

AGENDA
HOUSING AUTHORITY OF THE CITY OF RALEIGH
SPECIAL BOARD MEETING
SEPTEMBER 26, 2024

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, September 26, 2024, at 5:00 p.m. The meeting was held 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, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Absent: Susan Ellinger, Niya Fonville-Swint, Arne Morris, Joe Whitehouse.

Visitors: Andy Schryver, South Creek Development; Kristen Kirby, McGuireWoods LLP; Charles Francis, The Francis Law Firm.

RHA Staff: Lisa Currie, Jennifer Morgan, Gwen Wall.

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

RECOGNITION OF VISITORS

The Board Vice Chair welcomed all visitors to the meeting.

NEW BUSINESS

Jennifer Morgan said this resolution approves the issuance of a \$23.7 million Multifamily Housing Revenue Bond for 919 @ Cross Link, a 142-unit multifamily residential development located at 919 Cross Link in Raleigh. South Creek Development is the developer for this property.

The property serves residents between 30% to 70% AMI with 15 units restricted to 30% AMI. The property is also required to accept housing choice vouchers as part of the tax credits.

The Tenant Selection Plan for 919@Cross Link Apartments will include a preference for RHA residents displaced due to redevelopment.

With this resolution you are approving the CEO, Chair, and/or Vice Chair to execute any documents related to the issuance of the Multifamily Housing Revenue Bonds.

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

Commissioner Warren said some developers are having difficulty filling the 70% AMI units in this region because they are relatively close to market rate. Do you have any concerns about that?

Mr. Schryver said their market study supports those units so they have no concerns. It helps to serve an extra part of the market, as well as helps make these deals more affordable.

Commissioner Warren asked if they have provided the market study.

Mrs. Morgan said they have it.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 52 (2024)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF MULTIFAMILY
HOUSING REVENUE BONDS (919 AT CROSS LINK), SERIES 2024

WHEREAS, 919 at Cross Link Limited Partnership, a North Carolina limited partnership (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 142-unit multifamily residential rental facility to be known as 919 at Cross Link and located at approximately 919 Cross Link 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 (Fannie Mae MBS Secured) (919 at Cross Link), Series 2024A and Multifamily Housing Revenue Bonds (919 at Cross Link), Series 2024B (collectively, the “Bonds”) in an aggregate principal amount not to exceed \$23,700,000; and

WHEREAS, it is anticipated that the Bonds will be sold in a public offering 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 an Indenture of Trust (the “Indenture”), between the Authority, as issuer, and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower pursuant to a Financing Agreement (the “Financing Agreement”), among the Authority, the Trustee 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, a portion of the cost of the Development will be financed with funds provided by a tax credit investor as a result of the syndication of 4% low income housing tax credits available under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

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

WHEREAS, 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 Financing Agreement, together with the form of the promissory notes of the Borrower in favor of the Authority (the “Borrower Notes”) attached thereto, which will be assigned by the Authority to the Trustee;

€ 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; and

€ the Bond Purchase Agreement;

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 \$23,700,000.

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

Aye: Eric Braun, Valerie Crutchfield, Bahati Mutsya, Gregg Warren, Yolanda Winstead.

Nay: None

Resolution No. 52 (2024) has been adopted.

Jennifer Morgan said this resolution is also related to the \$23.7 million in Multi-family Housing Revenue Bonds for 919 @ Cross Link. This resolution is to approve the finance team. This resolution is required in deals where the approval of the North Carolina Local Government Commission is required. 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. 53 (2024)

RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN
FINDINGS WITH RESPECT TO THE ISSUANCE OF MULTIFAMILY HOUSING
REVENUE BONDS (919 AT CROSS LINK), SERIES 2024

WHEREAS, 919 at Cross Link Limited Partnership, a North Carolina limited partnership (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 142-unit multifamily residential rental facility to be known as 919 at Cross Link and located at approximately 919 Cross Link 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 (Fannie Mae MBS Secured) (919 at Cross Link), Series 2024A and Multifamily Housing Revenue Bonds (919 at Cross Link), Series 2024B (collectively, the “Bonds”) in an aggregate principal amount not to exceed \$23,700,000; and

WHEREAS, it is anticipated that the Bonds will be sold in a public offering pursuant to a Bond Purchase Agreement among the Authority, the Borrower and Stifel, Nicolaus & Company, Incorporated; 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:	Coleman Talley LLP
Trustee:	U.S. Bank Trust Company, National Association
Trustee’s Counsel:	Maynard Nexsen PC
Underwriter:	Stifel, Nicolaus & Company, Incorporated
Underwriter’s Counsel:	Tiber Hudson LLC

Construction Lender:	M1 Bank
Mortgage Lender:	Bellwether Enterprise Real Estate Capital, LLC
Tax Credit Investor:	First Horizon Community Investment Group, Inc.

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 Financing Agreement among the Authority, the Trustee and the Borrower (the "Financing 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 Financing Agreement, to operate, repair and maintain the Development at its own expense and to discharge such other responsibilities as may be imposed under the Financing 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 Warren moved and Commissioner Mutsya seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Bahati Mutsya, Gregg Warren, Yolanda Winstead.

Nay: None

Resolution No. 53 (2024) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, the RHA Board Meeting adjourned at 5:10 pm.

Arne Morris
Board Chair

Ashley Lommers-Johnson
Secretary