

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
MARCH 23, 2023

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met via Zoom on Thursday, March 23, 2023 at 5:00 p.m. The meeting was also held in-person at 900 Haynes Street.

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

Present: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Absent: Valerie Crutchfield, Susan Ellinger, Yolanda Winstead.

Visitors: Charles Francis, Francis Law Firm, PLLC; Noah Wagner, Oppidan Investment Company; Kristen Kirby, McGuireWoods LLC; Paula Coppola, Walnut Terrace resident.

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

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

RECOGNITION OF VISITORS

Mrs. Edgerton welcomed all of the visitors to the meeting.

PUBLIC COMMENTS

Paula Coppola

I have a concern that I want to address to the Board because of the fact that I'm having trouble getting it accomplished. I submitted a paper because staff said everything going to RHA has to be in writing. I've done that, and for the last four years I've been struggling to get to see my files, and to get the accounting correct. I need for them to show me how they come to the calculation of how much rent I have to pay. I found out last week that, even though I submitted my expenses three times, they've determined that it was not submitted the last time within their timing, so they've just ignored it (to determine what my share of rental is).

I got a small piece of paper that told me when my date is to view my file. It was smaller than a post-it note. They also printed a paper out that says it was a letter addressed to me regarding looking at my file, but they had refused that because it was not in a legal matter with the attorney and I must make an appointment to view my file with the Francis Law Firm.

I feel, because of this being dragged out so much, that it's still being switched around so it does not get accomplished. I do have the right to see my files. And I do want to do that.

They sent me a note that says they will only allow me 30 minutes to view the file earlier this afternoon. When I went yesterday to submit a letter that states I would need much more time, they told me the office was closed and I could not submit the paper and get it date stamped.

I think it's just dragging it out. These were things that I've been trying to accomplish even before Mr. Felton left.

Commissioner Morris asked Mrs. Edgerton to have staff look into this. Mrs. Edgerton said she would ask staff to look into it.

Ms. Coppola asked if there is a different manager at Walnut Terrace.

Mrs. Anderson said a different manager was covering Walnut Terrace due to illness. Ms. Coppola had an appointment today that she canceled. We are happy to look into this matter and get back in touch with her.

Ms. Coppola asked when the new CEO would be starting. Commissioner Morris said Mr. Lommers-Johnson's first day is April 17th.

Commissioner Braun asked for an update on Ms. Coppola's records request at the next Board Meeting.

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 February 2023

Item 2

Financial Statements for February 2023

Item 3

Vacancy and Turnover Summary for February 2023

Item 4

Minutes of the February 7, 2023 special meeting

Minutes of the February 23, 2023 regular meeting

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, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

The Consent Agenda has been adopted.

REPORT OF THE BOARD SECRETARY

Yardi Update

- We received an updated Yardi proposal.
- This latest proposal is approximately the same total as the initial quote but new modules have been added at the recommendation of Mr. Lommers-Johnson, including Maintenance IQ, Aspire, and Rent Café Online RFTA.
- Paul McDonough, IT Manager, is scheduling a demo for the applicable IT committee members to see the three additions.
- After the demo, we plan to sign the contract and get started on the conversion process.

Commissioner Braun asked about the general timeline for implementation and actually getting it online after the contract is signed.

Mrs. Edgerton said we will start it as quickly as possible. The process could take six months to a year to get all the modules in place. However, the start of it will happen fairly quickly. Initially, we must provide them with access to our data so we will start with that piece of it. They take our data and put it in a test company to ensure everything works.

Contract Services Update

Mrs. Edgerton commended the Contract Services Department for the completion of the fire alarm system at Carriage House. Staff worked with multiple contractors and coordinated across departments to complete this project.

Some projects they will be working on in the next 90 days include:

- Carriage House - exterior building and gutter repairs, exterior painting, and sealcoat and restriping of the parking areas.
- Kentwood – replacing failing landscape timbers and tree trimming.

Maintenance Department Update

- The landscapers did a great job completing mulching and sprucing up four of the RHA properties: Capitol Park, Stonybrook, Carriage House, and Stonecrest.

Commissioner Braun asked if the landscapers touch up all properties every year or do they rotate properties every couple of years.

Mrs. Edgerton said the mulching is rotated – it's not every year.

- Our Maintenance Technicians only have 82 work orders across all of our properties that are routine and tenant-related. These are requests that have come in over the last couple of days.
- Staff has completed the NSPIRE inspections. We had 7 properties inspected over a week and a half. All deficiencies have been corrected. The NSPIRE inspections will take the place of the REAC inspections.
- The Finance staff counted the warehouse inventory on February 28th. There were very few count adjustments that had to be corrected and we are currently reconciling this amount.
- Staff also counted the inventory for our maintenance vehicles. We had very little adjustments for our truck inventory.

Quarterly review of resident incomes to determine compliance with 24 CFR982.201 (income eligibility) and 24 CFR 960.202.

The household incomes found are below:

	AMI	0-30%	30-50%	50-80%	Over 80%	Total
Public Housing	# of Families	875	226	100	16	1,217
	% of Families	72%	19%	8%	1%	100%
Section 8	# of Families	3,197	695	115	10	4,017
	% of Families	80%	17%	2.8%	.2%	100%

HOTMA Update

- On February 14, HUD officially published the HOTMA final rule implementing Sections 102, 103, and 104 of the Housing Opportunity through Modernization Act.
- These sections make extensive changes to the US Housing Act of 1937, particularly those affecting income calculation and reviews.
- The provisions in Section 103 related to the over-income provisions must be implemented by June 14 and affect the Public Housing program.
- HOTMA requires that public families over 120% AMI are considered “over-income” which impacts their residency. We currently do not have any tenants who are over the 120% AMI.
- Over-income families that sustain meeting this threshold are required to vacate their housing after a two-year grace period.
- Families are notified multiple times that they exceed 120% AMI during their grace period so that they are prepared to move on as necessary.
- If their income changes and falls below 120% AMI, they are entitled to a new two-year grace period if they go over the limit in the future.
- Families will have the opportunity to voluntarily vacate the program prior to any court actions being sought for being over-income.

- All Public Housing applicants are still required to be below 80% AMI upon entering the program and the 120% limit applies only to residents continuing their occupancy.
- Staff is currently reviewing this notice and will bring to the Board a revised Admissions of Continued Occupancy Policy in order to be compliant with this new final rule.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the committee met on March 14. In attendance were Commissioner Morris, Liz Edgerton, Commissioner Whitehouse, Commissioner Braun, and Commissioner Warren. No members of the development teams were part of this discussion.

One of the items that we discussed at some length was that Brinshore had prepared Development Principles on their own. We had given them the Board-approved Development Principles. One of the key items that differed from our principles was that they were not comfortable committing to the one-on-one replacement with 122 units at 30% AMI or less. Since this is a Board-approved policy, all of us in attendance felt that we still should stand on that position.

Commissioner Braun said it was part of the RFP so they knew about it. It wasn't a surprise.

Commissioner Warren said staff needs to look at their principles and see if there are some things that we could add to our policy. There are a couple of items that they had that would be a positive addition. Staff could look at that and combine them and bring that back to the Board at the next Board Meeting. We could adopt revisions to that, if that's appropriate. Mr. Lommers-Johnson will be at that meeting so that would be a good way to move forward with it.

There were a number of working documents that were generated about the planning process and upcoming meetings and communications. These were not finalized so discussions are still ongoing about some of the timing and locations of community meetings, etc. It is informative that we learned that 85% of the Heritage Park residents are at 30% AMI or less, which is no surprise to us. That reinforces our position to provide at least 122 units at that income level.

Commissioner Braun said their concern was not a financial concern – they said they could make the numbers work. It was an issue of the concentration of poverty argument. Our point was that this project is going to be a mixed use, mixed income now. If there was a concentration of poverty, we have it now and we would actually be improving it overall.

Commissioner Warren said he didn't want to paraphrase their concerns. I think we will have an opportunity to hear from them again on that point. I do think that we need to have those principles before we start having public conversations with stakeholders, because they are going to ask us about that.

Most of the contacts that are listed in the stakeholders list were initially being proposed to be

contacted by members of the Raleigh Raised team. We advised staff that we thought, to the extent possible, it would be good to have RHA staff reach out (at least to the critical people). I don't know how you would go about that because there aren't many staff available. Board members, in some cases, have contacts with some of those people. I think some of us would be happy to help.

Commissioner Braun suggested if there are meetings that staff can't cover you can circulate that list to the Board. Find out if anyone on the Board has relationships with anyone on the list.

Commissioner Morris said, if possible, we would like someone from the staff to participate.

Commissioner Warren said Mr. Lommers-Johnson should participate in a number of the critical meetings as well.

Commissioner Warren said there was a charrette and community meetings planned for May. We discussed locations – the Heritage Park Community Center was suggested. That's a fairly small room and I'm not sure that's going to be the best space. Staff is looking at other locations. This is still a moving target – it's not finalized.

The other thing is that Brinshore was hoping that we'll have a LIHTC admission in January, at least for some of this project. I think that's a good goal. However, in my personal opinion, I don't think that should drive the process. I think that we've always said that we don't have to move this as quickly as possible. We want to do it the best way possible.

Commissioner Braun said it was compressing the community engagement.

Commissioner Warren said I think a lot of us thought that the community engagement drafts were compressed and perhaps unrealistically compressed.

Commissioner Warren said the only other point I'd make is I think relocation of the residents is a critical issue and I don't think that we have all the answers to that.

Commissioner Braun said Brinshore wasn't sure if phasing on the property is possible.

Commissioner Warren said I think that will be a key issue when we're out in the community so we need to have some better answers than what we have right now.

Mrs. Edgerton said they have gone back to the drawing board and are working on another draft. I gave them feedback, and they're making some changes to that. And as far as the relocation, we've talked about exploring options and trying to figure that out for the Relocation Plan. We'll dig into that more as we go through the coming weeks.

Commissioner Warren said when the Wintershaven property was acquired, DHIC was asked to change the tenant selection approval processes, which must be approved by HUD and NCHFA. DHIC did change the process, giving displaced residents – either from private action or public action – priority on the waiting list. I looked at one of RHA's bond partner's plan, and they did

not have that. That might be an easy ask. RHA could go back to the bond developers and ask them to amend their plan to house displaced residents as a priority. I think that there are a number of different things we could do.

Commissioner Braun said the other thing we might check into is that Wake County is looking for properties. If they find something, and the timing works, they could theoretically plug us in. And if we are willing as a Board to contribute towards a purchase that might be out there, there might be an opportunity for displaced residents as well.

Commissioner Whitehouse mentioned the discussion on the need to create a good Communication Plan.

Mrs. Edgerton said the communication team has met a couple of times. They are walking through who will be assigned certain tasks.

Commissioner Braun asked if that will also address social media.

Mrs. Edgerton said yes – that is a part of it.

Commissioner Whitehouse said I think it needs to be a comprehensive plan that touches on all forms of outreach.

COMMISSIONER COMMENTS

Commissioner Braun said Commissioner Warren, Laura McCann, and myself had a meeting with Octavia Rainey on February 28. She raised a number of issues, many of which we have talked about, but not all. The notes from that meeting have been circulated to the Board.

Highlights of her comments include:

- Raleigh needs more housing, particularly for people making 30% AMI and less. We told her that we agreed and our hope was to work on that.
- She felt that the market would take care of people above that, to some extent. More focus should be given to the lower end of the income spectrum.
- She would like us to do a better job speaking to HUD about the area's needs. I think some of the organizations that we are part of are probably lobbying for that.
- 90 days to find housing to utilize that voucher is too short and she doesn't think there is enough advertising about the process for getting an extension.
- Currently, landlords can give residents a 30-day notice to vacate and expect them to be out. She wants to know if there is a way RHA can adjust that (do we had any leverage over landlords).

Commissioner Morris asked if she was requesting more than a 30-day notice to vacate.

Commissioner Braun said yes. That's a double edged sword because we already have trouble getting landlords. If we put too many restrictions on them in this market, it's going to wash some landlords out. However, it is a valid concern.

- She would like us to look at bringing back the Turn Key 3 program like at Apollo Heights and find ways to help RHA clients obtain homeownership.
- RHA should offer the Family Self Sufficiency program.
- She asked if we coordinate with the city on bus stop locations relative to our communities. She asked if we could take a look at each of our properties and ask the city transportation department where bus stops are located relative to our properties. If they are not close enough, could we work with them to see if we could get more convenient bus stops? David Eaton will be the person at the city that might be able to help us with that.

We appreciated her meeting with us. It was good discussion.

Mrs. Edgerton said some of those items will be addressed as we work through the Strategic Planning process.

Commissioner Whitehouse asked about the RHA Bus Tour of properties and if anything has been set up yet.

Mrs. Edgerton said that occurs in the spring or the fall. We may want to wait until Mr. Lommers-Johnson is here to start planning that. He will want to tour those as well.

Commissioner Warren said it might be good to do that before we do our Strategic Planning piece so we know what we're talking about.

Commissioner Braun said we have at least four brand new City Councilors that probably haven't toured our properties and some of the incumbent councilors probably haven't been either.

Commissioner Whitehouse suggested it would be good to get it scheduled before this fall.

NEW BUSINESS

Mrs. Edgerton said these first two resolutions are bond resolutions for the Pines at Peach Road. The first resolution is for the issuance and sale of multifamily housing revenue bonds.

The inducement resolution was brought to the Board in September 2021 for up to \$17,000,000 in multi-family housing revenue bonds. The developer is Oppidan out of Minnesota. The project consists of 119 family units. There will be four residential buildings on site, 3-stories tall. The unit makeup is 34 1-bedroom units, 54 2-bedroom units, and 31 3-bedroom units. The development is off of South Saunders Street in southeast Raleigh. The target market will be households at 60% or less AMI, no income averaging; 10% will be funded by Keys Rental Assistance. They will accept Section 8 vouchers which we administer at RHA.

This resolution is the authorization for the issuance of bonds.

Commissioner Warren asked Mr. Wagner if they would object to having a Tenant Selection Plan that gave priority to displaced residents due to federal actions or RHA actions. Would you see any problems with something like that in your TSP?

Mr. Wagner said we are open to it. I'd like to include a few others in that conversation, if that's the direction that you'd like to see us go. I would be happy to facilitate those conversations, but we're certainly not opposed to it.

Commissioner Braun asked if we can add that to our selection process – not for the ones that have already entered the process. However, going forward, is there any reason we couldn't list that as one of our requirements for consideration?

Mr. Francis said there is no reason not to do that for the ones that haven't been reviewed yet. Typically our process is that the applicants pay a fee and then staff reviews their proposal and gives feedback as to whether this might be something that RHA will be interested in. I think in our criteria that we have for applicants, we can let them know the Board's policy, and then give them feedback if their applications do not have that preference.

Commissioner Warren said I don't think that prevents us from asking whether they be voluntarily interested in doing that.

Commissioner Braun said I think it's worth considering if we want to make that a general policy in the future.

Commissioner Warren said most of the LIHTC developers want to have a good relationship with RHA, so I don't think there's anything that prevents us from going back, even those that have been built, and ask them to consider it. They want to be good partners.

Commissioner Braun said, going forward, I think it's worth considering to say we're going to do that.

Commissioner Warren asked staff to work with the attorney and consider bringing a resolution to put that into our guidelines.

Commissioner Whitehouse asked about the timing of the project.

Mr. Wagner said we plan to close and start construction this summer. It's looking like a June or July completion.

Commissioner Whitehouse asked if they are feeling pretty confident with the construction costs now.

Mr. Wagner said yes. We now have a general contractor on board who's finalizing their contract pricing. We think we've seen the worst of the cost hikes that we're going to encounter.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 17 (2023)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MULTIFAMILY
HOUSING REVENUE BONDS (THE PINES AT PEACH ROAD), SERIES 2023

WHEREAS, KTJ 382, LP, a Minnesota limited partnership, or an affiliated or related entity (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental project to be known as The Pines at Peach Road, consisting of 119 units to be located at 505 Peach Road in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Housing Revenue Bonds (The Pines at Peach Road), Series 2023 in an aggregate principal amount not to exceed \$17,000,000 (the “Bonds”); and

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

WHEREAS, it is anticipated that the Bonds will be privately placed with a single investor (the “Purchaser”), to be identified by FMSbonds, Inc. (the “Underwriter”), pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds, among the Authority, the Borrower, and the Underwriter (the “Bond Purchase Agreement”); and

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

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

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

- (a) the Indenture, together with the form of the Bonds attached thereto;
- (b) the Loan Agreement;
- (c) the promissory note of the Borrower in favor of the Authority (the “Borrower Note”), which will be assigned by the Authority to the Trustee;

- (d) the Bond Purchase Agreement;
- (e) the Assignment of Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, from the Authority in favor of the Trustee; and
- (f) 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;

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

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Development through the issuance of the Bonds pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended, the loan of the proceeds thereof and the deposit of such proceeds with the Trustee in accordance with the Indenture and the Loan Agreement.
2. The Authority hereby authorizes the issuance and sale of the Bonds pursuant to and in accordance with the terms set forth in the Indenture. The Bonds will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Indenture; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$17,000,000.
3. Each of the Chairman, Vice Chairman, Chief Executive Officer or 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, Chief Executive Officer 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 any other security documents to the Trustee.
4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Bonds in the manner and subject to the conditions provided in the Indenture to the Trustee for authentication, and to cause the Bonds so executed and authenticated to be delivered to or for the account of the Purchaser, or any affiliate thereof, upon payment of the purchase price therefor.
5. The Authority Documents and the Bonds shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary or convenient to reflect the final terms of the Bonds, and as otherwise approved by the officers of the Authority executing them after consultation with counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.
6. Any authorization made hereby to the officers of the Authority to execute a document shall include authorization to the Chairman, Vice Chairman, Chief Executive Officer or Executive Director of the Authority, or their respective designees, to execute the document, authorization to the Secretary or any Assistant Secretary to affix the seal of the Authority to such document and attest such seal and where appropriate, to

deliver it to the other parties thereto, all in the manner provided in the Authority Documents.

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

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 17 (2023) has been adopted.

Mrs. Edgerton said his resolution is to approve the finance team for The Pines at Peach Road. We are required to approve the team because this will go to Local Government Commission 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. 18 (2023)**

**RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN
FINDINGS WITH RESPECT TO THE ISSUANCE OF MULTIFAMILY HOUSING
REVENUE BONDS (THE PINES AT PEACH ROAD), SERIES 2023**

WHEREAS, KTJ 382, LP, a Minnesota limited partnership, or an affiliated or related entity (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental project to be known as The Pines at Peach Road, consisting of 119 units to be located at 505 Peach Road in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority finds that the financing of the Development through tax-exempt bonds will fulfill the Authority’s purpose under the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”) to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, which is defined in the statute to include “loans and other programs of financial assistance to public or

private developers of housing for persons of low income, or moderate income, or low and moderate income;” and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Housing Revenue Bonds (The Pines at Peach Road), Series 2023 in an aggregate principal amount not to exceed \$17,000,000 (the “Bonds”); and

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

WHEREAS, it is anticipated that the Bonds will be privately placed with a single investor (the “Purchaser”) identified by FMSbonds, Inc. (the “Underwriter”); and

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

Bond Counsel:	McGuireWoods LLP
Authority’s Counsel:	The Francis Law Firm, PLLC
Borrower’s Counsel:	Winthrop & Weinstine, P.A.
Trustee:	The Huntington National Bank
Trustee’s Counsel:	Squire Patton Boggs LLP
Underwriter:	FMSbonds, Inc.
Underwriter’s Counsel:	Greenberg Traurig, LLP
Controlling Person:	Red Stone Servicer, LLC
Controlling Person’s Counsel:	Greenberg Traurig, LLP
Tax Credit Investor:	Aegon USA Realty Advisors, LLC or an affiliate
Tax Credit Investor’s Counsel:	Klein Hornig LLP

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

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

1. The above financing team for the issuance and sale of the Bonds by the Authority is hereby authorized and approved.
2. The Authority hereby finds that the financing is necessary or expedient to further the Authority’s purpose of promoting low and moderate income housing in the City of Raleigh, North Carolina, and that the acquisition, construction and equipping of the Development proposed by the Borrower are necessary and sufficient to accomplish the Authority’s purposes with respect to the properties involved.

3. The Authority hereby finds that the Borrower has demonstrated that the amount of debt to be incurred in connection with the Development and the fees to be paid in connection therewith are sufficient but not excessive for the purpose of acquiring and constructing the Development.
4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitment of Red Stone Servicer, LLC to arrange for the private placement of the Bonds through FMSbonds, Inc., as Underwriter, and (iii) the award of bond volume cap allocation by the North Carolina Federal Tax Reform Allocation Committee at the recommendation of the North Carolina Housing Finance Agency, that the Borrower has demonstrated that (a) it is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Loan Agreement between the Authority and the Borrower (the "Loan Agreement"), which will provide the funds to pay principal and interest on the Bonds, and (b) the Development will generate sufficient revenues to make loan repayments and other payments under the Loan Agreement, to operate, repair and maintain the Development at its own expense and to discharge such other responsibilities as may be imposed under the Loan Agreement. The Authority further finds that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds, and the operation, repair and maintenance of the Development at the expense of the Borrower.
5. The Authority hereby finds that the use of the proceeds of the Bonds for a loan to finance the costs of the Development and for the other purposes stated above will accomplish the public purposes set forth in the Act and hereby approves such use of proceeds.
6. This Resolution shall take effect immediately upon its passage.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 18 (2023) has been adopted.

Mrs. Edgerton said the Salvation Army provides emergency housing for families experiencing homelessness in Wake County. All families referred to Salvation Army come through Coordinated Entry. The case managers assist them with budgeting, employment, and locating housing. They provide this service for one year after they find housing.

RHA did a Memorandum of Agreement (MOA) with them in March 2022. This MOA would provide a Special Admission for 20 qualified applicants from their Emergency Shelter Program from April 1, 2023 through March 31, 2024.

This MOA is for Public Housing only. It provides a way for families to quickly receive subsidized housing based upon availability. We have removed the newly-converted RAD communities from consideration.

These families would come exclusively from the Emergency Shelter Program.

As of March 1 for the current fiscal year, we have housed 11 out of the 20 approved.

Commissioner Warren asked we hold them open if the 20 are not used.

Mrs. Edgerton said we do not hold them open – it is just that they have the priority.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 19 (2023)

WHEREAS, the Housing Authority of the City of Raleigh (RHA) owns and manages the public housing program which seeks to provide quality affordable housing for low-income families; and

WHEREAS, RHA has adopted the Admissions and Continued Occupancy Policy (ACOP) as required by HUD; and

WHEREAS, Section 26.11 of the ACOP allows agencies with a current Memorandum of Agreement (MOA) access to twenty Special Admission housing slots in the public housing program; and

WHEREAS, on July 1, 2021 Raleigh Housing Authority (RHA) entered into an MOA providing up to twenty Special Admission spots to eligible occupants of the Salvation Army of Wake County's homeless shelter; and

WHEREAS, as the result of the MOA homeless families have applied and qualified to transition directly from the Salvation Army's homeless shelter into their own public housing apartment; and

WHEREAS, no other organization has formally requested access for Special Admissions to the public housing program; and

WHEREAS, RHA and the Salvation Army of Wake County wish to renew an MOA to establish each agency's responsibilities and management of this Special Admission;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH approves entering into a Memorandum of Agreement for the fiscal year ending March 31, 2024 between RHA and the Salvation Army of Wake County.

BE IT FURTHER RESOLVED that staff will monitor this process and may recommend modification should issues arise or there be interest from multiple organizations in a Special Admission.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 19 (2023) has been adopted.

Mrs. Edgerton said RHA has leased office space for Communities in Schools of Wake County (CIS Wake) at 971 Harp Street as well as space at other RHA properties for them to provide computer learning centers and programming for students at our properties. They currently have centers at Mayview, Heritage Park, Capitol Park, Kentwood and Chavis Heights.

Over the last 12 months, CIS Wake has averaged assisting 34 RHA students per month through their afterschool and other offered programs (excluding summer breaks). Students must be present at least twice a week to be counted in this average.

We are proposing to renew CIS Wake leases for additional 2-year terms. A new section for the proposed redevelopment of Heritage Park has been incorporated into the community center lease.

This was sent to counsel to be reviewed.

Commissioner Whitehouse asked what the current rate is that RHA charges them.

Mrs. McCann said it is \$2000 per month. They can get that credited back based on the headcount of the children served.

Commissioner Whitehouse asked if that is the previous rate we were charging them.

Mrs. McCann said yes.

Commissioner Whitehouse asked how much they are getting credited back. Are they making the \$2,000 back?

Mrs. McCann said this year they have had \$15,400 credited back to them. They have not billed us for March yet. \$24,000 would be the total rent for the year.

Commissioner Whitehouse it sounds like this program is successful.

Mrs. Edgerton said it is very successful.

Commissioner Whitehouse asked if there is a way for us to incentivize them any more to help offset the \$2,000 per month.

Mrs. Edgerton said we also do the service provider contributions, which they receive. CAD also makes a \$2,000 donation.

Mrs. McCann said they have expanded their scope slightly on who they are reaching, and that should allow them to reach more of our residents. In the past, we have looked at children who are students. However, they're now serving older individuals who may be students and not just 18 and under. That may help them reach their goal as well.

Commissioner Whitehouse asked if there is a reason we're only doing a 2-year lease.

Mrs. Edgerton said that is what we have done previously. With Mr. Lommers-Johnson coming on board, I didn't want to lock it in any longer so I kept it at the same 2-year lease.

Mr. Francis said it has been a long-standing relationship and has been renewed several times over.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 20 (2023)

WHEREAS, the Raleigh Housing Authority (RHA) and the non-profit Communities In Schools of Wake County (CIS Wake) have developed a long-term partnership to assist students in RHA public housing to be successful in school and in life; and

WHEREAS, this long-term partnership has resulted in the establishment of on-site Community Learning Centers located in the public housing communities of Mayview, Heritage Park, Kentwood, Capitol Park and Chavis Heights; and

WHEREAS, the current leases executed by RHA and CIS Wake in April of 2009 are set to expire on March 31, 2023; and

WHEREAS, CIS Wake wishes to continue to lease the space at 971 Harp Street for their administrative offices and to continue to lease space within the public housing communities in order to provide their services to public housing communities; and

WHEREAS, the Interim Executive Director is authorized to negotiate terms of the Lease; and

WHEREAS, both RHA and CIS Wake have reviewed and revised the lease agreements to reflect current operations for the agencies; and

WHEREAS, the Lessee will continue to pay the Lessor as rental for the 971 Harp Street premises the sum of two thousand dollars (\$2,000.00) monthly; and

WHEREAS, the Lessor is also granting under a separate lease agreement the use of the premises at different public housing communities for a nominal annual rent amount because the Lessee agrees to operate no less than four centers in Lessor's public housing communities;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff's action to execute both of the attached lease renewals with Communities in Schools of Wake County in order to continue to provide educational learning centers is hereby ratified.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 20 (2023) has been adopted.

Mrs. Edgerton said the Administrative Plan for Section 8 establishes the rules we must follow in administering the Section 8 program.

The Board approved the draft revisions to the Administrative Plan in December 2022. We only have a few changes to that. Two changes are related to increasing the amount of VAWA protection and coordinated entry voucher due to the extra vouchers that HUD had issued to us. Another change was to add verbiage to allow us to do remote or in-person inspections. The last change was to increase the time that a tenant / applicant can submit a request for tenancy approval.

This was on the RHA website for public comments for a minimum of 30 days and we received no comments.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 21 (2023)

WHEREAS, the Raleigh Housing Authority (RHA) is required to set forth its policies for processing applications and providing assistance to eligible Housing Choice Voucher (HCV) and Rental Assistance Demonstration (RAD) families; and

WHEREAS, changes in regulations and local authority policy have resulted in the need to revise the Section Eight Administrative Plan; and

WHEREAS, the changes have been completed and issued to the public for comment; and

WHEREAS, the draft of the Section Eight Administrative Plan was available on RHA's web page; and

WHEREAS, the public review was held for thirty days and the deadline for providing comments was February 3, 2023; and

WHEREAS, no public comments have been received;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the revised Section Eight Administrative Plan be adopted and become effective immediately.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 21 (2023) has been adopted.

Mrs. Edgerton said in February 2021, RHA was awarded a Capital Fund Program grant with funding of \$4,298,714. This is the final performance and evaluation report for this grant as we are closing it out. All funds have been obligated and expended.

Some of the items we covered from this grant included:

- \$1.3 million for the RAD conversion cost.
- \$382,000 for the fire alarm system at Carriage House.
- \$83,000 for the security cameras at Mayview.
- \$600,000 on HVAC replacements across all public housing properties.

With approval of this resolution, we will close out this grant. This will leave open 2020, 2022 and 2023 grants which have approximately \$2.9 million, \$3.8 million, and \$3.6 million remaining.

We have begun obligating funds for the 2020 grant. The reason these are out of order are because of the COVID waivers. HUD gave a longer period on the 2020 grant.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 22 (2023)

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

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

WHEREAS, RHA was awarded Capital Fund Program grant NC19P00250121 in February 2021 with funding in the amount of \$4,298,714.00; and

WHEREAS, the designated work items approved for implementation have been completed with corresponding funding fully expended and therefore the grant is eligible for close out; and

WHEREAS, the final performance and evaluation report for Capital Fund Program grant is attached hereto and by reference made part of this resolution; and

WHEREAS, staff recommends that the final performance and evaluation report for Capital Fund Program grant NC19P00250121 be approved;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the final performance and evaluation report for Capital Fund Program grant NC19P00250121 in the amount of \$4,298,714.00 is approved for submittal to the Department of Housing and Urban Development.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 22 (2023) has been adopted.

Mrs. Edgerton said the next two resolutions are related to the newly-awarded Capital Fund Grant.

On February 17, 2023, HUD sent out a notice with RHA’s awarded amount of Capital Fund for 2023. Our amount will be approximately \$3.6 million.

In 2013 HUD decoupled the 5-Year Plan CFP Plan from the Agency Plan. Every year we are required 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.

The larger items you see in the first year include:

- Set aside \$1.2 million for demolition. It is anticipated that we will use these funds at Heritage Park.
- Allotted \$300,000 on the management improvement line. This is to be used for the new Yardi software.

All activities must be in the 5-Year Plan before we can start.

Commissioner Braun asked if the relocation and the demolition can be adjusted each year.

Mrs. Edgerton said yes, the amounts can be adjusted up or down. The work activity must be in the plans.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 23 (2023)**

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 2023-2027 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 Fonville-Swint seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 23 (2023) has been adopted.

Mrs. Edgerton said with this next resolution, the Board is approving the Performance & Evaluation Report for Capital Fund 2023 which will allow HUD to set up the grant so RHA can draw down money.

The same highlight are shown in this P&E including:

- \$1.2 million for demolition of Heritage Park.
- \$300,000 for software conversion.
- \$922,000 set aside for dwelling structures. These funds can be used for unit renovations where / as needed.

RHA has two years to obligate these funds and four years to expend. The funds must be expended by February 16, 2027.

Commissioner Braun asked if money can be added to line items if they don't have anything allocated.

Mrs. Edgerton said yes. Staff would be required to do a revision to RHA's 5-Year Plan and then update the grant based on that. HUD is generally quick to accept those changes.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 24 (2023)

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 NC19P00250123 in February 2023 with funding allocations totaling \$3,639,495.00; 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 NC19P00250123 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 NC19P00250123 be approved for submission to the Department of Housing and Urban Development.

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, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 24 (2023) has been adopted.

Mrs. Edgerton said the remaining resolutions are Budget revisions for RHA programs for the fiscal year ending 2023. Note that most of these resolutions have a be it further resolved that staff will be able to revise the budget once we receive information from external sources that haven't yet been provided. These include our pension, OPEB data, additional expenditures that were authorized during our executive search, and additional expenditures as it relates to the RAD closings.

The adjustments for Local, CCC, and the AMPs were affected by the RAD conversion. The master budget that was approved in February 2022 for FYE 2023 included the RAD conversion as of April 1, 2022. The HAP effective was October 1 for Berkshire and December 1 for the other three properties.

Highlights of the Housing Choice Voucher budget revisions include:

- Operating receipts are being increased by \$104,000. This is due to increased interest rates, receipt of fraud recovery, and a higher pro-ration rate than was budgeted.
- Administrative Expense decreased by \$110,000, mainly due to salaries and benefits decreased by \$232,000 and \$71,000 where we have had vacant positions throughout the year.
- Sundry increase of \$228,000 due to temporary staff to help cover vacant positions.
- Bookkeeping fees decreased by \$40,500 due to less months vouchers being leased.
- Overall operating budget increase of \$294,000.

Commissioner Braun said he was good with these budget revisions. However, in the future, it might be good to put a statement in the resolution that stipulates if it is outside a certain amount staff does need to bring those changes back to us.

Mrs. Edgerton said we would typically report back to the Board. The OPEB and the pension are set. There are going to be larger numbers, and you will see those reflected in the Board reports so you will get reported back as to what those were. If the others were to change, then we would bring that back in the next report.

Commissioner Braun said he is fine with that as long as the staff reports any changes back to the Board.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 25 (2023)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) administers a Section Eight Housing Choice Voucher (“Voucher”) Program; and

WHEREAS, effective January 1, 2004, the U.S. Department of Housing and Urban Development (“HUD”) began providing funding for the Voucher program on a calendar year basis which crosses two fiscal years; and

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2023, which included the Voucher program, was approved by the Board of Commissioners on February 15, 2022 with Resolution No. 3; and

WHEREAS, HUD published the Administrative Fee rates on March 30, 2022 retroactive for calendar year 2022 and advised the proration factor is expected to be 88%; and

WHEREAS, HUD notified RHA on May 9, 2022 of the final HAP funding amounts for calendar year 2022, which covered funding through December 31, 2022 or three quarters of the subject budget year; and

WHEREAS, HUD issued Notice 2022-14 on May 19, 2022, which retroactively implemented the funding provisions for calendar year 2022, as required by the Federal Fiscal Year 2022 HUD Appropriations Act (Public Law 117-103), which was enacted on March 15, 2022; and

WHEREAS, on October 26, 2022 HUD advised the proration factor for Administrative Fees increased to 89% for calendar year 2022; and

WHEREAS, HUD has not yet completed the final reconciliation for the Administrative Fees for calendar year 2022; and

WHEREAS, HUD has not yet issued the funding provisions for calendar year 2023; and

WHEREAS, HUD has not yet published the Administrative Fee rates for calendar year 2023 or notified housing authorities of the proration factor; and

WHEREAS, during June 2014, RHA's auditor recommended setting up an allowance for doubtful accounts for amounts owed by landlords which may be considered uncollectible; and

WHEREAS, the proposed budget revision includes an allowance of \$7,500 as reflected on line #65 in the HAP expenses; and

WHEREAS, the landlords who owe balances cannot participate in RHA's Section Eight program until the amount owed is paid in full; 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, NCDST will provide the pension data for FYE March 31, 2023 in the spring of 2023 to be included on RHA's FYE 2023 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2019 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2023 in the spring of 2022 to be included on RHA's FYE 2023 audited financial statements; and

WHEREAS, projected income and expenditures in certain line items make it necessary to revise the Annual Operating Budget for the fiscal year ending March 31, 2023 for the Voucher Program in order to meet the operational needs of the Agency; and

WHEREAS, the proposed operating budget reflecting revisions to the budget categories is attached to this resolution and thereby made a part of this resolution; and

WHEREAS, the budget projections reflect a cost-efficient operation;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Operating Budget for

the Section Eight Housing Choice Voucher Program for fiscal year ending March 31, 2023 be revised as follows:

1. Line 9 Total Operating Receipts be increased by \$104,031.
2. Line 22 Total Administrative Expense be decreased by \$110,392.
3. Line 27 Total Utilities be increased by \$1,176.
4. Line 34 Total Ordinary Maintenance & Operation be decreased by \$17,728.
5. Line 41 Total General Expense be decreased by \$18,244.
6. Line 45 Total HAP Expense-Incoming Ports be decreased by \$42,000.
7. Line 53 Total Other Expenditures be decreased by \$3,133.
8. Line 57 Residual Receipts Operating be increased by \$294,352.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2023.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NC Department of State Treasurer.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 25 (2023) has been adopted.

Mrs. Edgerton said this resolution is the budget revision for the Emergency Housing Vouchers (EHV).

EHVs were part of the American Rescue Plan put into place by President Biden in 2021 to address the impact of the COVID pandemic. These vouchers were issued to limit individuals and families who are homeless, at risk of being homeless, or fleeing domestic violence.

HUD issued a notice to provide the operating requirements for this program in May 2021. PHAs were allocated preliminary fees to support the start-up costs to implement the program. In addition, we had placement fees, expedited issuance fees, and on-going admin fees. These fees can support the operational expenses.

We were also issued one-time service fees to support efforts in implementing and operating the program. These fees are used to address the leasing challenges faced by the EHV-eligible families such as security deposits, housing search assistance, and moving expenses

RHA's original Master Operating Budget for FYE 2023 did not include this program so this revision is necessary to incorporate the EHV program. Highlights include:

- Operating receipts are shown as \$114,856.
- Service Fee Income is offset with the total tenant services.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 26 (2023)

WHEREAS, on March 11, 2021 President Biden signed the American Rescue Plan ("ARP") Act of 2021 Public Law 117-2) which provided over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses; and

WHEREAS, Section 3202 of the ARP appropriated \$5 billion for new incremental Emergency Housing Vouchers ("EHV"), the renewal of those EHV's, and fees for the cost of administering the EHV's and other eligible expenses defined by notice to prevent, prepare, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners; and

WHEREAS, Eligibility for these EHV's is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or (4) recently homeless; and

WHEREAS, HUD issued Notice 2021-15 on May 5, 2021, which provided the operating requirements for the EHV's; and

WHEREAS, on June 10, 2021 Raleigh Housing Authority ("RHA") was awarded 138 vouchers and initial funding for Administrative Fees and Service Fees to operate the program; and

WHEREAS, the Master Operating Budget for fiscal year ending March 31, 2023 which was approved by the Board of Commissioners on February 15, 2022 with Resolution No. 3 does not include the EHV's; and

WHEREAS, projected income and expenditures in certain line items make it necessary to revise the Annual Operating Budget for the fiscal year ending March 31, 2023 to include the EHV's in order to meet the operational needs of the Agency; and

WHEREAS, the proposed operating budget reflecting revisions to the budget categories is attached to this resolution and thereby made a part of this resolution; and

WHEREAS, the budget projections reflect a cost-efficient operation;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Operating Budget for the Emergency Housing Voucher Program for fiscal year ending March 31, 2023 be revised as follows:

1. Line 8 Total Operating Receipts be increased by \$114,856.
2. Line 17 Total Administrative Expense be increased by \$46,145.
3. Line 25 Total Tenant Services be increased by \$77,523.
4. Line 29 Total General Expense be decreased by \$767.
5. Line 33 Residual Receipts Operating be decreased by \$9,579.

BE IT FURTHER RESOLVED THAT:

5. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2023.
6. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 26 (2023) has been adopted.

Mrs. Edgerton said this is the Local Fund budget revision. Highlights include:

- Total receipts are being increased \$350,000. Most of that is fees for the bond deals that closed this year (currently \$479,390). There are additional bonds set to close by the end of March so we might see additional income.
- Total Operating Expenses are being decreased by \$59,000, mostly due to the RAD conversion happening later than we had anticipated.
- CAD paid an additional \$140,000 back to Local Fund on the loan for Walnut Terrace.
- Increase to our Net Cash Flow of \$588,000 from our original budget projections.

Commissioner Morris asked if these funds are restricted.

Mrs. Edgerton said they are completely unrestricted.

Commissioner Braun asked about the CAD payment.

Mrs. Edgerton said that was an additional payment. They make normal payments and then as they have additional cash, they usually pay it on the external and internal loans.

Commissioner Braun asked if these are zero interest loans.

Mrs. Edgerton said the loans with the Local fund are zero interest loans.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 27 (2022)

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) established the Local Fund for entrepreneurial activities, such as issuing non-recourse housing revenue bonds and earning non-federal property management fees that support RHA’s mission; and

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2023, which included the Local Fund was approved by the Board of Commissioners on February 15, 2022 with Resolution No. 4; and

WHEREAS, HUD instructed RHA in February 2012 that all fees related to Asset Management, including the Housing Choice Voucher (“HCV”) Management Fee, must be earned by the Central Cost Center (“CCC”) and could be subsequently transferred to other funds; and

WHEREAS, the Master Operating Budget provided that the gross amount of the HCV Management Fee be transferred from the CCC to Local Fund; and

WHEREAS, the HCV Management Fee projected earnings of \$657,716 for the fiscal year ending March 31, 2023 in the CCC will result in an estimated equity transfer from the CCC to Local Fund, as reflected on line 69 of the proposed budget revision; and

WHEREAS, the Board approved Resolution #39 on June 9, 2022 in executive session regarding contracting for Executive search services (Revision 1); and

WHEREAS, the Board approved Resolution #64 on August 25, 2022 to hire replacement personnel for the Procurement Specialist position (Revision 2); and

WHEREAS, the Board approved Resolution #65 on August 25, 2022 to hire a new Accounting Specialist position (Revision 3); and

WHEREAS the Board approved Resolution #66 on August 25, 2022 to add a 5% COLA increase to all salaries (Revision 4); and

WHEREAS, the original budget as revised reflects these budget revisions; and

WHEREAS, the budget may need to be adjusted if additional Executive search service expenditures are incurred before March 31, 2023; and

WHEREAS, the income related to the Optional Resident Retention Services for the Section 8 Program as approved by the Board of Commissioners with Resolution No. 35 on May 30, 2013 is reflected on line 16 and the applicable expenses are reflected on lines 20, 25, 27, 34, 35, and 42 of the proposed budget revision; and

WHEREAS, staff has prepared budget revision #5 for the operation of Local Fund for the fiscal year ending March 31, 2023; and

WHEREAS, additional depreciation expenditures related to the RAD conversion may be incurred in the Local Fund during the closing of the books for March 31, 2023; 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, NCDST will provide the pension data for FYE March 31, 2023 in the spring of 2023 to be included on RHA’s FYE 2023 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2019 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2023 in the spring of 2023 to be included on RHA’s audited financial statements; and

WHEREAS, the proposed budget revision for the operation of Local Fund for the fiscal year ending March 31, 2023 is attached to this resolution and thereby made part of the resolution; and

WHEREAS, the budget projections reflect a cost-efficient operation and a positive net cash flow;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached budget revision for Local Fund for the fiscal year ending March 31, 2023 be revised as follows:

1. Line 21 Total Operating Receipts be increased by \$350,017.
2. Line 34 Total Administrative Expense be decreased by \$132,276.
3. Line 43 Total Maintenance be decreased by \$1,886.
4. Line 55 Total General Expense be increased by \$4,217.
5. Line 68 Residual Receipts be increased by \$409,050.
6. Line 69 Equity Transfer (HCV Management Fees) be increased by \$43,461.

BE IT FURTHER RESOLVED THAT:

1. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
2. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
3. Staff is authorized to revise the budget if necessary due to additional Executive search services expenditures.
4. Staff is authorized to revise the budget if necessary due to additional depreciation expenditures identified during the closing process.
5. Staff will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 27 (2023) has been adopted.

Mrs. Edgerton said this resolution is the Central Cost Center budget revision. Highlights include:

- Revising Operating Receipts by approximately \$216,000. Fees for our trade workers are down due to reorganization in the department and staffing shortages that require us to outsource some of the work.
- Administrative expenses increased mainly due to sundry cost related to the CEO search.
- Adjusting our maintenance labor and benefits down \$465,000. Since we were short staffed in some positions, our expenses are down.
- Adjusting replacement of equipment by \$73,700. This was for the replacement of the computer system. We are close to signing that contract but expect this expense to occur in the next fiscal year so we are revising our budget number to remove that expense from our current year budget.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 28 (2023)

WHEREAS, in order to meet the operational needs of the Agency, it is necessary to revise the Annual Operating Budget for the Central Cost Center (“CCC”) for the period ending March 31, 2023; and

WHEREAS, the U. S. Department of Housing and Urban Development (“HUD”) has mandated housing authorities implement Asset Management which does not provide any federal funding to meet the operational expenses of the CCC requiring it to charge Fees-for-Services provided to the public housing communities; and

WHEREAS, the original Master Operating Budget for the fiscal year ending (“FYE”) March 31, 2023, which included the CCC, was approved by the Board of Commissioners on February 15, 2023 with Resolution No. 12; and

WHEREAS, the Master Operating Budget provided that the Housing Choice Voucher Management Fee be earned in the CCC; and

WHEREAS, HUD instructed Raleigh Housing Authority (“RHA”) in February 2012 that all fees related to Asset Management, including the Housing Choice Voucher Management Fee, must be earned by the CCC and could be subsequently transferred to other funds; and

WHEREAS, after recording the Housing Choice Voucher Management Fee projected at \$657,716 in the CCC, an equity transfer equal to the amount earned of \$657,716 is to be made from the CCC to Local Fund, as reflected on line 108; 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, NCDST will provide the pension data for FYE March 31, 2023 in the spring of 2023 to be included on RHA’s FYE 2023 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2022 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2023 in the spring of 2023 to be included on RHA's FYE 2023 audited financial statements; and

WHEREAS, the budget revision includes an estimate for the physical inventory adjustment for materials stored in the warehouse to be determined as the books are closed for the fiscal year end; and

WHEREAS, the implementation of Asset Management makes it desirable for RHA to change its accounting for some of the budget categories and the resulting projected income and expenditures in certain line items make it necessary to revise said budget; and

WHEREAS, the Board approved Resolution #39 on June 9, 2022 to contract for Executive search services (Revision 1); and

WHEREAS, the budget may need to be adjusted if additional Executive Search service expenditures are incurred before March 31, 2023; and

WHEREAS, the Board approved Resolution #64 on August 25, 2022 to hire replacement personnel for the Procurement Specialist (Revision 2); and

WHEREAS, the Board approved Resolution #65 on August 25, 2022 to add a new Accounting Specialist position to the Administration and Finance Department (Revision 3); and

WHEREAS, the Board approved Resolution #66 on August 25, 2022 to add a 5% Cost of Living Increase to all salaries (Revision 4); and

WHEREAS, the original budget as revised reflects these four budget revisions; and

WHEREAS, RHA staff has prepared budget revision 5 for the operation of the CCC for the fiscal year ending March 31, 2023 reflecting revisions to the budget categories which is 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 Conventional Budget Revision #5 for the Central Cost Center for fiscal year ending March 31, 2023 be revised as follows:

1. Line 38 Total Receipts be decreased \$216,153.
2. Line 52 Total Administrative Expense be increased \$149,198.
3. Line 69 Total Utilities be decreased \$3,300.
4. Line 75 Total Ordinary Maintenance be decreased \$439,456.
5. Line 89 Total General Expense be increased \$53,493.
6. Line 92 Total Operating Expense be decreased \$240,065.
7. Line 99 Total Non-Routine Expenditures be decreased \$73,707.
8. Line 105 Total Operating Expenditures be decreased \$313,772.

9. Line 107 Residual Receipts before equity transfer be increased \$23,912.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2023.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff is authorized to revise the budget if necessary due to additional Executive search services expenditures.
5. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 28 (2023) has been adopted.

Mrs. Edgerton said this resolution is our conservative budget revision for the AMPs. Highlights include:

- Administrative salaries and benefits have decreased by \$159,000 and \$72,000 because of vacant positions and the delay of RAD.
- The Sundry Account is being increased by \$125,000. This is because we hired temporary employees to fill some of the vacant positions throughout the year.
- Ordinary Maintenance cost is being increased by \$392,000. Labor and benefits have decreased due to being short staffed but our contract costs and vacancy costs have increased due to utilizing contractors to complete the work needed.
- Reducing subsidy by 20% HOTMA (\$1.1 million). This is money that we can set aside to use for redevelopment. We don't have to do that if we are operating at a loss, but we still list it so that we have the Board's approval to set that money aside if we are operating efficiently.

(Commissioner Whitehouse had a question about a couple of the numbers on the spreadsheet attached to the resolution. It was determined that there was an error in the formula on the spreadsheet and it was corrected before the Board approved the resolution.)

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 29 (2023)

WHEREAS, in order to meet the operational needs of the Agency, it is necessary to revise the Annual Operating Budget for Asset Management Projects (“AMPs”) NC 002-006 through NC 002-040 for the fiscal year ending March 31, 2023; and

WHEREAS, the original Operating Budget for the fiscal year ending (“FYE”) March 31, 2023, which included the AMPs, was approved by the Board of Commissioners on February 15, 2022 with Resolution #13; and

WHEREAS, the Fees for Services reflected in the proposed budget revision are determined to be in the best interest of the individual AMPs and the agency as a whole; and

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) currently funds the Operating Fund for the AMPs on a calendar year basis; and

WHEREAS, HUD notified Raleigh Housing Authority (“RHA”) on December 1, 2022 that the funding proration for Calendar Year (“CY”) 2022 would be 104.93% of funding eligibility, which covers funding through December 31, 2022 or three quarters of the subject fiscal year; and

WHEREAS, HUD paid an interim proration factor of 95.00% eligibility for January, February and March of 2023; 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, NCDST will provide the pension data for FYE March 31, 2023 in the spring of 2023 to be included on RHA’s FYE 2023 audited financial statements; and

WHEREAS, GASB issued Statement 75 relating to financial reporting for Postemployment Benefits Other Than Pension Plans (OPEB) and establishes new accounting and financial reporting requirements for local public agencies who have OPEB funds held in irrevocable trusts; and

WHEREAS, RHA was required to implement GASB 75 on the March 31, 2019 financial statements using data derived from an actuarial study; and

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2023 in the spring of 2023 to be included on RHA’s FYE 2023 audited financial statements; and

WHEREAS, the budget revision includes an estimate for the physical inventory adjustment for the materials stored in the warehouse to be determined as the books are closed for the fiscal year end; and

WHEREAS, RHA desires to write off all tenant bad debts subsequent to the March 23, 2023 Board meeting through March 31, 2023 to accurately reflect tenant accounts receivables and maximize RHA's score in the Management Assessment Subsystem; and

WHEREAS, it may be desirable to reclassify expenses between the AMPs and the Capital Fund Program to achieve net incomes for the AMPs that are close to breakeven, a goal previously approved by the Board using the fungibility included in the Quality Housing and Work Responsibility Act of 1998 ("QHWRA"); and

WHEREAS, staff will make these reclassifications as the books are closed for the fiscal year ending March 31, 2023 and report these amounts to the Board with the unaudited financial statements; and

WHEREAS, the Board approved Resolution #66 on August 25, 2022 to add a 5% Cost of Living Increase to all salaries (Revision 1); and

WHEREAS, the original budget as revised reflects this one budget revision; and

WHEREAS, staff has prepared budget revision #2 for the operation of the Asset Management Projects for the fiscal year ending March 31, 2023 which is attached hereto and by reference is made part of this; and

WHEREAS, revisions to the budget category totals are reflected in the resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Conventional Budget Revision #3 for the Asset Management Projects for fiscal year ending March 31, 2023 will be revised as follows:

1. Line 10 Total Receipts be decreased \$275,954.
2. Line 25 Total Administrative Expense be decreased \$180,523.
3. Line 35 Total Tenant Services increased \$31,138.
4. Line 42 Total Utilities be increased \$92,990.
5. Line 68 Total Ordinary Maintenance be increased \$392,223.
6. Line 71 Total Protective Services increased \$64,559.
7. Line 85 Total General Expense be increased \$88,714.
8. Line 95 Total Non-Routine Expenditures be decreased \$22,682.
9. Line 110 Total Operating Subsidy be increased \$686,556.
10. Line 111 Residual Receipts be decreased \$55,817.

BE IT FURTHER RESOLVED THAT:

7. Staff is authorized to revise the budget if necessary:
 - a. Subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2023.
 - b. If additional tenant bad debts arise prior to March 31, 2023.
 - c. For any expenses reclassified between the AMPs and the Capital Fund Program to achieve net incomes for the AMPs that are close to breakeven.
8. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
9. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
10. Staff will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year.

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

Aye: Eric Braun, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

Resolution No. 29 (2023) has been adopted.

RECESS

There being no further business to come before the Board, Commissioner Fonville-Swint moved and Commissioner Whitehouse seconded approval to recess the RHA Board Meeting and begin the OCAC, Inc. Board Meeting. The RHA Board Meeting will reconvene at the conclusion of the OCAC, Inc. meeting and move into Executive Session.

The RHA Board Meeting recessed at 6:09 pm and moved into the OCAC, Inc. Board Meeting.