>	<b>\$107,996,366</b>	<b>\$106,819,911</b>	<b>\$1,176,455</b>	<b>1%</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$117,969,418</b>	<b>\$117,470,280</b>	<b>\$499,138</b>	<b>0%</b>

11/15/2022

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## MANAGEMENT DISCUSSION & ANALYSIS

Table II - Comparative Statement of Revenues, Expenses, and Changes in Net Position

	2022	2021	Variance	% Change
Total Tenant Revenue	\$ 9,051,845	\$ 8,637,226	\$ 414,619	5%
Grant Funds-Operating & Capital	43,683,935	44,557,568	(873,633)	-2%
Investment Income	12,446	88,619	(76,173)	-86%
Other Income	1,455,494	950,555	504,939	53%
Gain/Loss on Sale of Fixed Assets	18,645	14,544	4,101	28%
<b>Total Revenue</b>	<b>\$ 54,222,365</b>	<b>\$ 54,248,512</b>	<b>\$ (26,147)</b>	<b>0%</b>
Administration	\$ 5,221,514	\$ 5,517,692	\$ (296,178)	-5%
Tenant Services	237,793	215,157	22,636	11%
Utilities	1,216,744	1,178,031	38,713	3%
Maintenance	6,581,575	6,002,997	578,578	10%
Protective Services	98,583	96,771	1,812	2%
General Expense	1,762,351	1,644,854	117,497	7%
Non-Routine Expenses	24,049	75,542	(51,493)	-68%
Housing Assistance Payments	32,566,572	32,122,774	443,798	1%
HAP Portability - In	0	5,507	(5,507)	-100%
Depreciation and Amortization	5,336,729	5,191,522	145,207	3%
<b>Total Expenses</b>	<b>\$ 53,045,910</b>	<b>\$ 52,050,847</b>	<b>\$ 995,063</b>	<b>2%</b>
Change in Net Position	1,176,455	2,197,665	(1,021,210)	-46%
Beginning Net Position	106,819,911	104,622,246	2,197,665	2%
Prior Period Adjustment	0	0	0	0%
<b>Ending Net Position</b>	<b>\$ 107,996,366</b>	<b>\$ 106,819,911</b>	<b>\$ 1,176,455</b>	<b>1%</b>

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## SIGNIFICANT ITEMS TO NOTE

- One compliance finding due to a shift in how the reexaminations for the HCV program are performed through mailing of documents. This was the result of changes needed during the pandemic and waivers for reexaminations expiring.
- Unrestricted Net Position increased by \$5.16 million.
- \$3.935 million increase in Cash & Investments.
- Debt obligations decreased by \$1.281 million.
- Two hundred and ten (210) tenant files reviewed for compliance in both the Public Housing and HCV program.

11/15/2022

5

Mr. Rector said in public housing, we have a finding that is that is referenced on page 62. A non-compliance with Housing Choice Voucher is described on page 63 in detail. We had a situation, and this is where it gets back to the COVID issue, where we decided to do things by mail, trying to do re-examinations. There were waivers with COVID, and the waivers with COVID had expired and we hadn't done the re-examinations on a timely basis after the waivers had expired. So in approximately 22% of the files we looked at within the Housing Choice Vouchers the re-examinations were done late. According to the compliance criteria, we had no choice at that level but to say we've got a compliance finding.

Commissioner Braun said, when you say that it just means the file wasn't reviewed. It doesn't mean there's anything wrong with the file or that the file wasn't handled correctly, or any of that.

Mr. Rector said that is correct. There are 12 other criteria that were met in those examinations. This is one piece of it, where it wasn't done on a systematic basis. But as far as compliance overall, the rents calculated correctly, there were birth certificates, and the forms were in there correctly. Mr. Rector said he feels confident that there are processes already in place to rectify the non-compliance issues.

Mr. Rector said RHA is in a strong financial position.

Commissioner Braun asked if RHA is investing more now that interest rates are rising.

Mrs. Edgerton said we are starting to invest more now that the rates are going up.

Mr. Rector recommended the CDAR program. There are also some securities out there that are 100% collateralized. You can generate a lot from that.

Commissioner Warren asked about the unrestricted money because there are various pots of the money.

Mr. Rector said he did an analysis that he shared at the exit meeting. For example, \$4 million in Housing Choice Voucher. According to the legislation passed in 2004, the Appropriations Act, you're not allowed to use that administrative dollars for anything but Housing Choice Vouchers. However, you could buy an admin building with it, you can rent it out. There's things you could do.

Commissioner Braun asked if we can invest it in housing.

Mr. Rector said he thinks you could with a special waiver from HUD. They have done this with tax credit deals. They have used and leverage the dollars in the Housing Choice Voucher admin fund, and used it as notes on the front end for tax credit properties. If the goal is to increase the stock of affordable housing, it'd be hard for them not to approve anything reasonable. RHA has a lot of leverage.

Commissioner Braun said it makes sense to someday use that Housing Choice Voucher money in some way, if we can't use it the traditional way.

Commissioner Braun thanked Mr. Rector and the staff for their hard work.

Mrs. Edgerton thanked the staff – without them, RHA couldn't achieve all it has achieved.

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COMMISSIONER COMMENTS

There were no Commissioner comments this evening.

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NEW BUSINESS

Mrs. Edgerton said Mr. Rector has over 40 years of experience in HUD auditing and fee accounting, seminar instruction, and tax consulting for several hundred Public Housing Agencies. Rector, Reeder and Lofton is the firm selected by the Board to audit RHA's books for fiscal year ending March 31, 2022. At the completion of the field work, Mr. Rector met with the audit committee and reviewed the results of the audit.

The audit report and management letter were distributed to the Board earlier this month. We appreciate Mr. Rector and his firm for the thoroughness of the audit and the quality work they produce.

While the audit report contains a qualified opinion due to a number of annual re-certification past completion date, we have address this in a corrective action plan. This is our 35<sup>th</sup> consecutive year with no *financial* audit findings. Thanks go to the Finance staff for the work they do annually to make this possible. The audit is mostly financial. However, it involves every department at RHA so thanks go to the entire staff for their efforts with the audit.

Part of the audit is the Management Discussion and Analysis (MD&A) which the Board approved the draft form in June. There have been only minor changes to the MD&A, mostly related to receiving the pension information after the draft MD&A.

The MD&A, financial statements, and the notes to the financial statements were prepared by the Finance staff. The auditors reviews these statements and tests the results.

The audit has been submitted to the NC Local Government Commission and to HUD. This resolution approves both the audit and the MD&A.

Commissioner Warren said this report should be sent to the City of Raleigh, if it hasn't been sent by Rector, Reeder, and Lofton.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 79 (2022)

WHEREAS, U. S. Department of Housing and Urban Development (“HUD”) requires a housing authority to contract with an independent auditor for an annual financial audit; and

WHEREAS, the audit must conform to the federal requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, Audits of States, Local Governments, and Non-Profit Organizations; the Government Auditing Standards issued by the Comptroller General of the United States; and the Sarbanes-Oxley Act of 2002; and

WHEREAS, HUD regulations require the audit report be issued within 9 months of the end of the fiscal year, or December 31, for the Housing Authority of the City of Raleigh (“RHA”); and

WHEREAS, the RHA Board of Commissioners approved Resolution No. 81 on December 2, 2022 selecting Rector, Reeder, and Lofton, PC, Certified Public Accountants, to perform the audit for the fiscal year ended March 31, 2022; and

WHEREAS, Rector, Reeder, and Lofton audited the financial statements of RHA as of and for the fiscal year ended March 31, 2022; and

WHEREAS, Rector, Reeder, and Lofton issued their report thereon dated September 7, 2022; and

WHEREAS, the Management’s Discussion and Analysis for the fiscal year ended March 31, 2022, which was adopted by the RHA Board of Commissioners with Resolution No. 43 on June 23, 2022, is included in the audit report; and

WHEREAS, the audit report and the management letter has been distributed to the Board of Commissioners for review; and



WHEREAS, the audit report contains a qualified opinion on the CFDA #14.871 Housing Choice Voucher Program due to a significant number of annual re-certifications completed past the due date; and

WHEREAS, the audit report includes a corrective action plan to address the noncompliance finding; and

WHEREAS, the audit report on the financial statements for the fiscal year ended March 31, 2022 contains an unmodified opinion, which is RHA's 35<sup>th</sup> consecutive year with a clean audit opinion;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Management's Discussion and Analysis and Audited Financial Statements as of and for the fiscal year ended March 31, 2022, prepared by Rector, Reeder, and Lofton, PC, Certified Public Accountants, be accepted.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 79 (2022) has been adopted.

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Mrs. Edgerton said this resolution was originally approved April 17, 2019. With the original inducement resolution, they were approved for not to exceed \$13,000,000. An amendment was approved in September, 2021 for \$16,000,000. NCHFA approved an allocation for \$15,000,000.

This project will consist of 154 multi-family units. It is located at 1451 Sawyer Road in Raleigh, NC.

This resolution is the final resolution for the issuance of the bonds and to approve the officers to sign the documents.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 80 (2022)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MULTIFAMILY  
HOUSING REVENUE BONDS (THE SUMMIT AT SAWYER), SERIES 2022

WHEREAS, The Summit at Sawyer LLC, a North Carolina limited liability company (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 154-unit multifamily residential rental development to be known as The Summit

at Sawyer and located at 1451 Sawyer Road in the City of Raleigh, North Carolina (the “Project”); and

WHEREAS, the Authority proposes to provide the financing for the Project by the issuance of its Multifamily Housing Revenue Bonds (The Summit at Sawyer), Series 2022 (the “Bonds”), in the aggregate principal amount not to exceed \$15,000,000; and

WHEREAS, a portion of the cost of the Project will be financed with the proceeds of a mortgage loan from Churchill Mortgage Investment LLC (the “Mortgage Lender”); and

WHEREAS, a portion of the cost of the Project will be financed with the proceeds of a bridge loan from First Horizon Bank (the “Bridge Lender”), and

WHEREAS, a portion of the cost of the Project will be financed with funds provided by a tax credit investor as a result of the purchase of 4% low income housing tax credits available under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has received an allocation of volume cap for the Bonds and the Project from the North Carolina Housing Finance Agency and the North Carolina Federal Tax Reform Allocation Committee as required by Section 146 of the Code; and

WHEREAS, the Authority proposes to authorize and, where applicable, execute the following instruments to carry out the transactions described above (the “Documents”):

(a) Trust Indenture (the “Indenture”), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), authorizing the issuance of the Bonds and providing for the terms and details thereof and the security therefor, together with the form of the Bonds attached thereto;

(b) Loan Agreement (the “Loan Agreement”), between the Authority and the Borrower, providing for the terms and conditions pursuant to which the loan of the proceeds of the Bonds will be made by the Authority to the Borrower, together with the form of the Promissory Note from the Borrower to the Authority, which the Authority will assign to the Trustee (the “Note”), attached thereto;

(c) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), by the Borrower for the benefit of the Authority and the Trustee, pursuant to which the Borrower agrees to comply with the requirements of the Code relating to low and moderate income housing;

(d) Preliminary Official Statement (the “Preliminary Official Statement”) relating to the offering and sale of the Bonds; and

(e) Bond Purchase Agreement to be dated the date of the sale of the Bonds (the “Bond Purchase Agreement”) among the Borrower, the Authority and Herold & Lantern Investments, Inc. and Churchill Stateside Securities, LLC (together, “Underwriter”), providing for the issuance and sale by the Authority and the purchase by the Underwriter of the Bonds;

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

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Project 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 to the Borrower and the deposit of such proceeds in accordance with the Indenture and the Loan Agreement.

2. The Authority hereby authorizes the issuance and sale of the Bonds pursuant to the Indenture and in accordance with the terms set forth in the Bond Purchase Agreement and the Indenture. The Bonds will bear interest at the rates and will mature, be subject to mandatory tender 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 \$15,000,000.

3. The Chairman, Vice Chairman or Interim Executive Director of the Authority or their respective designees are each hereby authorized and directed to execute and deliver the Indenture, the Loan Agreement, the Regulatory Agreement and the Bond Purchase Agreement to the other parties thereto.

4. The distribution of the Preliminary Official Statement by the Underwriter to prospective purchasers of the Bonds is hereby approved. The Authority is authorized to deem the Preliminary Official Statement to be "final" within the meaning of Rule 15c2-12 of the Rules and Regulations promulgated under the Securities Exchange Act of 1934, as amended. The Chairman, Vice Chairman and Interim Executive Director of the Authority or their respective designees are hereby authorized and directed to deliver the final Official Statement (in substantially the form of the Preliminary Official Statement, but incorporating the final terms and details of the Bonds) to the Underwriter and the Underwriter is hereby authorized and directed to distribute the Official Statement to the purchasers of the Bonds.

5. The Chairman or Vice Chairman of the Authority or their respective designees are 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 Underwriter upon payment of the purchase price therefor as provided in the Bond Purchase Agreement.

6. The Documents and the Bonds shall be in substantially the forms previously reviewed by staff and described herein, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary to reflect the final terms of the Bonds, including any changes that may be required by any rating agency that is rating the Bonds, any changes in dates as may be required to reflect the date of the actual closing, and as otherwise approved by the officers of the Authority executing them after consultation with bond counsel and counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

7. Any authorization made hereby to the officers of the Authority to execute a Document shall include authorization to the Chairman, Vice Chairman and Interim 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 if necessary, and, where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Documents.

8. 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 and to take such other actions on behalf of the Authority as may be necessary or desirable to the issuance of the Bonds, including but not limited to a tax certificate, tax forms and other certificates. All other acts of the officers of the Authority previously taken or to be taken that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Project and the issuance and sale of the Bonds are hereby authorized, ratified, confirmed and approved.

9. This resolution shall take effect immediately upon adoption.

(Commissioner Ellinger recused herself.)

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, Valerie Crutchfield, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 80 (2022) has been adopted.

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Mrs. Edgerton said this resolution was originally approved April 17, 2019. With the original inducement resolution, they were approved for not to exceed \$18,000,000. An amendment was approved in September, 2021 for \$21,500,000. NCHFA approved an allocation for \$20,800,000.

This project will consist 200 multi-family units. The property is located at 1248 Angelus Drive Raleigh, NC.

This resolution is the final resolution for the issuance of the bonds and to approve the officers to sign the documents.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 81 (2022)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MULTIFAMILY  
HOUSING REVENUE BONDS (TOULON PLACE), SERIES 2022

WHEREAS, Toulon Place LLC, a North Carolina limited liability company (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 200-unit multifamily residential rental development to be known as Toulon Place and located at 1248 Angelus Drive in the City of Raleigh, North Carolina (the “Project”); and

WHEREAS, the Authority proposes to provide the financing for the Project by the issuance of its Multifamily Housing Revenue Bonds (Toulon Place), Series 2022 (the “Bonds”), in the aggregate principal amount not to exceed \$20,800,000; and

WHEREAS, a portion of the cost of the Project will be financed with the proceeds of a mortgage loan from Churchill Mortgage Investment LLC (the “Mortgage Lender”); and

WHEREAS, a portion of the cost of the Project will be financed with the proceeds of a bridge loan from First Horizon Bank (the “Bridge Lender”), and

WHEREAS, a portion of the cost of the Project will be financed with funds provided by a tax credit investor as a result of the purchase of 4% low income housing tax credits available under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has received an allocation of volume cap for the Bonds and the Project from the North Carolina Housing Finance Agency and the North Carolina Federal Tax Reform Allocation Committee as required by Section 146 of the Code; and

WHEREAS, the Authority proposes to authorize and, where applicable, execute the following instruments to carry out the transactions described above (the “Documents”):

(f) Trust Indenture (the “Indenture”), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), authorizing the issuance of the Bonds and providing for the terms and details thereof and the security therefor, together with the form of the Bonds attached thereto;

(g) Loan Agreement (the “Loan Agreement”), between the Authority and the Borrower, providing for the terms and conditions pursuant to which the loan of the proceeds of the Bonds will be made by the Authority to the Borrower, together with the form of the Promissory Note from the Borrower to the Authority, which the Authority will assign to the Trustee (the “Note”), attached thereto;

(h) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), by the Borrower for the benefit of the Authority and the Trustee, pursuant to which the Borrower agrees to comply with the requirements of the Code relating to low and moderate income housing;

(i) Preliminary Official Statement (the “Preliminary Official Statement”) relating to the offering and sale of the Bonds; and

(j) Bond Purchase Agreement to be dated the date of the sale of the Bonds (the “Bond Purchase Agreement”) among the Borrower, the Authority and Herold & Lantern Investments, Inc. and Churchill Stateside Securities, LLC (together, “Underwriter”), providing for the issuance and sale by the Authority and the purchase by the Underwriter of the Bonds;

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

10. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Project 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 to the Borrower and the deposit of such proceeds in accordance with the Indenture and the Loan Agreement.

11. The Authority hereby authorizes the issuance and sale of the Bonds pursuant to the Indenture and in accordance with the terms set forth in the Bond Purchase Agreement and the Indenture. The Bonds will bear interest at the rates and will mature, be subject to mandatory tender 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 \$20,800,000.

12. The Chairman, Vice Chairman or Interim Executive Director of the Authority or their respective designees are each hereby authorized and directed to execute and deliver the Indenture, the Loan Agreement, the Regulatory Agreement and the Bond Purchase Agreement to the other parties thereto.

13. The distribution of the Preliminary Official Statement by the Underwriter to prospective purchasers of the Bonds is hereby approved. The Authority is authorized to deem the Preliminary Official Statement to be “final” within the meaning of Rule 15c2-12 of the Rules and Regulations promulgated under the Securities Exchange Act of 1934, as amended. The Chairman, Vice Chairman and Interim Executive Director of the Authority or their respective designees are hereby authorized and directed to deliver the final Official Statement (in substantially the form of the Preliminary Official Statement, but incorporating the final terms and details of the Bonds) to the Underwriter and the Underwriter is hereby authorized and directed to distribute the Official Statement to the purchasers of the Bonds.

14. The Chairman or Vice Chairman of the Authority or their respective designees are 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 Underwriter upon payment of the purchase price therefor as provided in the Bond Purchase Agreement.

15. The Documents and the Bonds shall be in substantially the forms previously reviewed by staff and described herein, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary to reflect the final terms of the Bonds, including any changes that may be required by any rating agency that is rating the Bonds, any changes in dates as may be required to reflect the date of the actual closing, and as otherwise approved by the officers of the Authority executing them after consultation with bond counsel and counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

16. Any authorization made hereby to the officers of the Authority to execute a Document shall include authorization to the Chairman, Vice Chairman and Interim 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 if necessary, and, where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Documents.

17. 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 and to take such other actions on behalf of the Authority as may be necessary or desirable to the issuance of the Bonds, including but not limited to a tax certificate, tax forms and other certificates. All other acts of the officers of the Authority previously taken or to be taken that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Project and the issuance and sale of the Bonds are hereby authorized, ratified, confirmed and approved.

18. This resolution shall take effect immediately upon adoption.

(Commissioner Ellinger recused herself.)

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

Aye: Eric Braun, Valerie Crutchfield, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 81 (2022) has been adopted.

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Mrs. Edgerton said the next two resolutions are Bond resolutions for Milner Commons.

This first resolution is to approve the finance team for Milner Commons. The reason we have to approve the team is because this will go to Local Government Commission (LGC) and they want to see that we have approved it.

This was reviewed by counsel with no exceptions.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 82 (2022)**

**RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN  
FINDINGS WITH RESPECT TO THE ISSUANCE OF THE MULTIFAMILY  
HOUSING REVENUE NOTE (MILNER COMMONS), SERIES 2022**

WHEREAS, Milner Senior Housing Partners, LLC, a North Carolina limited liability company, 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 ground leasing, construction and equipping of a 156-unit multifamily residential rental facility for seniors to be known as Milner Commons and to be located in the City of

Raleigh, Wake County, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority finds that the financing of the Development through a tax-exempt note 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 Note (Milner Commons), Series 2022 in a principal amount not to exceed \$27,000,000 (the “Multifamily Note”); and

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

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with and delivered to Pacific Western Bank (the “Bank”); and

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

Bond Counsel:	McGuireWoods LLP
Authority’s Counsel:	The Francis Law Firm, PLLC
Borrower’s Counsel:	Blanco Tackabery & Matamoros, P.A.
Bank:	Pacific Western Bank
Bank’s Counsel:	Kutak Rock, LLP
Tax Credit Investor:	Wincopin Circle, LLLP
Tax Credit Investor’s Counsel:	Gallagher, Evelius & Jones 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 of the Multifamily Note 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 ground leasing, 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, constructing and equipping the Development.

4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitment of the Bank to purchase the Multifamily Note 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 Borrower Loan Agreement between the Authority and the Borrower (the "Borrower Loan Agreement"), which will provide the funds to pay principal and interest on the Multifamily Note, and (b) the Development will generate sufficient revenues to make loan repayments and other payments under the Borrower 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 Borrower 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 Multifamily Note, 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 Multifamily Note 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 Ellinger and Commissioner Winstead recused themselves.)

The vote for Resolution No. 82 (2022) was reconsidered and approved by the Board because Commissioner Ellinger did not recuse herself for the first vote. The second vote is as follows:

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

Aye: Eric Braun, Valerie Crutchfield, Gregg Warren

Nay: None

Resolution No. 82 (2022) has been adopted.

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Mrs. Edgerton said this resolution is to issue a Multifamily Note. This Bond was amended to \$27,000,000 in August 2022 from \$21,000,000. The original amount was \$18,000,000.

The project consists of 156 senior units (55+). The building is 4 story building with an elevator.

The development is located at 1950 New Bern Avenue.

This resolution is authorization for issuance of bonds.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 83 (2022)

RESOLUTION AUTHORIZING ISSUANCE OF MULTIFAMILY HOUSING  
REVENUE NOTE (MILNER COMMONS), SERIES 2022

WHEREAS, Milner Senior Housing Partners, LLC, a North Carolina limited liability company, 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 ground leasing, construction and equipping of a 156-unit multifamily residential rental facility for seniors to be known as Milner Commons and to be located in the City of Raleigh, Wake County, 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 Note (Milner Commons), Series 2022 in a principal amount not to exceed \$27,000,000 (the “Multifamily Note”); and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with and delivered to Pacific Western Bank (the “Bank”), pursuant to a Loan Agreement (the “Bank Loan Agreement”), between the Authority and the Bank; and

WHEREAS, the proceeds of the Multifamily Note will be loaned to the Borrower pursuant to a Loan Agreement (the “Borrower Loan Agreement”), between the Authority and the Borrower, for the purpose of (i) paying a portion of the costs of the ground leasing, construction and equipping of the Development, (ii) paying capitalized interest on the Multifamily Note, and (iii) paying certain expenses in connection with the issuance of the Multifamily Note; 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 Bank Loan Agreement, together with the form of the Multifamily Note

attached thereto;

- (b) the Borrower 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 Bank;
- (d) 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; and
- (e) the Assignment Agreement given by the Authority for the benefit of the Bank;

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 ground leasing, construction and equipping of the Development through the issuance of the Multifamily Note 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 in accordance with the Bank Loan Agreement and the Borrower Loan Agreement.

2. The Authority hereby authorizes the issuance of the Multifamily Note pursuant to and in accordance with the terms set forth in the Bank Loan Agreement. The Multifamily Note will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Bank Loan Agreement; provided, however, that the aggregate principal amount of the Multifamily Note shall not exceed \$27,000,000.

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 Bank.

4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Multifamily Note in the manner and subject to the conditions provided in the Bank Loan Agreement to or for the account of the Bank, or any affiliate thereof, upon payment of the purchase price therefor.

5. The Authority Documents 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 Multifamily Note, 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 and 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 Multifamily Note. 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 of the Multifamily Note are hereby ratified, confirmed and approved.

8. This resolution shall take effect immediately.

(Commissioner Ellinger and Commissioner Winstead recused themselves.)

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, Gregg Warren

Nay: None

Resolution No. 83 (2022) has been adopted.

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Mrs. Edgerton said Saint Savors provides Community Service programs for the residents at Glenwood Towers and Carriage House out of 2 buildings, 616 and 618 Tucker Street. They have been there since 2002 and have been paying rent since 2016. Their current lease expires October 2022. Meals on Wheels operates out their space and that is part of their lease.

The highlights of the new lease are:

- We are getting \$500 per month rent for the spaces. It can increase with 6-month written notice.
- It is a 2-year lease so if we want, we can look at options at that time. We can terminate the lease without cause with a 6 month written notice.
- They will take care of utilities, security system, code violations, pest control, to name a few.

- We are going to take care of fire safety inspections and equipment maintenance contract, fire extinguishers. We will maintain and change filters on the HVAC systems. We will change light bulbs in the auditorium annually, they will supply the bulbs.
- They are responsible for alterations but have to obtain prior approval from us.
- We have given them access to our parking lot at 420 Boylan for their volunteers from 8am til 6 pm. They are required to have a permit to park there.

We have also asked them to reach out to provide programming to our other public housing residents, not just Glenwood Towers and Carriage House.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 84 (2022)

WHEREAS, Lessor is the owner of certain real property located at 616 & 618 Tucker Street, Raleigh, North Carolina more particularly referred to as Saint Saviour’s Outreach Center as (the “Premises”); and

WHEREAS, RHA has dedicated significant time and resources into the Premises to ensure an appropriate standard of repair and Lessee is expected to maintain the premises; and

WHEREAS, the Lessor is seeking the continued operation of community service programs in the Premises at this time; and

WHEREAS, RHA intends these programs be operated by a fully established and responsible non-profit agency serving public housing residents and the greater community; and

WHEREAS, Lessee has occupied the Premises since 2002 and wishes to continue to lease the Premises and operating thereon a charitable outreach and community services center; and

WHEREAS, Lessee is required to provide certain services as part of the overall program of the center (hereinafter sometimes referred to as the “Services”) that will be of benefit to public housing residents including programming for Glenwood Towers and Carriage House residents; and

WHEREAS, Lessee agrees to continue to provide senior services that support RHA’s Elderly Designation Plans provided to the Department of Housing and Urban Development (HUD); and

WHEREAS, Lessee will maintain records and produce annual reports on services provided to RHA residents as reasonably necessary to document the public benefit provided by Lessee and to justify the rental amount as outlined in Section 3 hereof. This annual report is due to Lessor by December 31<sup>st</sup> each year that this Agreement is in force and effect;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants hereinafter contained, Lessor does hereby let and lease unto the Lessee the Premises upon the attached terms and conditions.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 84 (2022) has been adopted.

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Mrs. Edgerton 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 tenants monthly rent.

We had an outside consultant establish the utility allowance for the upcoming year. If the rates change more than 10%, we are required to adjust the allowance. If the rates change less than 10%, we have the option to adjust the allowance.

Bottle gas average went up 15%, Electric average went up 10%, Natural gas went up an average of 38%, the big change is with fuel oil which went up over 89%.

We are not required to make changes if the rate change is less than 10% but staff is recommending the utility allowances be revised to reflect all of the changes in rates.

Water & sewer is the only utility that didn't have a large increase. It went up 2%. We feel this is a best practice to not have to make bigger change later that will have a larger 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 a little 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.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 85 (2023)

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 2022 were adopted on September 23, 2021; and

WHEREAS, the Housing Authority of the City of Raleigh completed a study of the Utility Allowance Consumption rates from an outside company on September 21, 2022.

WHEREAS, 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;

WHEREAS, 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 January 1, 2023.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 85 (2022) has been adopted.

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Mrs. Edgerton said behind the resolution is a spreadsheet showing the utility rates for the Public Housing units.

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 tenants monthly rent.

Staff used an outside consultant, Nelrod, to establish our utility allowance this year. We are required to make adjustments to the utility allowance if the rates change by 10% or more.

Electric average went up 10%, water & sewer increased by 2%, and the biggest change is natural gas with an average increase of 38%.

Last year the utility allowances for the 1-bedroom units at Capitol Park, Chavis Heights, and Walnut Terrace went down almost 18%. This has an inverse relationship to the rent, meaning that the tenants rent went up by that amount.

We were asked to look for ways to minimize that effect of this increase for our residents. There are no regulations for doing this in Public Housing so we are following guidance for multi-family properties and looking to phase in this change.

The Board approved phasing in over 3 years with year one and two at \$8 decrease, then year three at \$10. The thinking behind this is at that time Social security going up 5.9%. For the upcoming year, it is going up to 8.7%.

These units are mostly elderly and disabled individuals on fixed income.

Last year for 1-bedroom incentive properties: 2021 allowance was \$147 and if reduced to actual calculation, it would have been \$121 (\$26 difference). We only reduced it by \$8 to \$139. Staff is proposing we drop another \$8 this year to be \$131.

Commissioner Warren said this is nice, thoughtful work.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 86 (2022)

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 a utility rate comparison based on the average cost of utilities and found an average increase of 8.08% from the current allowances; and

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



WHEREAS, the draft of the proposed utility allowance will be 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 November 28, 2022; 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; however, changes will still be implemented to assist households;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the present Utility Allowances adopted in 2021 be revised effective January 1, 2023 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 Warren moved and Commissioner Winstead seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 86 (2022) has been adopted.

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Mrs. Edgerton said in 1998 Housing Authorities were required to implement flat rents. Flat rents were the maximum rents and were meant to approximate the market value of the units.

In 2015, HUD stated the flat rent could not be less than 80% FMR less utility allowance. Congress' stated goal was to structure rent so they didn't create an incentive for continued residency in public housing by families attempting to become self-sufficient.

Staff is proposing we use 90% FMR to set the flat rents. This is the same percentages that we proposed last year.

This accomplishes a few things including:

- Simple calculation which we can explain to residents.
- All of the flat rents are going up so it is accomplishing Congress' goal to move people along who have reached a level of self-sufficiency.

- They still have option of selecting 30% of their income or the flat rent as their rent amount. No one is rent burdened.
- We will evaluate each year to see if we need to raise the FMR to 100%. We did not want to do that this year as that may be too big of an increase for some of the families.
- Some of our rents increased, ranging from 13 – 20%. None of our flat rents went down.

Within the agency, we currently have 88 households that are paying a flat rent. Last year we had 57, so it went up.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 87 (2022)**

WHEREAS, the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”) established flat rents for public housing units for the first time; and

WHEREAS, flat rents act as a ceiling rent for public housing residents and each family is provided the option to choose to be on flat rent at least annually; and

WHEREAS, public housing flat rents are based on the bedroom size, location, and the market rent for non-subsidized units in the vicinity of the public housing unit; and

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) Notice PIH 2014-12 required that all flat rents be at least 80% of the most current Fair Market Rent (“FMR”) minus the appropriate utility allowance for each unit size; and

WHEREAS, Notice PIH 2021-27 published by HUD on September 13, 2021 maintains the calculation methodology using a value of 80% of the posted FMR rates, while also deducting utility allowances paid for by the residents; and

WHEREAS, HUD requires agencies analyze flat rents annually and make necessary revisions required within 90 days of the new FMR effective date; and

WHEREAS, HUD published the most recent FMRs on September 1, 2022 with an effective date of October 1, 2022; and

WHEREAS, RHA staff has completed its annual review and adjustments are attached to this resolution and by reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to apply the attached flat rent schedules for new move-ins and at annual re-certifications effective January 1, 2023.

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, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 87 (2022) has been adopted.

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ADJOURNMENT

There being no further business to come before the Board, the Chair declared the regular meeting adjourned and the Board went into Executive Session to discuss a real estate matter.

The Board reconvened to consider Resolution No. 88 (2022).

Mrs. Edgerton said this resolution approves an agreement with the City of Raleigh conveying a temporary construction easement for a period of twelve (12) months in the lots of the lots located on Bright Hope Street for the purpose of completing the Rocky Branch Sewer Improvement Project.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 88 (2022)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) owns property recorded in the Wake County Register of Deeds Book 14554, page 1973 being twelve (12) empty lots on Bright Hope Street; and

WHEREAS, the City of Raleigh has expressed interest with the RHA in acquiring a temporary construction easement on the lots to complete the Rocky Branch Sewer Improvement Project; and

WHEREAS, the site to be used for a temporary construction easement is necessary for the City of Raleigh to complete the Sewer Improvement Project due to the site constraints; and

WHEREAS, the temporary construction easement would be valid for twelve (12) months from execution of the Easement Agreement unless an extension is granted by the RHA; and

WHEREAS, staff has determined the temporary construction easement would have no negative impact on the property and the City of Raleigh has agreed to secure the site with fencing and to return the lots to their original condition upon project completion and indemnify and hold RHA harmless from any liability arising from the granting of this temporary construction easement; and

WHEREAS, other than seeking reimbursement for legal fees, RHA will not require any additional monetary compensation;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, that staff execute an agreement with the City of Raleigh conveying a temporary construction easement for a period of twelve (12) months in the lots of the lots located on Bright Hope Street for the purpose of completing the Rocky Branch Sewer Improvement Project.

BE IT FURTHER RESOLVED THAT staff will seek reimbursement from the City of Raleigh for legal fees related to the conveyance of the temporary construction easement agreement.

Commissioner Winstead 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, Gregg Warren, Yolanda Winstead

Nay: None

Resolution No. 88 (2022) has been adopted.

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#### ADJOURNMENT

There being no further business to come before the Board, the Chair declared the regular meeting adjourned at 6:40 pm.

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Arne Morris  
Board Chair

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Liz Edgerton  
Secretary