

MINUTES OF A REGULAR MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
SEPTEMBER 28, 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, September 28, 2023 at 5:00 p.m. The meeting was held in-person and via Zoom.

(The Board Vice Chair started the meeting tonight since Commissioner Morris was late.)

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 (left early), Niya Fonville-Swint, Arne Morris (late), Bahati Mutisya, Gregg Warren, Yolanda Winstead (left early).

Absent: Joe Whitehouse.

Visitors: Andy Schryver, South Creek Development, LLC; Paula Coppola, Walnut Terrace resident; Iesha Cobb, Heritage Park Resident President; Charles Francis, Francis Law Firm, PLLC; Kristen Kirby, MacGuire Woods, PLLC; Thomas McKinney, Wake County Housing Justice Coalition; Hwa Huang, Wake County Housing Justice Coalition; Public: “KP”, Nathan Wilson, Wanda Gilbert-Coker,

RHA Staff: Sonia Anderson, Priscilla Batts, Liz Edgerton, Loisy Garcia, Katie Lebrato, Ashley Lommers-Johnson, Laura McCann, 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

Thomas McKinney

I am with the Wake County Housing Justice Coalition. My comment is in regard to the housing authority's resolution number 50 (2023), referring to multifamily housing revenue bonds. I am very confused – granted, my understanding of the whole bond situation is limited. However, if a bond is like a loan, what is the collateral? What happens if the recipient of the bond does not make payments on housing bonds based on Housing Authority equity in a particular location? I'm sure that there are residents and resident leaders who are as confused or as uneducated as I am in this area. I would like the Raleigh Housing Authority to possibly conduct or facilitate training around this process, in order to perpetuate a greater understanding and level of

transparency. This will definitely help me to more effectively understand and be able to contribute to what is being proposed in these meetings.

Commissioner Braun thanked Mr. McKinney for his comments and asked Mr. Lommers-Johnson to bring back some options.

Hwa Huang

I'm also from the Wake County Housing Justice Coalition. I am here to make a few points:

- You have put up the agenda and the resolutions before the meeting. That's an improvement from the last time.
- I noticed that you had a pre-board meeting for the public on September 25, from 12:00pm – 1:00 pm. I would like to know what that meeting was about.
- As a follow-up from Thomas McKinney's question about the resolution: this is something that I was thinking about since the last time I was at your board meeting. You are voting on resolutions that involve various bonds like the multifamily housing revenue bond, for instance. I'm just curious whether that's from the affordable housing bond that was voted on in 2020? Or is it a different pot of money, and where that from?
- I'm curious how have the residents, who will be impacted by these resolutions, been informed or educated on the matter, if at all? If they don't know what's going on, and the board is voting on the resolution, it will essentially affect the way they're going to live. That's not very democratic.

Commissioner Braun said let us take your last comment about bonds under advisement and maybe we can provide a little more information about how these work. As to your comment about the meeting on Monday, it is only staff and members of the public that might have questions about the agenda so that residents or members of the public can ask questions and staff can go into more detail. It's another opportunity that RHA is trying to make available for residents and the general public to learn about what we're doing and try to answer your questions in advance to the best of our ability.

Mr. Huang asked how the general public has been informed of this meeting on the 25th. I don't think the Housing Coalition got word about that.

Mr. Lommers-Johnson said I met with the Housing Justice Coalition last week, and I talked about this opportunity. Some of you asked questions about how we can let the community know about this – it is on our website. We are also going to be posting information at our property, sending information via email blasts to all of our clients who have email, as well as begin to use social media. We will be able to reach a wider circle of people who can potentially attend these.

Iesha Cobb

I would like to know if there's some kind of training that we all can get on the 964s, due to the fact that some of those rules are not being followed. I have requested information for resident counsel, that I still haven't received. And the fact that the funds were not discussed with me, as of the last year's funding, it wasn't discussed with me where it was supposed to go. That's part of the 964 where we're supposed to come together and talk about that. So I would like to know

if there's any kind of training where we can get the housing authority and all of the presidents on the 964s.

Mr. Lommers-Johnson said I noted your questions at the last meeting and we will be circling back to you shortly about those questions. We'll also be able to talk to you about training plans in the future, on those topics and perhaps others.

Wanda Gilbert-Coker

My comment is in response to getting the word out to residents in the community. These circumstances weigh directly on me because I'm a person who faces disability, but there are also people who are visually and hearing impaired. If the recording could be put up as soon as possible, that will be helpful. And for those who want to attend the meetings, make sure that they're ADA compliant. Not everyone has access to the internet or computers or even know how to use it. I was thinking some of the residences could have a place where some could come together and watch it on the screen. We have to think about people who are in those circumstances, who need to know what's going on, but maybe sleeping in the woods or in another different or challenging housing situation. So I just want those things uplifted, when you all are reaching out. I want to make sure that those groups, disable and disenfranchised, are not forgotten or not left out.

Commissioner Braun said we are trying, and I appreciate those comments, and we will explore every reasonable possibility for making sure that residents and members of the community can have access to our meetings. We definitely appreciate those comments.

Paula Coppola

Ms. Coppola agreed with Ms. Gilbert-Coker. If we had the learning to use the computers that would help greatly with our taking part concerning the Raleigh Housing Authority. My comment is regarding the labeling of the buildings, most importantly at Walnut Terrace, but it could be at other locations, too. When the emergency facilities come out to respond to a call, they get confused and mixed up on where the building is and which apartment to go to. They waste a lot of their time trying to figure that out and going to the wrong apartment. I'd like to request that you consider relabeling the signs.

Commissioner Braun said I appreciate that. I'll ask staff to report back to us at our next meeting. If they have questions, perhaps they could reach out to you to get a little clarity to make sure we're clear on that concern.

Ms. Coppola said I think they're doing a great job at trying to make great strides for improvement. I really appreciate that. But there's still work to be done, even if they don't consider it a top priority on their list.

Tequita Jarmon

As of right now, everyone knows that Heritage Park is on the chopping block for remodel. As the previous speaker before me just now said, Delores Cruz no longer holds that office – Suzanne does. What I'm asking is why hasn't Suzanne picked up where Ms. Cruz left off with the newsletters and the resources for the residents of Heritage Park now, so that when the

remodel does come into play and is ready to go down, everybody has the resources to be able to move somewhere else if they so choose.

Commissioner Braun said he would ask staff to make sure that we revisit our communication plan for Heritage Park and the newsletter issues and we'll report back at the next meeting. Thank you for bringing those issues up.

ANNUAL MEETING FOR RHA BOARD CHAIR AND VICE CHAIR

Commissioner Morris turned the meeting over to Mr. Lommers-Johnson to begin the annual meeting to elect the Chair and Vice Chair.

Mr. Lommers-Johnson, as Secretary of the Board of Commissioners of the Housing Authority of the City of Raleigh, declared the annual meeting in session. He declared the offices of Chair and Vice Chair vacant and opened the floor for nominations for the office of Chair.

Commissioner Braun moved and Commissioner Warren seconded the nomination of Mr. Arne Morris for office of Chair. A vote being called, the ayes and nays were as follows:

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

Nay: None

Mr. Lommers-Johnson opened the floor for nominations for the office of Vice Chair.

Commissioner Morris moved and Commissioner Warren seconded the nomination of Mr. Eric Braun for office of Vice Chair. A vote being called, the ayes and nays were as follows:

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

Nay: None

The annual meeting was closed. Mr. Lommers-Johnson congratulated Commissioner Morris and Commissioner Braun on their reappointments.

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 August 2023

Item 2

Financial Statements for August 2023

Item 3

Vacancy and Turnover Summary for August 2023

Item 4

Minutes from August 24, 2023 regular meeting

Commissioner Winstead moved and Commissioner Braun 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, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

The Board Chair reminded the Board that the Strategic Planning Retreat was coming up. He stressed the importance of participation in the retreat.

REPORT OF THE BOARD SECRETARY

Mission Statement

Mr. Lommers-Johnson said I have our mission statement up on the slide. I thought it would be worthwhile to pause so that we can review it briefly.

Public Engagement Related to Board Meetings

Mr. Lommers-Johnson said public engagement related to Board Meetings was raised in the questions this evening.

One of the things after the last Board Meeting in August was that we wanted to be responsive and provide a greater transparency. We are now posting the agenda on RHA’s website and the Board Resolutions the week prior to Board Meetings. We want to use the website as a way to provide opportunity for feedback. We will have a form on the website so that people who wish can ask questions and make comments to us on those Board Resolutions. The Pre-Board Meeting will happen on the Monday prior to the Board Meeting. We will be presenting the resolutions and taking comments and questions. We will summarize the feedback that we get from the website through the forms or the Pre-Board Meeting and provide those comments and

questions to the Board, two days prior to the Board Meeting, for consideration. We will continue to devote up to 30 minutes of public comment period at the Board Meeting.

We did receive these suggestions from the Wake County Housing Justice Coalition at last month's meeting, and also at the meeting I had with the Justice Housing Coalition last week.

In addition, we will be posting the agenda and the resolutions at all properties, we will send emails to all of our clients who have email addresses. In the future, close to 100% of our clients will have email addresses because of the software system that we'll be moving to. In addition, we'll do email blasts to the stakeholders. And we will also engage with our new communications manager the expanded use of social media. She has procured a new mass mailing vendor so that we can email to large numbers of members of the public.

Those are the steps we are taking in response to the questions and comments at our last Board Meeting and the suggestions and questions from my meeting with Wake County Housing Justice Coalition last week.

Mr. Lommers-Johnson introduced a new staff member who was at the meeting virtually. Kenya Pleasant is our Chief Real Estate Development Officer.

Federal Budget Climate and Implications for RHA

Moving on to the federal budget and what seems to be a definite government shutdown coming in the next couple of days. The budget agreement reached in Debt Ceiling Deal has been abandoned by the House of Representatives. That deal essentially provided for flat non-defense discretionary spending. So that was the deal reached but abandoned since then. The hope that this debt ceiling deal would avoid a shutdown turned out to be false so we're definitely heading for a shutdown unless something happens in the next few hours or tomorrow.

The Raleigh Housing Authority's programs will not be affected for at least three months, we are able to draw down Housing Choice Voucher subsidies for the month of October and November and for public housing it's the same. We also have reserves that can cover more time. The longest shutdown in the nation's history was 35 days – in 2018 – and that was over funding for the wall.

The most optimistic scenario for appropriations for this next year (the federal fiscal year starts on October 1) is that of the Senate Appropriation committee's Transportation and Housing and Urban Development bill. In that bill, the public housing program is slated to receive an 8% increase for operating fund. Operating fund in the past year was close to 100% but 0% increase for the Capital Fund. Housing Choice Vouchers has an increase proposed of 1.2% for the admin fee. The admin. fee also was funded close to 100% last year, which is historical high. There's a proposal in the bill for a 5.2% increase for HAP (housing assistance payments) that are used to subsidize voucher rent.

That's the most optimistic scenario and we'll see how this plays out over the next month or two months, and hopefully not beyond that.

Updated Heritage Park Obsolescence analysis

Dominion has updated the Heritage Park obsolescence analysis for us. I reported this at the September 20 meeting with residents at Heritage Park. In the analysis, the critical needs that must be addressed over the next three years equals \$21.6 million to be of renovations and improvements that must be made in the next three years. That comes up to about \$177,000 in rehab per unit, translated to \$59,000 per unit per year that must be invested over the next three years. We receive about \$2,800 worth of Capital Funds per year per unit contrasted to the 59,000 that is needed right now per unit over the next three years.

This \$21.6 million represents 6.4% of the total development costs, essentially to replace the housing units. If the renovation costs exceed 57.14% of total development costs, that means that the obsolescence threshold is met. And in this case, since it's 66.4%, by Dominion's analysis, physical obsolescence is confirmed.

The next step in this process would be a Section 18 disposition application. The application is not automatic, because HUD will carefully scrutinize analysis and then communicate whether the application has been approved or not.

Commissioner Braun asked if there are timing considerations triggered by when we've filed a Section 18 application relative to the overall redevelopment process. When that gets approved, does it trigger some kind of timing issues that we need to be aware of?

Mr. Lommers-Johnson said not that I know of right now. I don't believe we need to have a detailed plan to submit the Section 18 application. Once we are approved, we can apply for the replacement vouchers to be used for relocation and later for project basing at this site. The next step for us, with a consultant, is to put the application together and send it. Sometimes that can take up to six months, but hopefully it won't take that long.

Other capital needs/obsolescence assessment

We have other properties that will be analyzed for capital needs. We selected a Capital Needs Assessment Consultant – Dominion won the bid for that. The work that Dominion did for Heritage Park was under a previous contract. This is a new contract with the remainder of the public housing properties.

The purpose of this analysis will be to assess the needs for rehab required under the Rental Assistance Demonstration (“RAD”) program. It will also assess whether the needs of the sites meet the physical obsolescence test. The analysis will be for both a Capital Needs Assessment that will suffice for potential RAD conversion. It'll also include assessing the physical obsolescence of the other sites.

We have placed Glenwood Towers as the highest priority for the consultant to analyze first. We hope that will get underway in the next week and that it will be completed within the next month. Other high priority sites include Kentwood, Birchwood, Eastwood, and Mayview. We also have scattered sites that we're considering for repositioning. But there's no need for obsolescence finding in order to get a Section 18 approval if we choose to go in that direction.

Temporary closing of waiting lists

One of the things that we have posted on our website is that all of our waiting lists will be closed on October 31, 2023 at 5pm. Currently our voucher waiting list has just over 8,300 families on the waiting list. On the public housing waiting list there is 5,516, as of this afternoon. For the RAD units there are 5,903 applicants.

One of the reasons why we are closing the waiting lists at this time is because managing a waiting lists of over 10,000 households is very burdensome and it takes away from serving current residents. In addition, we are at the beginning of converting software which is taking very significant staff time from multiple departments. At this time, we have enough people on the waiting list to serve us for more than two years.

One of the additional burdensome aspects of managing live waiting lists is that it takes us about three months to complete updating the waiting lists annually. In the future it will not take this much time because of the software that we're investing in. But these are some of the reasons why we have chosen to close the waiting lists temporarily.

We will reopen the waiting list temporarily in early April, when our new software will be going live. At that time, we will reopen the waiting lists, with some exceptions. The applications will only be taken online through a portal that applicants will be able to access and we will provide training and opportunities for people to learn how to apply online.

An additional item for consideration is that we may convert all of our property waiting lists to site based waiting. For most of our public housing, they offer the first unit to someone wherever that unit is. In this way, applicants have very little choice. And then we also end up having to manage a very large waiting list in order to make sure that we have people for a site that might be less desirable than others. In the future, we intend to open and close waiting lists depending on the size or the adequacy of the list.

In addition to this, we may also eliminate and redesign some of the preferences that we have in our policies. These are items that we may bring to you at the next meeting as part of our Annual Plan and our policies for Public Housing as well as Section Eight.

Commissioner Braun said of the 8,000 voucher waiting list, only about 1,100 are Wake County residents. The vast majority of that waiting list are people trying to move into the area – not that we shouldn't care about those people – but for the Wake County people the list is quite a bit more manageable. Those people have some reasonable hope of potentially finding housing.

Commissioner Braun asked, if we break the list up to be based on properties, if an opportunity comes up and they don't take it, do they go to the back of that list.

Mr. Lommers-Johnson said we have not come up with a specific proposal with details. We want people to rank their preference for properties, so we have a more realistic sense of demand for each property.

Commissioner Warren said we have some vouchers that are for specific populations. And then we also have priorities in our selection process for those homeless. If we close the waiting list, does that mean those priority-type households are shut down?

Mr. Lommers-Johnson said there may be a number of different ways to do that. But we would want to make sure that before we shut a waiting lists down that we have a good representation for people who have preferences. I assume that we will keep the preference for Wake County residents. But as far as other preferences go, we may be rethinking how and what kind of preferences we will keep for our waiting lists. One of the reasons for beginning and expanding our project based voucher program is that we want to be able to fund projects that serve people with particular needs, and in projects that have the services needed. Creating preferences and adding preferences creates difficulty and complexity and we get tripped up and can get audit findings, if one person is a housed out of sequence because of the complexity of the waiting list.

Commissioner Warren asked if we have specific allocations of certain number of units or vouchers for specific populations that came in separate allocation.

Mr. Lommers-Johnson said we have some special purpose vouchers, such as the Emergency Housing Vouchers. Those we have to handle separately and those come to us through referrals.

Commissioner Warren asked if those will be affected by this.

Mr. Lommers-Johnson said no.

"Incentive properties" and Alternatives

Mr. Lommers-Johnson said over the next couple of months we will take a look at our incentive properties and potential alternatives that may exist. Capital Park, Chavis Heights, Walnut Terrace, and scattered sites are so-called incentive properties, where there's a requirement for 35 hours of work in order to live in these properties.

(Sonia Anderson gave a brief discussion about the history of these incentive properties.)

Mrs. Anderson said the first incentives that RHA acquired were the scattered site housing. The incentive there was to take a family of a lower income and house them in the middle of a subdivision to make up a mixed income community. RHA's public housing is throughout the city – we're not in any one concentrated area. That was a big time for home ownership and a good way to show someone what the route to homeownership looks like is by living in a home where you are maintaining the landscaping, and those kinds of extra maintenance that you wouldn't have living in an apartment complex. That was where the incentive came from.

It also came from resident input at that time. We've always considered our residents and what they liked about their current program. This was also during the timeframe of the HOPE VI grants. A lot of conversations took place and it was brought to our attention that there is no incentive to work – the rent is higher and they get the same quality of housing that someone who is not working. That is where that program came from.

Mr. Lommers-Johnson said it was also originated during the welfare-to-work era. What have been some of the benefits of the work requirements that you have noticed?

Mrs. Anderson said it's a pride within the family and pride within the staff. There's a pride for what we're offering in a product and we're scattered throughout the city. Relationships have developed that would not normally have developed. I believe there's a care for the property when you can choose where you want to live. I think there's a sense of community – they want to be there and they're proud to be there. There's a care for the community that takes place.

Mr. Lommers-Johnson asked if some of this will lead to homeownership.

Mrs. Anderson said yes. We have seen more homeownership in the past than we have currently. I think this year I've only seen five and that's a great decline from what we've seen in the past. I've seen as many as 15 a year become homeowners.

Commissioner Warren said one of the arguments that I heard was this will give people in conventional public housing an opportunity to move into a nicer property with that work requirement. I'd be curious to know, in those properties, particularly Capitol Park, Chavis Heights, and Walnut Terrace, whether or not the residents there previously resided in public housing.

Mrs. Anderson said yes.

Commissioner Warren said I would like to see those statistics.

Mrs. Anderson said we can work on that for you. I have original Hope VI families that are still living in Capitol Park. The scattered site homes, when they first purchased those, was a transfer-type of program, and they were targeting our residents first to transfer to the homes that were being purchased. That's how that program began.

Commissioner Braun asked if our residents are buying the scattered site homes. Or are they finding opportunities to buy homes?

Mrs. Anderson said none of the RHA properties have been for sale so they have not purchased from RHA. However, they have utilized programs in the area, or different counties.

Commissioner Warren asked if the CAD properties have a work requirement as well.

Mrs. Anderson said no – you make three times the rent amount. It's conventional. With our mission, we just keep the rents lower than what they are around us.

Commissioner Warren asked if those properties except vouchers.

Mrs. Anderson said not at this time. We have public housing, and our tax credit accepts vouchers.

Commissioner Warren said I'd like to understand that rationale at some point.

Commissioner Braun said maybe we can get a report on that.

Mr. Francis said most of the CAD residents do work, even though there is not a work requirement.

Commissioner Warren said because the rents are higher. But there's no vouchers.

Mrs. Anderson said that is correct, there's no subsidy.

Mr. Lommers-Johnson asked about some of the downsides or implications that may not be that positive of the work requirements from an administrative point of view.

Mrs. Anderson said we have to do extra verification. For instance, if I verify your income, I can get a month's worth of your income, do that calculation. If you're qualifying for incentive housing, we have to go back two years. A mortgage company typically goes back two years. They're looking for you to work full time, either someone in the household or multiple people in the household. We are verifying that their income is 35 hours, and it's been consecutive. And while they are a resident, we are tracking to make sure that work continues and that you're taking advantage of the services that are available through our coordination. If a family loses their job, there's a time period where you're allowed to look for a job or multiple jobs to maintain the work requirement if you're not elderly or disabled. We track that and the property managers are staying in contact to motivate that. At times we've had to adjust policy – for instance, during COVID. The Board approved that we adjust that policy to take into consideration that work requirement is hard to maintain. They could be on a transfer list if they have exceeded the timeframe.

Commissioner Braun asked if there is a Section Eight program for homeownership (for help with the downpayment).

Mr. Lommers-Johnson said there is a Section Eight program. But there's another program called The Family Self- Sufficiency program. In that program, if you enroll and your employment income increases, for example by \$1,000 a month, your rent is going to go up roughly \$300 a month due to that increase of \$1,000. And under the program, that \$300 gets put in an escrow account, on a monthly basis. That increases and decreases, depending on fluctuations in income, and you can receive those deposits for up to five years. This is a program I will talk to the Board about. I would like to target one site to see how well it works at that site. We will have to pay for the service coordination and maybe later we'll be able to get a grant. This is something that I think is worthwhile pursuing.

Mr. Lommers-Johnson said, regarding alternatives to the incentive properties, it could be that we continue the 35-hour requirement, we can go with no requirements, we can revise the number of hours required, or we could replace it with a system where we target 50% employed households and 50% or fewer other households through our admissions program. We are going

to redevelop Heritage Park and we'll have to develop policies and we're in the process of planning with residents and others about that. These are considerations that will come up in the future.

REPORT OF THE REPOSITIONING COMMITTEE CHAIR

Commissioner Warren said two weeks ago the Repositioning Committee met and the focus of that meeting was in preparation for the upcoming meeting the residents, and making sure that RHA and Brinshore had a common communication strategy and a common theme, and making sure that our talking points were all in line. We achieved good progress along that score. Coming out of that meeting, the FAQs were revised and put up on the website. The resident meeting was a successful event. The work put into that communication and really worked out well.

Commissioner Warren reminded the Board that the Repositioning Committee annual meeting is held in September to elect committee members.

Commissioner Warren said I had the chance to speak with Commissioner Winstead and she indicated she'd be willing to serve again, as would Commissioner Whitehouse. Commissioner Morris and myself are also willing to serve again. However, in all cases, if other commissioners want to step up, some others would be willing step down.

Commissioner Morris asked the Board if there is anyone on the Board who would like to join the Repositioning Committee.

Commissioner Warren said Commissioner Braun has been is not a member, but he attends regularly and we appreciate his support.

Mr. Lommers-Johnson said the Repositioning Committee Charter states that the Repositioning Committee will be composed of not more than four Commissioners from the Board of the Raleigh Housing Authority. In addition, the CEO of the Raleigh Housing Authority shall be a member of the Repositioning Committee.

The Raleigh Housing Authority Board will appoint Committee Members at the Annual Meeting of the Board for a term of one year. Any vacancies on the Committee shall be filled by the Board.

The current members of the committee are: Gregg Warren, Arne Morris, Yolanda Winstead, Joe Whitehouse, and Ashley Lommers-Johnson.

Commissioner Braun moved and Commissioner Morris seconded that the current members will continue to serve on the Repositioning Committee. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren.

Nay: None

COMMISSIONER COMMENTS

Commissioner Warren said I attended the Heritage Park meeting. I think that went well and I'm looking forward to future meetings. I see that we have two days identified for the strategic planning, and it sounds like two days were really needed.

Commissioner Morris said he would like full participation in the Strategic Planning Retreat.

Commissioner Braun said he read recently that HUD had some grant opportunities. One is called Connect Home and one was called the Digital Equity Access Program to facilitate internet service and provision of hardware. I'm throwing that out to see if we should explore that.

Mr. Lommers-Johnson said there are a couple of initiatives underway right now. In addition to that, our communications manager has been in contact with people who will be taking applications for funding. He asked Mrs. Anderson to speak on this subject.

Mrs. Anderson said our resident service coordinator has been involved and she's been on some of those calls with the communications manager. Also, Google Fiber is growing again. They are just about finished at Chavis Heights, they've worked at Capitol Park, they're about finished at Glenwood Towers, and they have worked at Carriage House. So existing, we have Mayview and The Oaks, which have the free Wi Fi. I'm excited to say that Google Fiber is growing and providing that through their service. It's still free to a certain gigabyte level.

Commissioner Braun asked if there is the ability to livestream our Board Meetings at the communities.

Mrs. Anderson said we would be happy to consider that and make it happen. We are working also closely with Kramden Institute. They're coming to meet with some staff members regarding a discounted program. We work with them often for computer training on sites and then the donation of the computer equipment. The City of Raleigh has a good program as well.

Commissioner Braun asked if we could consider doing a staff spotlight and have a person come to the Board Meetings and maybe do an introduction so we can learn more about the people who work here. Maybe once a quarter or whatever you think is appropriate.

Mr. Lommers-Johnson said we have a regular newsletter where we spotlight an individual and we can consider doing this at the Board Meetings in the future.

Commissioner Braun said I heard a statistic today that I'm just going to share. Oak City Cares is the Coordinated Entry access point for the community. People who are homeless or housing insecure go through Oak City Cares. They told us today that in August they had about 1,350

new clients come through seeking services. Two years ago, they treated that many in the entire year. This gives you an idea of how many people are struggling out there.

Commissioner Braun asked for an updated stakeholder list with comments about who've been contacted and who was responsible for the contact.

Mr. Lommers-Johnson said we are working on updating that report because there's a new round of contacting stakeholders. We'll send that to you and then you can give us your thoughts on the rating.

Commissioner Braun said the goal of this is that we have broad representation during the charrette process and stakeholders in the broader community. If you have people that you think really need to be encouraged to attend some of these future meetings, let the consultants know because they were open to hearing that.

Commissioner Morris said I know you've had a couple of new hires and asked if they were announced at the last Board Meeting.

Mr. Lommers-Johnson said one was announced at the last Board Meeting and introduced Kenya Pleasant earlier and the Communications Manager was introduced at the last meeting – Katie Lebrato. Both of them are doing a fine job.

Commissioner Warren congratulated the staff for getting the parking lot sealed and restriped, as well as for power washing the building.

Donna Perez introduced her new Administrative Assistant, Lousey Garcia.

NEW BUSINESS

Mrs. Morgan said this resolution is the inducement resolution for up to \$25,000,000 in multifamily housing revenue bonds for 919 @ Cross Link.

Per state statute, RHA is the issuer for these bonds. They are non-recourse bonds, so if the developer were to default on these bonds, RHA is not financially responsible. The developer is South Creek Development, a subsidiary of Hill Tide Partners. RHA has issued bonds for South Creek Development for two other developments.

Details of the project include:

- There will be 142 family units located on Cross Link Rd in Southeast Raleigh.
- There are 16 1-bedroom units, 80 2-bedroom units, and 46 3-bedroom units.
- The target market will be households between 30% to 70% AMI.
- The rents will range from \$522- \$1,686, depending on bedroom size.
- There will be four 3-story residential buildings on site with the community center located on the first floor of the first apartment building.

- Amenities will include a community room, computer center, picnic shelter, benches, gazebo, playground and exercise room.
- The property will be managed by Partnership Property Management.

The project is exempt from the City’s Affordable Housing Location Policy as it is near a bus route that operates in 15-minute increments. Construction is scheduled to start in April/May 2024 with construction ending in third quarter of 2025. South Creek will include a preference in their Tenant Selection Plan for RHA residents displaced due to redevelopment.

The total project is approximately \$43 million including funding from bonds, 4% Tax Credits, private financing and funds from the City of Raleigh and Wake County through their various affordable housing development programs.

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

Commissioner Braun clarified that there is no financial impact on the Raleigh Housing Authority or its residents if the developer defaults on the bonds.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 50 (2023)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (919 @ CROSS LINK)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) held a regular meeting at 5:00 p.m. on the 28th day of September, 2023; and

WHEREAS, the Authority is organized and operates pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”); and

WHEREAS, the Act defines “housing project” in N.C.G.S. § 157-3(12) to include “property, buildings and improvements . . . acquired or constructed . . . pursuant to a . . . plan or undertaking . . . [t]o provide grants, loans, interest supplements 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 Act in N.C.G.S. § 157-9 gives the Authority the power “to provide for the construction, reconstruction, improvement, alteration or repair of any housing project” and “to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, South Creek Development, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Company”), intends to provide low and moderate income housing in the City of Raleigh, North Carolina (the “City”); and

WHEREAS, the Company has requested that the Authority assist it or an affiliate in financing the acquisition, construction and equipping of a 142-unit multifamily housing development to be known as 919 @ Cross Link and located at approximately 919 Cross Link Road in the City (the "Development"); and

WHEREAS, the Company has described to the Authority the benefits of the Development to the City and the State of North Carolina and has requested the Authority to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, constructing and equipping the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act; NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

1. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Company in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority's multifamily housing revenue bonds (the "Bonds") in an amount now estimated not to exceed Twenty-Five Million Dollars (\$25,000,000) to provide all or part of the cost of the Development.
2. The Authority intends that the adoption of this resolution be considered as "official action" toward the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations issued by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the "Code").
3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the Authority and the Company. The Authority and the Company shall enter into a "financing agreement" pursuant to the Act for a term and with payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the Authority in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the Authority and a trustee (the "Trustee") or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the Authority's rights to payments under the financing agreement, except the Authority's right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Authority and the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.
4. The Authority hereby authorizes the Company to proceed, upon the prior advice, consent and approval of the Company and bond counsel, and consistent with the Company's

representations to the Authority, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Raleigh, North Carolina, and, if required, the North Carolina Local Government Commission, and to obtain an allocation of a sufficient amount of the State of North Carolina's "private activity bond limit", as required by Section 141 of the Code and as defined in Section 146 of the Code, for the Bonds.

5. It having been represented to the Authority that it is desirable to proceed with the acquisition, construction and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, construction and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the Authority's adoption of this resolution. The Authority agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred by it as permitted by Treasury Regulations Section 1.150-2.
6. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Company to terms for the issuance, sale and delivery of the Bonds, and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. The Authority has not authorized and does not authorize the expenditure of any funds or monies of the Authority from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Development, including the reasonable fees and expenses of the Authority's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the Authority shall have no responsibility therefor. It is understood and agreed by the Authority and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the Authority.
7. The officers of the Authority are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.
8. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.
9. The Authority hereby approves The Francis Law Firm, PLLC, Raleigh, North Carolina to act as issuer's counsel for the Bonds.
10. This resolution shall take effect immediately.

Commissioner Morris 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, Bahati Mutisya, Gregg Warren.

Nay: None.

Resolution No. 50 (2023) has been adopted.

Mrs. Edgerton said twice a year we propose a resolution to write off custodial equipment and fixed assets. Today we don't have any fixed assets to write off, but we do have some custodial equipment. So custodial assets are items that have a value between \$250 to \$5,000 and they are assigned to staff. We account for those annually.

The attached list to the resolution are the items that we have accumulated over the first half of the year for disposal, and you will see that they total approximately \$6,100. These items are not depreciated as they are expensed at the time of purchase. The items include obsolete or broken equipment and computers. Any items that have value we will sell those on an online government auction. For the computers, we strip the hard drives and we shred those so that no one can recover any data from them. We receive a certification from the shredding company that they have been destroyed. We also strip the remaining computer for parts and use what we can and properly dispose of what we can't use.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 51 (2023)

WHEREAS, the Board of Commissioners approved Resolution No. 60 (2022) on August 25, 2022 which updated the Capitalization Policy as follows:

- Increase the capitalization threshold from \$5,000 to \$10,000 for purchases including Real Property Improvements, major repairs, and Capitalized Equipment including HVAC replacement cost and building improvements
- Keep the capitalization threshold of \$5,000 for purchases of Non-Expendable Equipment as defined in the Capitalization Policy; and

WHEREAS, good fiscal control demands that some items of equipment that cost less than the capitalization threshold still need to be tracked and accounted for by those employees having responsibility for their safekeeping; and

WHEREAS, these items are commonly referred to as custodial equipment; and

WHEREAS, a physical inventory of the items of custodial equipment belonging to the Housing Authority of the City of Raleigh indicates that certain items should be approved for disposition; and

WHEREAS, the custodial equipment items proposed for disposition include those which have been replaced, become obsolete or worn out, misplaced or stolen, traded-in on similar items of equipment, declared surplus, sold, damaged, or are of low-value; and

WHEREAS, items of custodial equipment that are approved for disposition are for informational purposes only and do not require an adjustment to the books of account; and

WHEREAS, all items of custodial equipment proposed for disposition are shown on the pages accompanying this resolution and thereby made a part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that all items of custodial equipment with historical costs aggregating \$6,110.90 made part of this resolution be approved for disposition as of September 22, 2023;

BE IT FURTHER RESOLVED that;

- (a) All items with little or no value be disposed of by junking;
- (b) Items of minimal value (under \$50) with some serviceable life remaining be disposed of in the most expeditious manner including donation;
- (c) Items having an estimated current value in excess of \$50 be sold to the highest bidder (if a bidder can be found), otherwise, disposed of in accordance with (b) above.

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, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Bahati Mutisya, Gregg Warren.

Nay: None.

Resolution No. 51 (2023) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Fonville-Swint moved and Commissioner Morris seconded approval to adjourn the RHA Board Meeting.

The RHA Board Meeting adjourned at 6:30 pm.

Arne Morris
Board Chair

Ashley Lommers-Johnson
Secretary