

MINUTES OF A REGULAR MEETING OF  
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH  
BOARD OF COMMISSIONERS  
FEBRUARY 27, 2025

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, February 27, 2025, at 5:00 p.m. The meeting was held in-person and via Zoom.

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

Present: Eric Braun, Valerie Crutchfield, Susan Ellinger (late), Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Absent: Joe Whitehouse.

Visitors: John Springfield, Preservation of Affordable Housing; Charles Francis, The Francis Law Firm.

RHA Staff: Sonia Anderson, Priscilla Batts, Shannon Bowen, Lisa Currie, Liz Edgerton, Jim Ferrell, Regina Hardway, Katie Lebrato, Ashley Lommers-Johnson, Laura McCann, Jennifer Morgan, Kenya Pleasant, Gwen Wall.

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

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RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

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PUBLIC COMMENTS

There were no public comments this evening.

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CONSENT AGENDA

All items on the Consent Agenda are considered to be routine and may be enacted by one motion and second. If a Commissioner requests that an item be removed from the Consent Agenda it will be done and considered as a separate item. The vote will be a roll call vote.

Item 1

Occupancy Report as of February 21, 2025

Item 3

Minutes from January 23, 2025 regular meeting

Commissioner Winstead moved and Commissioner Warren seconded approval of the Consent Agenda.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Nay: None.

The Consent Agenda has been adopted.

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## BUDGET TO ACTUAL PRESENTATION

(Liz Edgerton gave the following presentation.)

# REVIEW OF BUDGET ASSUMPTIONS



Raleigh  
Housing  
Authority

- 1) Used 95% proration for PH Operating Funds.
- 2) Used 92% proration & 97.5% lease up amount for HCV Program.
- 3) Estimated \$615k for bond income actual to date is \$822k.  
This income was to be used to fund the development team.
- 4) Budgeted investment interest rates at 3.5%.
- 5) Average Management Fee for the Raleigh Area is between 7.9-12.1%.  
We used 10% across the board.
- 6) Calculated trades by using 90% of their annual hours:  
(37.5 hours x 52 weeks = 1950 x 90% = 1755 annual hours x rate)

## Central Cost Center (CCC) Budget Comparison

Fiscal Year-to-Date through December 2024

	YTD Actual	YTD Budget	Variance	% Var	Notes
<b>INCOME</b>	Total Other Income	268,736	285,079	(16,343)	-6%
	Total Fee Income	3,374,166	3,971,687	(597,521)	-15% (1)
	<b>Total Income</b>	<b>3,642,902</b>	<b>4,256,766</b>	<b>(613,863)</b>	<b>-14%</b>
<b>EXPENSES</b>	Total Employee Expense	3,069,406	3,408,295	338,889	-10%
	Total Legal Expense	12,880	22,949	10,069	-44%
	Total Other Admin Expenses	3,468	2,769	(699)	25%
	Total Sundry Expenses	363,191	240,315	(122,876)	51% (2)
	Total Administrative Expenses	3,448,945	3,674,328	225,383	-6%
	Total Utility Expenses	81,630	97,682	16,052	-16%
	Total General Maint Expense	17,107	13,463	(3,644)	27%
	Total Materials	20,630	42,121	21,491	-51% (3)
	Total Contract Costs	113,744	106,886	(6,858)	6%
	Total Maintenance & Operational Expenses	151,480	162,470	10,990	-7%
	Total Insurance	62,025	56,520	(5,505)	10%
	Total Other General Expenses	83,176	101,560	18,384	-18%
	Total Nonroutine Expenses	-	2,250	2,250	0%
	<b>Total Operating Expenses</b>	<b>3,827,257</b>	<b>4,094,810</b>	<b>267,554</b>	<b>-7%</b>
	<b>Net Income Over Operating Expenses</b>	<b>(184,354)</b>	<b>161,955</b>	<b>(346,310)</b>	<b>-214%</b>
	Total Non Operating Items	134,406	134,406	-	0%
	<b>Net Income Over Total Expenses</b>	<b>(318,760)</b>	<b>27,549</b>	<b>(346,310)</b>	<b>-1257%</b>

### Budget notes:

- 1) Fee Income is down due in part to vacant positions, and the Fee Allocation process is under review.
- 2) Increased expenses are due to computer and related equipment purchases, additional Voyager training needs and an increase in temporary labor costs.
- 3) Materials are lower to budget due to lower supplies across all properties.



## All Voucher Programs Budget Comparison

Fiscal Year-to-Date through December 2024

	YTD Actual	YTD Budget	Variance	% Var	Notes
<b>INCOME</b>	<b>Income</b>				
	Total Admin Fee Income	3,413,777	3,074,551	339,225	11%
	Other Income	149,869	144,959	4,910	3%
	<b>Total Income</b>	<b>3,563,646</b>	<b>3,219,511</b>	<b>344,136</b>	<b>0.11</b>
<b>EXPENSES</b>	<b>Expenses</b>				
	Total Employee Expense	1,637,045	1,899,647	(262,602)	-14% (1)
	Total Fee Expense	939,300	899,160	40,140	4%
	Total Legal Expense	9,936	16,893	(6,957)	-41%
	Total Other Admin Expenses	14,528	13,363	1,164	9%
	Total Sundry Expenses	460,777	212,415	248,362	117% (1)
	Total Administrative Expenses	3,061,585	3,041,478	20,107	1%
	Total Tenant Services Expenses	136,028	182,159	(46,132)	-25%
	Total Utility Expenses	6,769	8,487	(1,718)	-20%
	Total General Maint Expense	3,452	3,889	(437)	-11%
	Total Materials	-	389	(389)	0%
	Total Contract Costs	4,114	6,777	(2,663)	-39%
	Total Maintenance & Operational Expenses	7,566	11,055	(3,489)	-32%
	Total Insurance	31,379	36,743	(5,364)	-15%
	Total Other General Expenses	52,993	56,474	(3,481)	-6%
	Total Nonroutine Expenses	-	6,066	(6,066)	0%
	<b>Total Operating Expenses</b>	<b>3,296,320</b>	<b>3,342,463</b>	<b>(46,143)</b>	<b>(0.01)</b>
	<b>Net Income Over Operating Expenses</b>	<b>267,327</b>	<b>(122,952)</b>	<b>390,279</b>	<b>(3.17)</b>
	Total Non Operating Items	3,335	3,339	(4)	0%
	<b>Net Income Over Total Expenses</b>	<b>263,991</b>	<b>(126,291)</b>	<b>390,283</b>	<b>3.09</b>
	HUD Section 8 Contribution	36,972,875	29,732,920	7,239,955	24%
	Less Housing Assistance Payments	(36,972,232)	(29,732,923)	(7,239,309)	24%
	<b>Total HUD - HAP Funds</b>	<b>643</b>	<b>(3)</b>	<b>646</b>	<b>(217.50) (2)</b>
	<b>Net Income</b>	<b>264,634</b>	<b>(126,294)</b>	<b>390,928</b>	<b>3.10</b>

### Budget notes:

- 1) Sundry Expense includes \$168,859 for temporary staff to assist the Leased Housing department due to vacant positions. These expenditures are offset by salaries and benefits which are under budget. Sundry Expense also includes \$148,813 for Nan McKay to operating, with annual reexaminations and Wise Consulting for training on Yardi.
- 2) Additional funds are requested from HUD when the payments are larger than the amount received. When that is not enough, we get a temporary loan from Admin Fee Reserves to cover the shortages. The goal is to repay the loans by 03/31/25. Note: HAP funds are not shown in the Net Income calculation because it is not considered operating, and any excess funds are returned/recouped by HUD.



## Other Business Activities (business) Budget Comparison

Fiscal Year-to-Date through December 2024

	YTD Actual	YTD Budget	Variance	% Var	Notes
<b>INCOME</b>	<b>Income</b>				
	Total Other Income	1,918,644	1,452,781	465,863	32% (1)
	<b>Total Income</b>	<b>1,918,644</b>	<b>1,452,781</b>	<b>465,863</b>	<b>32%</b>
<b>EXPENSES</b>	<b>Expenses</b>				
	Total Employee Expense	1,091,934	1,232,978	(141,044)	-11% (2)
	Total Legal Expense	1,707	1,952	(245)	-13%
	Total Other Admin Expenses	813	3,221	(2,408)	-75%
	Total Sundry Expenses	62,037	31,199	30,838	99% (2)
	Total Administrative Expenses	1,156,492	1,269,350	(112,858)	-9%
	Total General Maint Expense	109	75	34	45%
	Total Materials	62	559	(497)	-89%
	Total Contract Costs	496	2,811	(2,315)	-82%
	Total Maintenance & Operational Expenses	667	3,445	(2,778)	-81%
	Total Insurance	7,647	10,809	(3,162)	-29% (3)
	Total Other General Expenses	961	12,993	(12,032)	-93% (3)
	<b>Total Operating Expenses</b>	<b>1,165,767</b>	<b>1,296,597</b>	<b>(130,830)</b>	<b>-10%</b>
	<b>Net Income Over Operating Expenses</b>	<b>752,877</b>	<b>156,184</b>	<b>596,693</b>	<b>382%</b>
	Total Non Operating Items	128,507	134,931	(6,424)	-5%
	<b>Net Income Over Total Expenses</b>	<b>624,370</b>	<b>21,253</b>	<b>603,117</b>	<b>2838%</b>

### Budget notes:

- 1) The difference to budget is primarily driven by \$822k in Bond Fees to the 9-month budgeted of \$489k, with the remainder in Investment and Interest Income.
- 2) Sundry expense is over budget due to \$38,000 spent in temporary labor which is offset in Employee Expense due to vacant positions.
- 3) YTD, there have been no severance expenses recorded, or Post Employment Benefits paid.



## All Public Housing Properties (.allph) Budget Comparison

Fiscal Year-to-Date through December 2024

	YTD Actual	YTD Budget	Variance	% Var	Notes
<b>INCOME</b>	Total Tenant Income	4,135,740	3,997,701	138,039	3%
	Total Subsidy Income	3,952,499	3,761,807	190,692	5%
	Other Income	215,163	223,918	(8,755)	-4%
	<b>Total Income</b>	<b>8,303,402</b>	<b>7,983,226</b>	<b>320,176</b>	<b>4%</b>
<b>EXPENSES</b>	Total Employee Expense	1,879,089	2,101,115	(222,026)	-11%
	Total Fee Expense	762,361	835,747	(73,386)	-9%
	Total Legal Expense	41,083	43,548	(2,465)	-6%
	Total Other Admin Expenses	57,103	49,714	7,389	15%
	Total Sundry Expenses	214,976	224,388	(9,412)	-4%
	Total Administrative Expenses	2,954,611	3,254,512	(299,901)	-9%
	Total Tenant Services Expenses	239,017	206,523	32,494	16%
	Total Utility Expenses	710,333	826,034	(115,701)	-14%
	Total General Maint Expense	17,830	19,514	(1,684)	-9%
	Total Materials	383,492	397,773	(14,281)	-4%
	Total Contract Costs	1,333,183	1,151,616	181,567	16% (1)
	Total Fee for Service	969,845	1,203,702	(233,857)	-19% (2)
	Total Protective Services	517,091	152,243	364,848	240% (3)
	Total Maintenance & Operational Expenses	3,221,441	2,924,848	(296,593)	10%
	Total Insurance	207,841	211,541	(3,700)	-2%
	Total Other General Expenses	413,964	395,428	18,536	5%
	Total Nonroutine Expenses	(15,812)	22,506	(38,318)	-170%
	<b>Total Operating Expenses</b>	<b>7,731,395</b>	<b>7,841,392</b>	<b>(109,997)</b>	<b>-1%</b>
	<b>Net Income Over Operating Expenses</b>	<b>572,007</b>	<b>141,834</b>	<b>430,173</b>	<b>303%</b>
	Total Non Operating Items	2,535,408	2,535,408	-	0%
	<b>Net Income Over Total Expenses</b>	<b>(1,963,401)</b>	<b>(2,393,574)</b>	<b>430,173</b>	<b>1%</b>

### Budget notes:

- 1) Vacancy contract costs are up at Glenwood, Kentwood, and Scattered Sites due to high volume of vacancies.
- 2) HQS Inspections haven't been recorded yet.
- 3) Protective Services contract costs are up at Heritage Park; Heritage Park was not budgeted for this year and will be addressed in the budget revision.



## REPORT OF THE BOARD CHAIR

Commissioner Braun explained that Mr. Lommers-Johnson is currently out of the country and having connectivity problems, so he is unable to attend the meeting tonight.

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## UPDATE ON MIXED INCOME EFFORT

Kenya Pleasant said a few months ago we had the Center for Public Enterprise join at our Board meeting to introduce themselves and give an overview of their organization. They are the consultants that we have engaged jointly with the City of Raleigh. The purpose of this model is to try to figure out how we can accelerate a mixed income development without the use of tax credits.

The tax credit model is great for what it does, but for some of the redevelopment efforts that we have, particularly in our urban core here in North Carolina, it is not conducive for that type of development.

The goal is for this to be 70% market and 30% affordable – which is typically the model. In some cases, it's 80/20 but it really is leveraging the benefits from public ownership and then also replacing the high cost of debt during construction with a public revolving loan fund. We are in the early stages. The goal is for us to present to this Board, as well as City Council, in what's called a “midpoint meeting”.

We've been working with CPE, and the plan is tentatively mid-April for that presentation. The goal is for that to be a presentation during a working session for City Council. They have done a market test for several sites – one is an RHA-owned site, there is also a city-owned site, a privately-owned site, and then a potential acquisition.

The next steps are to dig into the underwriting and the review of those market tests, and there are a lot of questions in terms of governance and the legal structure. Our legal team of The Francis Law Firm, as well as McGuire Woods, which represents us on our bond transactions, are working and digging into the potential governance structure, and the potential tax exemption implications from such from such a venture.

The initial market tests appear to be positive, and they do appear to work, but there's still more to be done in terms of figuring out that governance structure and the tax exemption – which are going to be two key factors – and then whether or not this is an instrumentality of RHA.

North Carolina law gives a lot of broad powers to the housing authority, and I think the consensus is that this best fits under the current structure for RHA. We have the power to have this type of entity sit within our entity.

Commissioner Braun said, in attending the meetings, it's one of the first opportunities since I've been involved with the housing authority, where we have a really good opportunity to partner with the County, the City and even the philanthropic community, depending on how this works out. So, I'm excited about it, and I look forward to more discussions. The city had mentioned they were looking at the work session at the second meeting of the month of April, and I would

just ask some of the Board Members to pencil that in. It would be the 15th, if they do it on their regular schedule, and it would be typically starting at 11:30am so it would be nice to have some board attendance. That's still a fluid meeting scheduling issue, if you'll help remind us of when that meeting is set, that would be helpful. I think it would be important to have some additional Board Members in the audience for that.

Kenya Pleasant said I should highlight that the Board of Directors is going to have its own separate meeting. There will be a separate meeting for the RHA Board, and then there will be that work session with City Council as well. I do think it would be good if we can have some people attend, if possible.

Commissioner Warren suggested to involve the Real Estate Investment Committee. Let's make sure that we really feel confident that the financing model is going to work in this marketplace before we get everybody excited that we can deliver on this model. If we are going to go before City Council, we need to have a clear sense that this is definitely a go.

Kenya Pleasant said I should highlight that they have taken a deep dive in terms of rents in this market, construction costs in this market, and are using data from live transactions as they are putting together this model – and the scope is very clear, that the model needs to be something that is Raleigh-ready, and not something that we're trying to take from another city and implement here. We will definitely make sure that we figure out a way to include REIC and also the broader Board of Commissioners.

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#### REPORT OF THE REIC CHAIR

Commissioner Warren said the committee met right before the tax credit application was submitted. We've been waiting for staff to bring our next assignments, and maybe that will come on Heritage Park too. Do you have any sense about the 9% application?

Mrs. Pleasant said three total applications were submitted. I feel pretty good, but we'll see what happens when everything shakes out. However, our backup plan is the 4%. We're going to have the meeting for March. We are going to set up more routine meetings with the committee in a way to make sure that the Board remains informed, but that we're also being mindful of the public meeting rules. We will be coming to the REIC in March for an update.

Commissioner Braun said we are working with Charles Francis to explore committee structures and meeting structures. Some of the things we deal with are sensitive and we want to make sure we handle those in an appropriate way and consistent with North Carolina law. I anticipate that we'll have some clarity on that in the coming weeks, so that we can keep facilitating this, because we do have a lot of activity going on relative to our real estate, and we want to make sure all the Board Commissioners are informed and have an opportunity to ask questions and allow staff to keep moving forward.

#### COMMISSIONERS COMMENTS

Commissioner Braun introduced the newest Executive staff: Wendy Blain, Deputy Chief Executive Officer of Operations, and YouAndi Jackman-Brown, Director of Asset Management.



Ms. Blain explained that she will oversee HCV, Housing Operations, and the future Resident Services Department. She previously worked at the Everett Housing Authority.

Ms. Jackman-Brown explained that she will oversee Asset Management and it is her first time working in public housing. Her background is in procurement and change management.

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#### NEW BUSINESS

Jennifer Morgan said this resolution is the inducement resolution for up to \$7.2 million in multifamily housing revenue bonds for Biltmore Hills. 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.

Biltmore Hills is a 50-unit family property located at 2227 Garner Road in Raleigh. The owner and developer is Preservation of Affordable Housing. Biltmore Hills is an existing affordable property, and is currently occupied.

The bonds will be used to pay off the initial short-term loan used to acquire the property and rehabilitate the property including new roofs, updating the unit interiors, replacing water heaters, site work improvements, and updating electrical systems. The work for the units will be completed while the residents are in place. The contractor will work on blocks of units at a time and the work is expected to take 5 to 8 days per block.

The residents will be required to be out of their units during the day but will be allowed to enter the units in the evening. The contractor will ensure the units are habitable by evening.

The property was awarded 25 project based vouchers by RHA in 2024 and serves low-income residents at 60% AMI or below. It includes 2 and 3 bedroom units.

The total rehabilitation work plus acquisition is approximately \$14 million, including funding from bonds, 4% Tax Credits, deferred developer fee, funds from the City of Raleigh and Wake County. This has been reviewed by RHA's legal counsel with no exceptions.

Commissioner Winstead asked if this is going to be submitted in the open round this year for tax exempt bonds.

John Springfield said that is correct.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 4 (2025)  
RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE BONDS (BILTMORE HILLS)

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 27<sup>th</sup> day of February, 2025; 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 evidence of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, POAH Biltmore Hills 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 in financing the acquisition, rehabilitation and equipping of a 50-unit multifamily housing development known as Biltmore Hills Apartments and located at approximately 2227 Garner 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 the acquisition, rehabilitation 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, rehabilitation 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, rehabilitation 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 Seven Million Two Hundred Thousand Dollars (\$7,200,000) 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, rehabilitation and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, rehabilitation 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, rehabilitation 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 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, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Resolution No. 4 (2025) has been adopted.

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Jennifer Morgan said this resolution is for a RAD application and RAD/Section 18 blend application for Glenwood Towers. She gave the following presentation.

#### GLENWOOD TOWERS

- Built in 1971
- 288-units
- 14 stories
- Serves elderly and disabled residents

#### GLENWOOD TOWERS CAPITAL NEEDS

- Inadequate capital funding to address capital needs
- Completed CNA in early 2024
- Critical needs for next 3 years: \$10M
- Total Capital Fund subsidy for 3 years: \$2.4M

#### WHAT IS RAD

- Rental Assistance Demonstration
- Introduced by HUD in 2012
- Provides long-term Section 8 contracts to PHAs

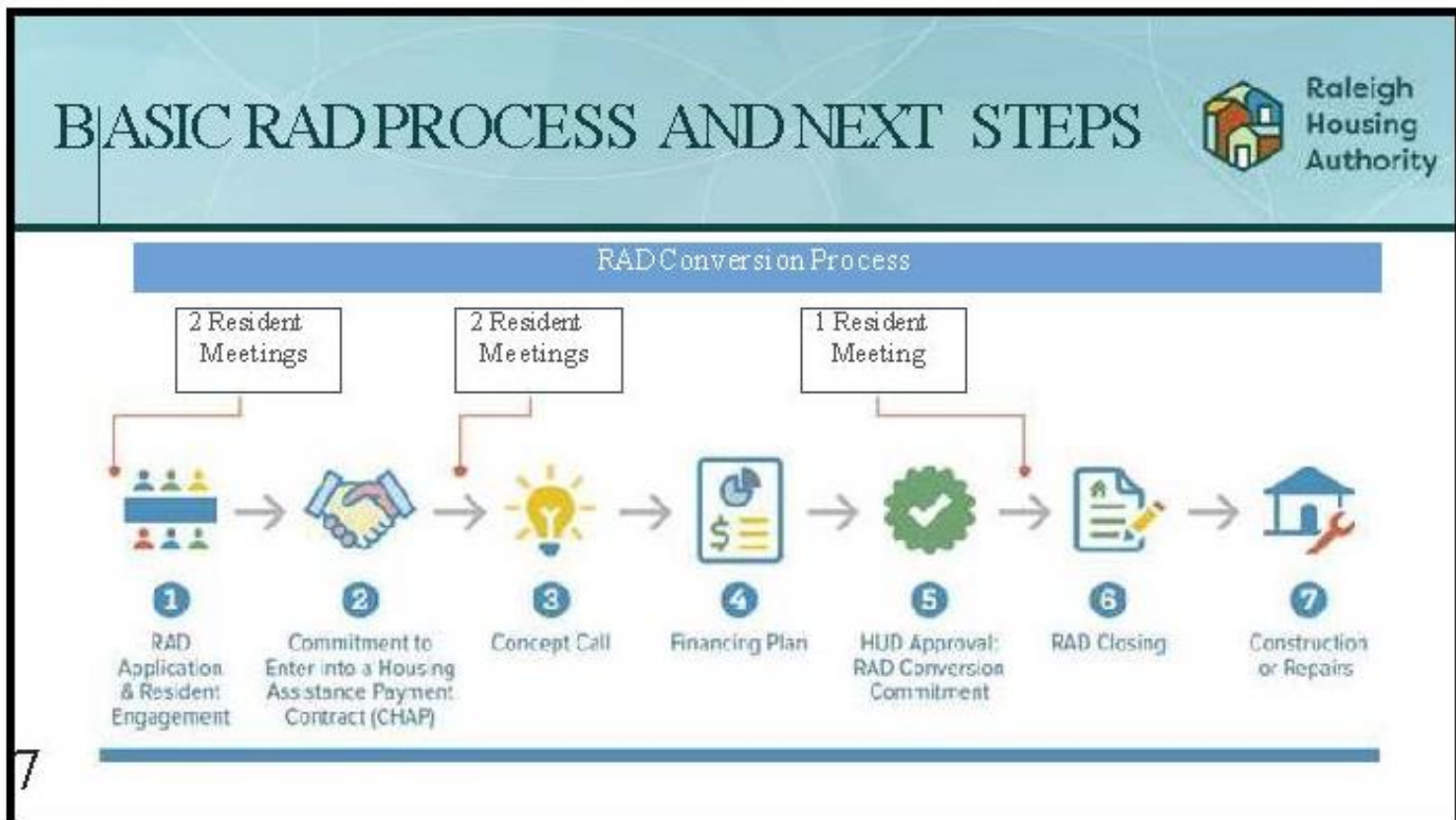
#### WHAT IS RAD SECTION 18 BLEND?

- Combination of RAD and Section 18 of the Housing Act of 1937
- Percentage of units at a RAD rent and percentage at standard PBV rent (FMR)

- § PIH Notice 2024-40; 90% FMR (\$1,717) and 10% RAD (\$903)
- Provides additional funding

#### RESIDENT ENGAGEMENT

- Discussed RAD at ICC Meeting in November
- Survey issued to residents in January
- 60% participation
- Meeting with Glenwood Towers Resident Leadership in January
- Resident Information Notice
- Resident meetings in January and February



If approved tonight, RHA will submit a RAD application at the beginning of March. If HUD approves the application, they will issue a commitment to enter into a housing assistance payment contract. We are required to have two additional resident meetings, and then we will request a concept call from HUD. That call will allow us to explain to HUD what our plans are at that time for Glenwood Towers, receive feedback from them, and also ask any questions.

During that concept call we will also notify HUD that we will be using a RAD / Section 18 blend, if that is also approved tonight. That is one of the reasons why the resolution is an approval for us to submit a RAD application, and also for us to submit a RAD / Section 18 blend

application, because, according to the regulations, they require that at two separate steps. To make sure we're covering our bases, we are including both of those at that time.

Once the concept call is done, and Kenya and her team work on what the financing will be, we will submit our financing plan to HUD. We will continue to have resident meetings. We have also updated our website to provide RAD information, the presentations at both of the meetings, And we have created a special email address for them to email if they have any questions about the process.

Commissioner Warren asked if staff has any idea about how the changes at the federal level will affect RHA and the HCV program.

Jennifer Morgan said we don't have any information from HUD. However, staff is monitoring the situation.

Commissioner Ellinger said there is an Affordable Housing Forum with the American Bar Association and that's a good resource for keeping track of what is happening.

Commissioner Braun asked why the response rate for the resident survey is so low.

Jennifer Morgan said staff has been going door-to-door for anyone who did not respond to the digital inquiry. However, staff was happy with the 60% response rate – in our experience, that was a good response.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 5 (2025)

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") introduced the Rental Assistance Demonstration ("RAD") program in 2012 that, upon successful conversion, provides long-term Section 8 contracts to Public Housing Authorities ("PHAs"); and

WHEREAS, RAD allows Public Housing Agencies ("PHAs") to convert public housing subsidies into a long term, Project-Based Section 8 rental assistance subsidy, with more stable and predictable revenues, and further allows PHAs to seek other sources of financing; and

WHEREAS, on August 22, 2019 with Resolution No. 46, Raleigh Housing Authority's ("RHA") Board of Commissioners approved RHA to submit a RAD application;

WHEREAS, in February 2020, RHA submitted a RAD portfolio application to HUD for all of RHA's Public Housing properties which provides RAD conversion authority for all properties; and

WHEREAS, in January 2025, RHA confirmed with HUD that the portfolio application is active; and

WHEREAS, Glenwood Towers is a 288-unit, 14-story high rise apartment building built in 1971, reserved for elderly and disabled residents; and

WHEREAS, in October 2023, RHA had a Capital Needs Assessment (“CNA”) completed to determine the repair needs of Glenwood Towers; and

WHEREAS, the report identified \$10 million in repair needs over the next three years; and

WHEREAS, RHA will receive approximately \$2.4 million in Capital Funds from HUD over the next three years; and

WHEREAS, HUD issued PIH Notice 2024-40 on December 26, 2024 which increases the percentage of units that can convert to a fair market rent in a RAD/Section 18 Construction Blend to 90% for both new construction and transfer of assistance; and

WHEREAS, the updated notice will provide additional funding opportunities and flexibility for Glenwood Towers; and

WHEREAS, in January 2025, RHA sent a survey to all Glenwood Towers residents to assess their satisfaction of Glenwood Towers and the surrounding neighborhood; and

WHEREAS, meetings were held January 29-30 and February 25-26 with Glenwood Towers residents to discuss the results of the survey and discuss the RAD and RAD/Section 18 Blend process; and

WHEREAS, RHA will not be locked into any specific terms and can withdraw the application up until contract closing;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NC that staff is authorized to submit an application to HUD for Glenwood Towers for participation in the RAD program.

BE IT FURTHER RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NC that staff is authorized to submit an application to HUD for Glenwood Towers under a RAD/Section 18 Blend.

Commissioner Ellinger 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, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Resolution No. 5 (2025) has been adopted,

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Liz Edgerson said HUD regulation allows us to transfer excess cash from one AMP to another after the close of the fiscal year, subject to verification of the calculation by an independent public accountant.

The reason we do this excess cash is because it is in the best interest of the AMP to ensure that we have four months of expenses in all AMPs to operate. This allows us to keep a MENAR (“Month Expendable Net Asset Ratio”) score of four. It also helps reduce the risk of recapturing reserves and allows for additional cash for the properties with less cash flow to operate effectively.

The spreadsheet that is attached to the resolution shows the excess cash at the end of fiscal year, ending in 2023, and it does this by property (row 9). Row 17 shows our estimated month of expenses, and this ranged from 6 months to 12 months. That large ratio can be due to a number of factors, one being the number of units. We’ve noticed some of our smaller properties don’t have as much income coming in, so sometimes those can have a lower estimated number of months for expenses due to their less cash. Also, sometimes you might have more expenses at the older properties. It also can be dependent on the tenant rental income, and collections of that income.

Row 18 shows how we’re creating the entry to move the excess cash to the different properties and we’re ending up with enough cash to cover eight months’ worth of expenses, and we’re doing that across all the properties.

#### HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 6 (2025)

WHEREAS, the U. S. Department of Housing and Urban Development (“HUD”) mandated housing authorities with 250 or more units of public housing convert to Asset Management, which required establishing separate ledgers for each Asset Management Project (“AMP”); and

WHEREAS, the Housing Authority of the City of Raleigh (“RHA”) fully implemented Asset Management as of March 31, 2009; and

WHEREAS, to ensure RHA operates in a manner that is in the best interest of each AMP, the Agency, and its residents, it is important that each AMP maintain a Month’s Expendable Net Asset Ratio (“MENAR”) of at least 4.0, which means there is at least four month’s worth of expenditures in the unrestricted net position (“operating reserve”); and

WHEREAS, housing authorities must maintain a MENAR of at least 4.0 to maximize their financial score in the Public Housing Assessment System (“PHAS”); and

WHEREAS, AMPs with operating reserves significantly greater than four month’s worth of expenses risk recapture of operating reserves and lower Project Expense Levels (“PELs”), which means less subsidy available in the future for the AMPs; and

WHEREAS, it is in RHA’s best interest to utilize the full amount of the current PEL available while maintaining a MENAR slightly more than 4.0; and

WHEREAS, to ensure RHA has at least four month's worth of expenditures in the unrestricted net assets in all AMPs, excess cash may be transferred between the AMPs (as illustrated by the attached spreadsheet); and

WHEREAS, as the expenditures for the fiscal year are finalized during the close out process the final excess cash transfer may vary from the attached spreadsheet but will maintain a MENAR rate more than 4.0; and

WHEREAS, HUD regulations (24 CFR Part 990) allow the transfer of "excess cash" as defined by the regulations from one AMP to another after the close of the fiscal year, subject to verification of the calculation by the independent public accountant; and

WHEREAS, the independent public accountant completed the field work for the fiscal year ended March 31, 2023 on August, 10, 2024; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to transfer excess cash between AMPs to ensure a minimum of four month's worth of expenditures in the unrestricted net position in all AMPs and provide funding for budgeted capital expenditures as listed above.

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, Susan Ellinger, Arne Morris, Bahati Mutisya, Gregg Warren, Yolanda Winstead.

Resolution No. 6 (2025) has been adopted.

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ADJOURNMENT

There being no further business to come before the Board, the RHA Board Meeting adjourned at 6:00 pm.