

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
OCTOBER 26, 2023

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street on Thursday, October 26, 2023 at 5:00 p.m. The meeting was held in-person and via Zoom.

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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Absent: Bahati Mutisya.

Visitors: Noah Wagner, Oppidan Investment Co.; Amie Cofini, Greystone: Paula Coppola, Walnut Terrace resident; Charles Francis, Francis Law Firm, PLLC; Wanda Gilbert-Coker, Wake County Housing Justice Coalition; Hwa Huang, Wake County Housing Justice Coalition; Public: Nathan Wilson, Tequita Jarman.

RHA Staff: Sonia Anderson, Priscilla Batts, Liz Edgerton, Reginald Forte, Loisy Garcia, Katie Lebrato, Ashley Lommers-Johnson, Jennifer Morgan, Donna Perez, Kenya Pleasant, Jason Schloop, Gwen Wall.

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

RECOGNITION OF VISITORS

The CEO welcomed all visitors to the meeting this evening.

PUBLIC COMMENTS

Paula Coppola

- There is a metal box at Walnut Terrace that is leaking all the time. That may be where the water valves are. Someone needs to look into that.
- Is there a new lease that has been updated?

Mrs. Anderson said RHA is looking at the leases and there may be one forthcoming.

- I would like to see it before I have to sign it. When I first signed my lease, it took me three months to get my copy of it. I want to make sure this is going to be updated and correct information.
- I received my recertification paperwork two days before it was due. When I tried to turn it in, it was not accepted.

Hwa Huang

I have 2 questions concerning public engagement.

1. Your meetings are recorded. Do you have plans to upload them? Since this is a public meeting, and the City of Raleigh uploads all of their recordings, why doesn't RHA upload their recordings?
2. Why is your Zoom chat disabled?

Commissioner Morris said we will take that into consideration. We will have some discussions about that and follow up with you at a later time.

Wanda Gilbert-Coker

My name is Wanda Gilbert-Coker with Wake County Housing Justice Coalition. One of the questions I would have been would have asked in the chat (after the previous speaker) was what was the person's name or what property they were from. Those are the type of things, if there is a grievance, whatever they say is supposed to go on public record. Why isn't it on YouTube? We've asked this before – but because it's not public, it's just something that continues to linger.

Yesterday, there was a meeting that Raleigh Housing Authority had, along with some of the developers and others, regarding a focus group for Heritage Park. We received the invitation and responded back to Katie Lebrato saying that we would like to be there. I am on the Fair Housing Hearing Board. I know that the government has to comply to make sure that ADA rights are upheld. Anyone needs to be able to attend a meeting, whether they're visually impaired, or whatever disability, the difficulty needs to be eliminated for that person to attend. I was not able to attend. I have a disability and RHA was not compliant. This seems to be an issue that goes on with the City of Raleigh. This has to stop.

Commissioner Braun said thank you, and we appreciate your comments.

Mr. Lommers-Johnson said just for information, the two members of the coalition were invited, not the entire coalition, and neither of those individuals requested an accommodation. We did provide that response to the coalition.

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 2023

Item 2

Financial Statements for September 2023

Item 3

Vacancy and Turnover Summary for September 2023

Item 4

Minutes from September 28, 2023 regular meeting

Commissioner Braun 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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

The Board Chair thanked everyone for their time and effort put into the Board Retreat last week. There was strong Board participation and thought it was a good event.

REPORT OF THE BOARD SECRETARY

Mr. Lommers-Johnson expressed his appreciation to the Board for their participation in the Board Retreat last week. He feels they made good progress on setting direction to the future. His report today is essentially highlighting some aspects of the resolutions today.

Bonds

The three bond resolutions relate to two new tax credit properties requiring bond financing. These properties will have a total of 272 new affordable housing units, and they will include opportunities for residents who will need relocation in the future. The units will be ready in mid-to-end of 2025. As a reminder, RHA plays more of an administrative function in Wake County to facilitate the allocation of private activity bonds for developers. RHA does not incur any financial liability. These resolutions include two very important additions to affordable housing in Wake County.

Housing Choice Voucher Administrative Plan

There is a resolution relating to the Housing Choice Voucher Administrative Plan (“Admin Plan”). At least once annually the Board approves changes to the Admin Plan. This resolution today includes an important update, which is to our Project Based Voucher Program, a new program that we're launching. This program will create new units serving extremely low income households. The Board's approval will pave the way for RHA to issue its first RFP for project based vouchers.

Admissions and Continued Occupancy Plan (“ACOP”)

The next resolution proposes revisions to the Admissions and Continued Occupancy Plan for the public housing program. This particular resolution includes two proposed changes for public housing. One is a transition from a common waiting list for public housing through site based waiting lists. In the middle of the 1990s, HUD made some changes and Congress passed a new law called the Quality of Housing and Work Responsibility Act and the possibility of site based waiting lists for public housing was included in that act. RHA is considering making changes to this waiting list system so that its applicants in the future will have the ability to choose which development they want to live in. Currently, when they get to the top of the waiting list they get offered the first unit available in any of the developments.

Another proposed change is to reduce the hours required per week of work to access the Incentive Housing Program. Currently, that is 35 hours a week, and the proposal is to change it to 20 hours a week.

Draft Annual Plan

The resolutions also include a draft Annual Plan and a set of new activities. Most of these new activities relate to RHA’s desire to redevelop some of its existing properties and develop new properties in the city of Raleigh and Wake County. The new activities include demolition and/or disposition of some properties, mixed finance modernization or development, project based vouchers, conversion of public housing to project based vouchers under the Rental Assistance Demonstration program, as well as units with approved vacancies for modernization.

Utility Allowances

An additional set of important changes that will affect public housing and housing choice voucher clients is changes to the utility allowance. Tenant’s rent payment plus the utility allowance is equal to 30% of the adjusted income. RHA annually uses a consultant to analyze the changes in utility rates. When any utility increases by 10% or more, the allowance for that utility increases. The utility allowances for both programs will increase because there were significant changes. As the utility allowances increase for tenants and participants, their portion of the rent will decrease. That's an important adjustment as a result of escalating utility increases in our jurisdiction.

Fair Market Rents

The Public Housing Program includes the potential for residents to pay flat rents. Higher income tenants in particular, may choose to pay a flat rent instead of a rent based on their income. Housing authorities can establish flat rents at a minimum of 80% of fair market rent. That's the level at which Raleigh Housing Authority has set its flat rents. These fair market rents have increased for 2024 by an average of 18% so the flat rents, as a result, are rising also. A table of new flat rents based on the new Fair Market Rents is included in the Board's package.

Commissioner Braun said we have about 8,000 people on the overall waiting list. But we have 1,230 now on the waiting list for people with a Wake County preference, which I assume is mostly residents in Wake County.

Mr. Lommers-Johnson said at the time of application they were either residents of Wake County, or they were employed in Wake County. That's the preference for Wake County.

Commissioner Braun said it's important to note that, although the list is too long, it is much shorter for people in Wake County. And then he noticed also, there was a pretty significant drop between August and September.

Priscilla Batts said we're sending letters out issuing vouchers so that's why it's continued to reduce.

Mr. Lommers-Johnson said we have been contacting a lot of people on the waiting list, in part due to the fact that we have a lot of vouchers that are underutilized. So the Housing Choice Voucher Program has issued a significant number of vouchers to date for this this year, in order to ensure that we can use as many as possible. It reflects a lot of activity among the staff.

Commissioner Braun said RHA may project base up to an additional 10% of its authorized units. He was curious why we were only going for 10% – thought we were allowed to do 30%.

Mr. Lommers-Johnson said we are allowed to do up to 30% of the total, and we have to include them in our plan. Initially, we're including 400 so we can go up to 400 next year. In the first RFP we will award 400 – we'll have a more limited number so that we can do another RFP later in the year. We can project base around 1,250 but we will be doing those gradually.

Commissioner Warren asked if we are still reserving enough for our own portfolio needs with that 400.

Mr. Lommers-Johnson said yes. We will have a portion of the 30%. We will have enough for relocation purposes, and for our own development.

Commissioner Warren said if we're doing a random deal on some other property, we may want to have some project based assistance there. Couldn't you look at our whole portfolio instead of estimating what would be a reasonable set aside on each one of those properties based on the number of units?

Mr. Lommers-Johnson said our new chief real estate development officer, Kenya Pleasant, is looking into those numbers. The 30% number is out of our current voucher pool of 4,188. We will get additional vouchers for every property that is disposed of under Section 18. For example, at Heritage Park, we will be eligible for approximately 122 additional vouchers, and 100% of those can be project based at Heritage Park without affecting the 30% number. In addition, we are contemplating disposing of the scattered sites units and eventually turning them into affordable homeownership opportunities, and we will get 108 vouchers there. Under a new change in HUD notice, we will be able to create an additional 564 vouchers if we take advantage of the Faircloth Housing Program. Adding all of those, it gets to about 2,000 potential project based vouchers and that doesn't include other properties that may meet Section 18 physical obsolescent threshold.

Commissioner Warren asked if the 122 additional vouchers at Heritage Park will be tenant protection vouchers or separate vouchers.

Mr. Lommers-Johnson said those are the tenant protection vouchers, and they will be a perpetual part of our voucher inventory and not just temporary tenant protection vouchers. Those will come into our inventory, and we can project base 100% of them. There are 122 units at Heritage Park. Of those units, there have been some that have been vacant for over 24 months because of their very high renovation cost. So, we will actually get approximately 113 vouchers that will be eligible at Heritage Park. We are spending significant sums of money on some units that have become vacant, or that have been vacant, so that we can house families but also qualify for the replacement or tenant protection voucher. We will have slightly fewer than 122 protection vouchers.

Commissioner Braun asked about the definition of imputed income. It went from \$5,000 to \$50,000.

Mr. Lommers-Johnson said currently under the new law that was enacted a few years ago, if tenants have up to \$50,000 of assets, those do not count towards their income. The threshold was \$5,000, and it increased to \$50,000.

Commissioner Braun said in Resolution 59, there are two places that say we will advocate for public transit systems to connect lower income neighborhoods with major employment centers. Currently the city is in the process of working on the New Bern Avenue study, and he didn't know if this would be appropriate for the housing authority to take a position on that.

Mr. Lommers-Johnson said that checkbox in the Annual Plan was checked because that's an opportunity that's coming up. We have given no specific plan of how to comment or how to advocate.

Commissioner Morris said on one of the slides it mentioned being able to qualify if your income is \$9,000. Is that for a family with children?

Mr. Lommers-Johnson said it could be a family. He picked a two bedroom unit and what is the flat rate rent for that unit versus somebody with a \$9,000 income, what their income base rent would be and what they can rent for at the flat rent if they choose the flat rent. The impetus behind this was HUD and Congress thought that having flat rents will allow people to become more self-sufficient because they can save more money. That might have been an outcome. But one of the outcomes of that law has been that there are some people who live in public housing can live there for a long time, occupying a unit that somebody with a lower income could use.

Commissioner Whitehouse asked about Resolution No. 58 and the request for a change where the applicant can request a project specific location. How does that work and are they then only eligible for that specific property?

Mr. Lommers-Johnson said we will be formulating plans as we get comments back on that. The intent is that we want to give people a choice. I think if we give people the option to choose their

top three preferences, then at least they'll have a choice of the highest preference along with a couple of others. We anticipate that some waiting lists will be longer than others because they're more desirable. The way the private market works is you can choose a location that you want to live in, and you can apply there. Low income people who qualify for public housing could also benefit from that choice – if they want to send their kids to a particular school, or there's a church in the neighborhood, or something that they like, then they can exercise that choice. This is a change that we expect that we'll get comments about.

Commissioner Whitehouse agrees with the change. I'll be interested in seeing the final outcome. I just want to make sure that if somebody's needs change over time, if there's something that is available and wasn't in their top choices, they still might have the ability to make that selection.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said the next meeting is scheduled for November 14 at 11:30am.

Mr. Lommers-Johnson said the discussion will include the status of the Heritage Park planning and a couple of other initiatives related to redevelopment and repositioning, including the results and implications of the capital needs assessment.

COMMISSIONER COMMENTS

Commissioner Braun had the following comments:

- I thought the strategic planning meeting was excellent. Thanks to everybody who helped make that possible.
- I wanted to make sure we let people know that on the Monday before the Thursday Board Meeting, RHA staff is going to be available at lunchtime to review and answer any questions that are on the agenda. This doesn't eliminate the public's opportunity to participate in the public comment period, but it's a chance to get into more detail about answering some of the questions that arise.
- We received an email from the Housing Justice Coalition about some council election concerns, and I just wanted to make sure that was getting responded to at some point.

Mr. Lommers-Johnson said we've received the same letter about the elections. It reflects the Housing Justice Coalition's viewpoint of the requirements under the regulations. However, under RHA's Bylaws, and under the Bylaws of the ICC, the elections are held every two years. It may be held every three years but we hold our elections every two years, and he thinks there was a misunderstanding related to that.

- I feel like we had some activity on Heritage Park that I haven't heard many updates on where we are, what is happening, what the plan is. I suggest the Board gets a monthly status report – maybe an email or some other way to let the Board get a sense of where we are and what's happened.

Mr. Lommers-Johnson gave an update on Heritage Park:

- There have been some changes to the schedule of meetings related to the Heritage Park redevelopment. There was a meeting on September 20 and the intent was to have broad public participation. We weren't able to get the broad public participation so instead we

followed that up with inviting targeted stakeholder groups, including the one that was referred to earlier in the public comments. We invited people to three focus groups and we conducted those focus groups: two of them yesterday, and one today.

- We have recommenced the interviews of elected officials in the city. We did one today and one yesterday. Those are ongoing, and we'll complete those.
- The next public event will be held at 971 Harp Street on November 14 at 6:00 pm. That will be the last broad stakeholder meeting related to Heritage Park before design charettes.
- The design charettes that were planned for October have been pushed back, and the first one will be in January. How those will be conducted for this schedule is likely to change. There will be four designs charettes and those may end up stretching into March. After that, the Board will have the opportunity to decide among three options. Of course, the Board is welcome to participate in all of these events.

Commissioner Whitehouse asked if there is going to be an updated schedule.

Mr. Lommers-Johnson said we don't have an updated schedule available right now, but one will be forthcoming as these dates get set. The November date was set in the last week, and as we get the schedule for the charettes, we will make those available. But as we have experienced, things change when we are not quite ready for the next step. That might happen again, but we will provide a schedule.

Commissioner Whitehouse said that will be helpful, even if they're only target dates. Have the key activity schedule put together and get it out so that we can all see it. If we don't have a schedule we're working towards we will keep slipping and we're all anxious to move this project forward.

Mr. Lommers-Johnson said the original proposal was to have design charettes four days in a row for people to be able to come and participate all day and then an evening meeting. We may move away from that rapid fire charrette process to one that has some time between charettes. We can't provide any dates on those because we haven't made that decision. We're working with the consultants on the process.

Commissioner Bruan said I've been reading a book called Palaces for the People and it talks about social infrastructure, and designing spaces that encourage interaction from people from different places. They talked about multigenerational playgrounds, where older people could practice balancing and things like that. They said it created opportunities for older folks to help out kids who are playing. It presented opportunities for multi-generational exchanges. They talk about Singapore and Japan where people have some of the longest lifespans in the world. Part of it is that they have lots of community social infrastructure where people can get out of their houses and there are things for them to do. They talk about libraries, meeting spaces, places to eat, small retail that can be rotated out, community gardens, and opportunities to teach each other new skills. The important point they talked about with the gardens and playgrounds was they're not that expensive to redo so if you find they're not working, they can be reconditioned relatively easily. When we discuss Heritage Park, we talk mostly about the housing and the number of

units. There hasn't been much discussion about the broader site and opportunities. I think we could focus in some way on some of those opportunities and come up with some creative ideas.

NEW BUSINESS

Mrs. Morgan said this resolution approves the issuance of a \$30 million multifamily note for Birch and Branch apartments' 180-unit multifamily residential development at 3499 Middle Branch Road in Raleigh. The multifamily note will be privately placed with Merchants Bank of Indiana during construction and privately placed with Freddie Mac once the development has reached stabilization. There are 20 units restricted to 30% AMI located at the property. A preference for RHA residents displaced due to redevelopment will be included in the tenant selection plan for the property.

With this resolution, the Board is approving the CEO, Board Chair and/or Vice Chair to execute any documents related to the multifamily note.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 53 (2023)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MULTIFAMILY NOTE FOR BIRCH AND BRANCH APARTMENTS

WHEREAS, KTJ 397 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 facility to be known as Birch and Branch Apartments, consisting of 180 units to be located at 3499 Middle Branch 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 Note (the "Multifamily Note") in the principal amount not to exceed \$30,000,000; and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with Merchants Bank of Indiana (the "Initial Funding Lender") during construction of the Development, and privately placed with the Federal Home Loan Mortgage Corporation ("Freddie Mac") once the Development has reached stabilization, pursuant to a Funding Loan Agreement (the "Funding Loan Agreement"), among the Authority, the Initial Funding Lender and The Huntington National Bank, as fiscal agent (the "Fiscal Agent"); and

WHEREAS, it is anticipated that the proceeds of the Multifamily Note will be loaned to the Borrower pursuant to a Project Loan Agreement (the "Project Loan Agreement"), among the Authority, the Borrower and the Fiscal Agent, for the purpose of (i) paying a portion of the costs of the acquisition, 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, the Borrower's obligations under the Project Loan Agreement will be secured by a Deed of Trust, Security Agreement and Fixture Filing, from the Borrower to the deed of trust trustee named therein for the benefit of the Authority (the "Deed of Trust"), an Assignment of Rents and Leases, from the Borrower to the Authority ("Assignment of Rents"), and various other security documents, all of which will be assigned to the Fiscal Agent for the benefit of the Initial Funding Lender or will be entered into directly with or for the benefit of Initial Funding Lender; 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 Funding Loan Agreement, together with the form of the Multifamily Note attached thereto;
- (b) the Project Loan Agreement;
- (c) the promissory note of the Borrower in favor of the Authority (the "Borrower Note"), which will be endorsed by the Authority to the Fiscal Agent;
- (d) the Deed of Trust;
- (e) the Assignment of Rents;
- (f) the Assignment of Security Instruments, by the Authority in favor of the Fiscal Agent; and
- (g) 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 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 with the Fiscal Agent in accordance with the Funding Loan Agreement and the Project Loan Agreement.
2. The Authority hereby authorizes the issuance and sale of the Multifamily Note pursuant to and in accordance with the terms set forth in the Funding 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 Funding Loan Agreement; provided, however, that the aggregate principal amount of the Multifamily Note shall not exceed \$30,000,000.

3. Each of the Chairman, Vice Chairman and Chief Executive Officer 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 Chief Executive Officer 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, the Deed of Trust, the Assignment of Rents and other security documents to the Fiscal Agent.
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 Funding Loan Agreement to the Fiscal Agent for authentication, and to cause the Multifamily Note so executed and authenticated to be delivered to or for the account of the Initial Funding Lender, 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 Chief Executive Officer 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 and sale of the Multifamily Note are hereby ratified, confirmed and approved.
8. This resolution shall take effect immediately.

(Commissioner Ellinger recused herself from the vote.)

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, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 53 (2023) has been adopted.

Mrs. Morgan said this resolution is also related to the \$30 million multifamily note for Birch and Branch Apartments. This resolution is to approve the finance team. The resolution lists the various entities included with financing. The Local Government Commission wants to see that RHA has approved the finance team.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 54 (2023)

RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN FINDINGS
WITH RESPECT TO THE ISSUANCE OF A MULTIFAMILY NOTE FOR BIRCH AND
BRANCH APARTMENTS

WHEREAS, KTJ 397 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 facility to be known as Birch and Branch Apartments, consisting of 180 units to be located at 3499 Middle Branch 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 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 Note (the “Multifamily Note”) in the principal amount not to exceed \$30,000,000; 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 Merchants Bank of Indiana (the “Initial Funding Lender”) during construction of the Development, and

privately placed with the Federal Home Loan Mortgage Corporation (“Freddie Mac”) once the Development has reached stabilization; 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 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 and sale by the Authority and the purchase by the Initial Funding Lender 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:	KTJ 397 LP
Borrower’s Counsel:	Winthrop & Weinstine, P.A.
Fiscal Agent:	The Huntington National Bank
Fiscal Agent’s Counsel:	Squire Patton Boggs LLP
Initial Funding Lender:	Merchants Bank of Indiana
Initial Funding Lender’s Counsel:	Fox Rothschild LLP
Permanent Lender:	Federal Home Loan Mortgage Corporation
Freddie Mac Servicer:	Merchants Capital Corp.
Freddie Mac’s/Servicer’s Counsel:	Kutak Rock LLP
Tax Credit Investor:	CAHEC
Tax Credit Investor’s Counsel:	Kutak Rock 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 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 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 the Initial Funding Lender to purchase and hold the Multifamily Note during construction of the Development and the commitment of Freddie Mac to purchase the Multifamily Note upon conversion of the Development to permanent financing, 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 Project Loan Agreement among the Authority, the Borrower and the Fiscal Agent (the “Project 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 Project 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 Project 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 recused herself from the vote.)

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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 54 (2023) has been adopted.

Mrs. Morgan said this resolution approves the issuance and sale of \$28 million in multifamily housing revenue bonds for New Bern Crossings’ 192-unit multifamily resident residential development at 3600 Newbern Avenue in Raleigh. With this resolution, you are proving the CEO, Chair, and/or Vice Chair to execute any documents for the issuance and sale of the bonds. There are 19 units restricted to 30% AMI located at the property, a preference for RHA residents displaced due to redevelopment will be included in the tenant selection plan for this property.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 55 (2023)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF MULTIFAMILY
HOUSING REVENUE BONDS (NEW BERN CROSSINGS), SERIES 2023

WHEREAS, New Bern Harmony Housing 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 acquisition, construction and equipping of a 192-unit multifamily residential rental facility to be known as New Bern Crossings and located at approximately 3600 New Bern Avenue 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 (New Bern Crossings), Series 2023 (the “Bonds”) in an aggregate principal amount not to exceed \$28,000,000; and

WHEREAS, it is anticipated that the Bonds will initially be sold in the public market pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”) among the Authority, the Borrower and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Authority and Regions Bank, as trustee (the “Trustee”); 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, to facilitate permanent financing for the Development, upon completion of construction of the Development and the satisfaction of certain other conditions, (i) the Bonds will be converted to a tax-exempt loan evidenced by a Multifamily Note payable by the Authority to Regions Bank (the “Initial Funding Lender”), which loan will be sold by the Initial Funding Lender to the Federal Home Loan Mortgage Corporation; and (ii) the Loan Agreement will be replaced with a Project Loan Agreement among the Authority, Regions Bank, as fiscal agent (the “Fiscal Agent”), and the Borrower; and

WHEREAS, during the construction phase, the Borrower’s obligations with respect to the Bonds will be secured by cash, and during the permanent phase the Borrower’s obligations with respect to the loan made pursuant to the Project Loan Agreement will be secured by, among other things, a Multifamily Leasehold Deed of Trust, Security Agreement, Assignment of Rents, and Fixture Filing (the “Deed of Trust”), from the Borrower to the deed of trust trustee named therein for the benefit of the Authority, which will be assigned to the Fiscal Agent; and

WHEREAS, the Borrower has received, or expects to receive, 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 Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, there have been presented to this meeting draft forms of the following instruments (collectively, the “Authority Documents”), which the Authority proposes to authorize and, where applicable, execute to carry out the transactions described above:

- (a) the Indenture, together with the form of the Bonds attached thereto;
- (b) the Loan Agreement, together with the form of the promissory note of the Borrower in favor of the Authority (the “Borrower Note”) attached thereto, which will be assigned by the Authority to the Trustee;
- (c) the Regulatory Agreement and Declaration of Restrictive Covenants, pursuant to which the Borrower will be required to operate the Development in accordance with Section 142(d) of the Code;
- (d) the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the offering and sale of the Bonds;
- (e) the Bond Purchase Agreement;
- (f) the form of the Funding Loan Agreement among the Authority, as Governmental Lender, the Fiscal Agent, and the Initial Funding Lender, relating to the permanent financing for the Development;
- (g) the form of the Project Loan Agreement; and
- (h) the form of the Deed of Trust;

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 Authority Documents.
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 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 \$28,000,000.
3. Each of the Chairman, Vice Chairman and Chief Executive Officer 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 Chief Executive Officer of the Authority or his or her respective designee, is authorized and directed to execute and deliver such endorsements, assignments and other instruments as may be necessary to assign the Borrower Note and other security documents to the Trustee.

4. Each of the Chairman and Vice Chairman of the Authority or their respective designees 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 Underwriter, or any affiliate thereof, upon payment of the purchase price therefor as provided in the Bond Purchase Agreement.
5. 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. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designees are hereby authorized and directed to approve and 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.
6. 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 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 Chief Executive Officer 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.
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 for the issuance of the Bonds. 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 Development and the issuance and sale of the Bonds are hereby authorized, ratified, confirmed and approved.
9. This resolution shall take effect immediately.

(Commissioner Ellinger recused herself from the vote.)

Commissioner Braun 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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 55 (2023) has been adopted.

Mrs. Morgan said this resolution is also related to the \$28 million multifamily housing revenue bonds for New Bern Crossing. This resolution is to approve the finance team. This resolution lists the various entities involved with the financing and the Local Government Commission wants to see that RHA has approved the finance team.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 56 (2023)

RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN
FINDINGS WITH RESPECT TO THE ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (NEW BERN CROSSINGS), SERIES 2023

WHEREAS, New Bern Harmony Housing 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 acquisition, construction and equipping of a 192-unit multifamily residential rental facility to be known as New Bern Crossings and located at approximately 3600 New Bern Avenue 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 (New Bern Crossings), Series 2023 (the “Bonds”) in an aggregate principal amount not to exceed \$28,000,000; and

WHEREAS, it is anticipated that the Bonds will initially be sold in the public market pursuant to a Bond Purchase Agreement among the Issuer, the Borrower and Stifel, Nicolaus & Company, Incorporated, and, following completion of construction of the Development, will be converted to a tax-exempt loan to be funded by the Federal Home Loan Mortgage Corporation through Regions Bank and evidenced by a Multifamily Note; 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, 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 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:	Womble Bond Dickinson (US) LLP
Trustee/Fiscal Agent:	Regions Bank
Underwriter:	Stifel, Nicolaus & Company, Incorporated
Underwriter's Counsel:	Tiber Hudson LLC
Permanent Lender:	Federal Home Loan Mortgage Corporation
Freddie Mac Servicer:	Regions Bank
Freddie Mac/Servicer's Counsel:	Ballard Spahr LLP
Tax Credit Investor:	Regions Affordable Housing, LLC
Tax Credit Investor's Counsel:	Jones Walker LLP

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

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

1. The above financing team for the issuance and sale of the Bonds by the Authority is hereby authorized and approved.

2. The Authority hereby finds that the financing is necessary and expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Raleigh, North Carolina, and that the acquisition, construction and equipping of the Development proposed by the Borrower are necessary and sufficient to accomplish the Authority's purposes with respect to the properties involved.

3. The Authority hereby finds that the Borrower has demonstrated that the amount of debt to be incurred in connection with the Development and the fees to be paid

in connection therewith are sufficient but not excessive for the purpose of acquiring, constructing and equipping the Development.

4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitments of the lenders for the Bonds, 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 and the Project 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 and the Project 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 Ellinger recused herself from the vote.)

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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 56 (2023) has been adopted.

Mrs. Morgan pointed out 2 minor errors in the resolution (that have been corrected in the following copy):

- WHEREAS, attached to this resolution is a copy of the changes to the **April 1, 2023** plan.
- BE IT FURTHER RESOLVED that the final policy will be brought back before the RHA Board of Commissioners at its **December 7, 2023** meeting for final approval.

As previously discussed, RHA is in the process of implementing a Project Based Voucher Program. The Administrative Plan sets forth the policies for the voucher program and HUD

requires policies related to the Project Based Voucher Program be included in the Administrative Plan. Therefore, the changes being made with this resolution are to update the policies related to the Project Based Voucher Program. These changes will allow RHA to proceed with issuing their request for proposals for the PBV program.

These changes include:

- The goals of the PBV program.
- Including in the plan the list of supportive services, which is a requirement by HUD.
- The broad selection criteria that will be used in the request for proposals.
- In the plan, we have the broad selection criteria that will be used and then in the actual request for proposal, we'll go in more depth of what that criteria will look like.
- Where and how the requests for proposals would be advertised.

These changes will be going out for public review and will be located on RHA's website. The final project based voucher section of the Administrative Plan will be presented to the Board in December for final approval.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTIONS NO. 57 2023

WHEREAS, the Raleigh Housing Authority is required to set forth its policies for processing applications and providing assistance to eligible Housing Choice Voucher families; and

WHEREAS, Raleigh Housing Authority ("RHA") is in the process of revisiting the Administrative Plan to reflect actions to be effective November 1, 2023; and

WHEREAS, the draft of the Administrative Plan will be available on RHA's web page; and

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

WHEREAS, attached to this resolution is a copy of the changes to the April 1, 2023 plan;

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

BE IT FURTHER RESOLVED that the final policy will be brought back before the RHA Board of Commissioners at its December 7, 2023 meeting for final approval.

Commissioner Braun 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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 57 (2023) has been adopted.

Mrs. Anderson said the Admissions and Continued Occupancy Policy (“ACOP”) is specific to the public housing program. The ACOP sets forth the requirements, standards, and criteria for the public housing program. Currently we have 1,240 units, and approximately 6,450 waiting for housing.

This will go out for public comment and we're seeking comment from our residents as well. That will be posted on the website, in the offices, and we also post in the News and Observer.

Highlights of the items we are seeking comment include:

- A site based waiting list.
- Added verbiage to clarity on reopening the waiting lists because we will be closing the waiting lists on October 31.
- Revising the definition of employed for some of our incentive housing. Our staff has already begun that conversation.

I thought it would be helpful as we consider this change for the agency to know where some of the consideration came from. The top four reasons why we are seeing our applicants being denied include:

1. Failure to respond to us when it's their turn.
2. Failure to meet a 24-month work history prior to move in for the incentive program.
3. Failure to meet the 35-hour per week work requirement.
4. Landlord rental reference. We're proposing the ability to make an exception to a negative landlord reference if the late rents were for unsubsidized rents. We don't want to hinder a family that's trying to get subsidy.

The incentive properties are also producing success stories. The majority of our homeownership stories come out of the incentive program. I think that it's important to show both sides of the spectrum – that it is difficult for some to qualify, but we are seeing a success in those communities.

Commissioner Braun said the city started creating a category for all items available for public comment so that any interested citizen could find them easily. That is something we might consider.

Mr. Lommers-Johnson said Katie Lebrato, our Communications Manager is participating in this meeting virtually. She will make sure that we have a way that those opportunities for public comment are easily accessible. We are currently in the process of procuring a new consultant to develop a new website.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 58 (2023)

WHEREAS, the Housing Authority of the City of Raleigh (RHA) is required to set forth the requirements, standards, and criteria for the public housing program in its Admissions and Continued Occupancy Policy (ACOP); and

WHEREAS, staff has proposed updates to the policy and the attached Executive Summary acts as a guide to these proposed changes; and

WHEREAS, the proposed changes will be made available for resident and public comment in accordance with federal regulations; and

WHEREAS, a draft of the proposed Admissions and Continued Occupancy Policy will be made available on RHA's web page; and

WHEREAS, the ACOP is included and incorporated in all resident dwelling leases and the Agency Plan by reference; and

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

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

BE IT FURTHER RESOLVED that the final policy will be brought back before the RHA Board of Commissioners for final approval.

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, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 58 (2023) has been adopted.

Mrs. Anderson said the PHA Annual Plan provides interested parties a place where they can locate our policies, goals, and objectives for serving the needs of low income families. This draft plan will be made available for public comment. It will be out for comment for 45 days. Additional changes may result throughout this comment period before presented to the Board for final approval.

Things in this plan include:

- Capital fund five year action plan.
- We will coordinate with the City of Raleigh with their Consolidated Plan.
- We will participate in the regional analysis of impediments to fair housing.
- We are drawing attention to the creation of our Strategic Plan, addressing affordable housing needs and developing partnerships and redevelopment.

This plan will go out for public comment and will return for final approval at which time our CEO and the city manager will be asked to sign will submit to HUD within the timeframe of 75 days prior to our fiscal year April 1.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 59 (2023)

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

WHEREAS, Raleigh Housing Authority ("RHA") is in the process of revising the PHA Annual Plan and five-year Capital Fund plans to reflect actions to be effective April 1, 2024; and

WHEREAS, RHA is conducting an analysis and review a number of major policies and plans to determine items to be included in the 2024-2025 PHA Annual Plan; and

WHEREAS, a draft of the PHA Annual Plan has been posted on RHA's website and at the administrative front desks; and

WHEREAS, the News and Observer is publishing a public notice of this plan and public comment period; and

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

WHEREAS, a public hearing will be held to discuss proposed revisions and considerations; and

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

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

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

Commissioner Braun 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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 59 (2023) has been adopted.

Mrs. Batts said HUD regulations require the housing authority to review their tenant paid utilities annually. If we identify an increase of 10%, either greater or less than the current rate, then the housing authority is required to make changes to that amount. This year, we saw an increase of 25% for electricity, and a smaller increase of 4% for water. We also had a decrease in the gas rate of about 12%.

We hired the Nelrod Company for the utility study again this year. The reports that support all changes were attached to the resolution for your review. We are recommending that we accept all utility changes calculated this year.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 60 (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 2023 were adopted on October 27, 2022; and

WHEREAS, the Housing Authority of the City of Raleigh completed a study of the Utility Allowance Consumption rates from an outside company on October 9, 2023.

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, 2024.

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

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 60 (2023) has been adopted.

Mrs. Anderson said public housing also used the Nelrod Company this year for our annual review. I'd like to make a correction to the top page of the resolution. We found an average increase of 10.40 (the resolution states 10.04 so I'm making that correction). This is just over the HUD-required threshold in order to implement a change to the utility allowances. Therefore, we will use the rates determined in the study. The utility allowances will go out for public comment – the resident’s comments will be kept on hand for review.

This will be the final time we bring it to the Board and it will be implemented effective January 1, 2024. These changes will be reflected upon our new admissions and our current residents when they have their annual recertification.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 61 (2023)

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 hired 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 10.04% 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 27, 2023; and

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

WHEREAS, The Department of Housing and Urban Development's threshold requirement for rate changes is 10% or greater;

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 2022 be revised effective January 1, 2024 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 Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 61 (2023) has been adopted.

Mrs. Anderson said the Quality Housing and Work Responsibility Act of 1998 implemented the flat rents for our public housing families. These are reviewed and they coincide with the HUD releasing of our fair market rents. As was stated earlier, they must be at least 80% of the FMR and we can go up to 100%.

We have analyzed our flat rents, and we are implementing these changes, effective January 1, 2024. Each resident annually has a choice between their income base or their flat rent. This will currently affect 73 families. That could change tomorrow if someone were to file or do their recertification. 60 of those 73 flat rents are living in our incentive housing. 82% work and live in incentive housing, who are currently paying that flat rent.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 62 (2023)

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 August 31, 2023 with an effective date of October 1, 2023; 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, 2024.

Commissioner Braun 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, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 62 (2023) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, the RHA Board Meeting adjourned at 6:20 pm.