

MINUTES OF A REGULAR MEETING OF  
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH  
BOARD OF COMMISSIONERS  
MARCH 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, March 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, Arne Morris, Gregg Warren, Joe Whitehouse.

Absent: Bahati Mutisya

Visitors: Jacqueline Williams, Glenwood Towers resident; Paula Coppola, Walnut Terrace resident; Harrison Ellinwood, Carolina Project Equities; Charles Francis, The Francis Law Firm.

RHA Staff: Sonia Anderson, Priscilla Batts, Wendy Blain, Shannon Bowen, Lisa Currie, Liz Edgerton, Jim Ferrell, 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

**Paula Coppola**

I appreciate you all, but I've been having difficulty being heard. I've had an informal meeting with some of the staff, and they've not gotten back to me since then, and it's been a couple of months. Also, I had requested to have the refrigerator raised for medical reasons, and I have submitted an ADA compliance form, and they are just today acknowledging that, which I think is because it's a Board Meeting night. I've had a severe injury because of this, and it wasn't taken care of prior to this. I'd like to get things addressed when they need to be, and not RHA just denying any liability for anything.

Now I find that the landscaping department has, in mowing the lawn at the at the center island, banged into my vehicle and put a dent in it. And I want to know who is the landscaping company so I can address it to them, or is it RHA? And I'm not going to be just lumped with it. Things happen, you're a tenant, therefore you just get ignored. That's not going to work anymore.

Commissioner Braun said that Mr. Lommers-Johnson will make sure that is followed up through the Housing Operations department.

Ms. Coppola said I requested a formal hearing and they've done nothing since that date in response to any of that.

Commissioner Braun asked the staff to follow up with Ms. Coppola on that.

Ms. Coppola said I want that follow up to be in paper, not a computer, because I don't know how to access that portal that they forced me to do and denied my ADA rights on that.

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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

Charge-off of delinquent resident accounts for November 2024

Charge-off of delinquent resident accounts for December 2024

Charge-off of delinquent resident accounts for January 2025

Charge-off of delinquent resident accounts for February 2025

##### Item 2

Occupancy Report as of March 21, 2025

##### Item 3

Minutes from February 27, 2025 regular meeting

##### Item 4

#### HOUSING AUTHORITY OF THE CITY OF RALEIGH RESOLUTION NO. 14 (2025)

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

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

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2025, which included the Voucher program, was approved by the Board of Commissioners on March 28, 2024 with Resolution No. 16; and

WHEREAS, HUD notified RHA on May 8, 2024 of the final HAP funding amounts for calendar year 2024, which covered funding through December 31, 2024, or three quarters of the subject budget year; and

WHEREAS, HUD issued Notice 2024-16 on May 28, 2024, which retroactively implemented the funding provisions for calendar year 2024, as required by the Federal Fiscal Year 2024 HUD Appropriations Act (Public Law 118-42), which was enacted on March 9, 2024; and

WHEREAS, HUD published the Administrative Fee rates for calendar year 2024 on May 16, 2024, and advised the proration factor is expected to be 91%; and

WHEREAS, HUD has not yet completed the final reconciliation for the Administrative Fees for calendar year 2024; and

WHEREAS, HUD has not yet issued the funding provisions for calendar year 2025; and

WHEREAS, HUD published the Administrative Fee rates for calendar year 2025 on March 13, 2025, and advised the proration factor is expected to be 91%; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2025 in the spring of 2025 to be included on RHA’s FYE 2025 audited financial statements; and

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

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

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2025 in the spring of 2025 to be included on RHA’s FYE 2025 audited financial statements; and

WHEREAS, projected income and expenditures on certain line items make it necessary to revise the Annual Operating Budget for the fiscal year ending March 31, 2025 for the Voucher Program in order to meet the operational needs of the Agency; and

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

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

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

Eight Housing Choice Voucher Program for fiscal year ending March 31, 2025 be revised as follows:

1. Total Income increased by \$11,215,778 where \$10,560,444 is related to HAP and \$421,243 in Admin Fees.
2. Total Expenses increased by \$11,121,699 where \$10,560,444 is related to HAP.
3. Residual Receipts Operating increased overall by \$94,079.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2025.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NC Department of State Treasurer.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH, NC  
RESOLUTION NO. 15 (2025)

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

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

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

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

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

WHEREAS, on July 1, 2024 HUD reallocated vouchers that were either voluntarily returned or revoked; and

WHEREAS, RHA was awarded additional vouchers and funding due to the reallocation bringing the total voucher count to 160; and

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2025 which included operations for the Emergency Housing Voucher Program, was approved by the Board of Commissioners on March 28, 2024 with Resolution No. 16 and

WHEREAS, projected income and expenditures on certain line items make it necessary to revise the Annual Operating Budget for the fiscal year ending March 31, 2025 for the Emergency Housing Voucher Program to meet the operational needs of the Agency; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NC that the Operating Budget for the Emergency Housing Voucher Program for fiscal year ending March 31, 2025 be revised as follows:

1. Total Income be increased by \$313,439.
2. Total Expense be increased by \$270,970.
3. Residual Receipts be increased by \$42,469.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2025.
2. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 16 (2025)

WHEREAS, in June 1988, the Housing Authority of the City of Raleigh, NC (“RHA”) entered into an Annual Contributions Contract numbered A-2900-K with the U.S. Department of Housing and Urban Development (“HUD”) for the administration of a Section Eight Moderate Rehabilitation Program to provide project-based housing assistance; and

WHEREAS, the contracts for the Housing Assistance Payments (“HAP”) with the property owners were executed in stages with each stage having a separate fifteen-year term resulting in contracts that expired at different times; and

WHEREAS, of the initial 104 units originally under contract in this program, only 46 remain; and

WHEREAS, the remaining units are part of Murphey School Apartments located at 443 North Person Street, which is owned by Murphey School, LLC; and

WHEREAS, the original HAP contract for these units expired on December 4, 2005; and

WHEREAS, HUD authorized the use of the available project reserves to extend the funding for additional twelve-month terms with the most recent term ending on December 4, 2024, which is three quarters of the subject fiscal year; and

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2025 which included operations for the Section Eight Moderate Rehabilitation Program, was approved by the Board of Commissioners on March 28, 2024 with Resolution No. 16 and

WHEREAS, authorization for RHA staff to request approval from HUD to extend the contract for these units for another twelve-month term was approved by the Board of Commissioners on August 22, 2024 with Resolution No. 49; and

WHEREAS, on September 19, 2024 RHA received HUD approval to extend the contract for another twelve-month term effective December 5, 2025, which includes one quarter of the subject fiscal year; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2025 in the spring of 2024 to be included on RHA’s FYE 2025 audited financial statements; and

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

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

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2025 in the spring of 2024 to be included on RHA’s FYE 2025 audited financial statements; and

WHEREAS, projected income and expenditures on certain line items make it necessary to revise the Annual Operating Budget for the fiscal year ending March 31, 2025 for the Section Eight Moderate Rehabilitation Program to meet the operational needs of the Agency; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Operating Budget for the Section Eight Moderate Rehabilitation Program for fiscal year ending March 31, 2025 be revised as follows:

1. Total Income decreased by \$95,614.
2. Total Expenses decreased by \$98,153.
3. Residual Receipts Operating be increased by \$2,539.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2025.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NC Department of State Treasurer.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 17 (2025)

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

WHEREAS, the Master Operating Budget for the fiscal year ending March 31, 2025, which included the Local Fund was approved by the Board of Commissioners on March 28, 2024 with Resolution No. 15; and

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

WHEREAS, the income related to the Optional Resident Retention Services for the Section 8 Program as approved by the Board of Commissioners with Resolution No. 35 on May 30, 2013 is reflected on line 16 and the applicable expenses are reflected on lines 20, 24, 29, 31, 38, 39, and 62 of the proposed budget revision; and

WHEREAS, staff has prepared budget revision for the operation of Local Fund for the fiscal year ending March 31, 2025; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2025, in the spring of 2025 to be included on RHA’s FYE 2025 audited financial statements; and

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

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

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2025, in the spring of 2025 to be included on RHA’s audited financial statements; and

WHEREAS, the proposed budget revision for the operation of Local Fund for the fiscal year ending March 31, 2025 is attached to this resolution and thereby made part of the resolution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached budget revision for Local Fund for the fiscal year ending March 31, 2025 be revised as follows:

1. Total Income increased by \$340,567 primarily due to an increase in Bond Fees.
2. Total Expense reduced by \$18,105.
3. Residual Receipts increased by \$358,672.

BE IT FURTHER RESOLVED THAT:

1. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
2. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
3. Staff is authorized to revise the budget if necessary due to additional S&P rating expenditures.
4. Staff will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year



HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 18 (2025)

WHEREAS, in order to meet the operational needs of the Agency, it is necessary to revise the Annual Operating Budget for the Central Cost Center (“CCC”) for the period ending March 31, 2025; and

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

WHEREAS, the original Master Operating Budget for the fiscal year ending (“FYE”) March 31, 2025, which included the CCC, was approved by the Board of Commissioners on March 28, 2024 with Resolution No. 16; and

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

WHEREAS, at the discretion of RHA, after recording the Housing Choice Voucher Management Fee in the CCC, an equity transfer equal to the amount earned can be transferred from the CCC to Local Fund; and

WHEREAS, for FYE March 31, 2025 the Housing Choice Voucher Fee will not be transferred to Local Fund, and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2025 in the spring of 2025 to be included on RHA’s FYE 2025 audited financial statements; and

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

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

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2025 in the spring of 2025 to be included on RHA's FYE 2025 audited financial statements; and

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

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

WHEREAS, RHA staff has prepared budget revision for the operation of the CCC for the fiscal year ending March 31, 2025 reflecting revisions to the budget categories which is attached hereto and by reference is made part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Conventional Budget Revision for the Central Cost Center for fiscal year ending March 31, 2025 be revised as follows:

1. Total Receipts decreased \$802,971.
2. Total Expenditures increased \$137,944.
3. Residual Receipts before equity transfer decreased \$940,945.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2025.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff is authorized to revise the budget if necessary due to additional consulting services expenditures.
5. Staff will report such changes to the RHA Board of Commissioners with the unaudited financials after the end of the subject fiscal year.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 19 (2025)

WHEREAS, in order to meet the operational needs of the Agency, it is necessary to revise the Annual Operating Budget for Asset Management Projects ("AMPs") NC 002-006 through NC 002-040 for the fiscal year ending March 31, 2025; and

WHEREAS, the original Operating Budget for the fiscal year ending (“FYE”) March 31, 2025, which included the AMPs, was approved by the Board of Commissioners on March 28, 2024 with Resolution #16; and

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

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

WHEREAS, HUD has not issued a final proration letter for Calendar Year (“CY”) 2024, however, based on subsidy draws, our calculation shows a 97.12% proration amount through March 2025; and

WHEREAS, the Governmental Accounting Standards Board (“GASB”) issued Statement 68 relating to accounting and reporting issues and how pension costs and obligations are measured and reported on audited external financial statements; and

WHEREAS, RHA was required to implement GASB 68 on the March 31, 2016 financial statements using pension data supplied by the NC Department of State Treasurer (“NCDST”); and

WHEREAS, NCDST will provide the pension data for FYE March 31, 2025 in the spring of 2025 to be included on RHA’s FYE 2025 audited financial statements; and

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

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

WHEREAS, Cavanaugh MacDonald Consulting, LLC will provide the OPEB data for FYE March 31, 2025 in the spring of 2025 to be included on RHA’s FYE 2025 audited financial statements; and

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

WHEREAS, RHA desires to write off all tenant bad debts subsequent to the March 26, 2025 Board meeting through March 31, 2025 to accurately reflect tenant accounts receivables and maximize RHA’s score in the Management Assessment Subsystem; and

WHEREAS, it may be desirable to reclassify expenses between the AMPs and the Capital Fund Program to achieve net incomes for the AMPs that are close to breakeven, a goal previously

approved by the Board using the fungibility included in the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”); and

WHEREAS, staff will make these reclassifications as the books are closed for the fiscal year ending March 31, 2025 and report these amounts to the Board with the unaudited financial statements; and

WHEREAS, staff has prepared budget revision for the operation of the Asset Management Projects for the fiscal year ending March 31, 2025 which is attached hereto and by reference is made part of this; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Conventional Budget Revision for the Asset Management Projects for fiscal year ending March 31, 2025 will be revised as follows:

1. Total Operating Subsidy increased \$160,220.
2. Total Receipts increased \$229,625.
3. Total Expenditures increased \$1,079,778.
4. Residual Receipts decreased \$850,153.

BE IT FURTHER RESOLVED THAT:

1. Staff is authorized to revise the budget if necessary:
  - a. Subject to additional funding information from HUD that may affect the income projections for the fiscal year ending March 31, 2025.
  - b. If additional tenant bad debts arise prior to March 31, 2025.
  - c. For any expenses reclassified between the AMPs and the Capital Fund Program to achieve net incomes for the AMPs that are close to breakeven.
2. If needed, staff is authorized to revise the budget once the GASB 68 pension data is supplied by the NCDST.
3. If needed, staff is authorized to revise the budget once the GASB 75 OPEB data is supplied by Cavanaugh MacDonald Consulting, LLC.
4. Staff is authorized to revise the budget if necessary due to additional consulting services expenditures.
5. Staff will report these revisions to the Board with the unaudited financial statements following the end of the subject fiscal year.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 20 (2025)

WHEREAS, the Raleigh Housing Authority (“RHA”) benefits from the services provided by numerous partners working both with its residents and within its communities; and

WHEREAS, building and fostering effective partnerships is identified as one of RHA's Strategic Plan goals; and

WHEREAS, RHA seeks to provide financial contributions to agencies that offer services that advance its goals and provide resident services; and

WHEREAS, staff sent its partners a survey to account for and evaluate the services afforded to residents during the 2024 calendar year; and

WHEREAS, returned surveys were evaluated and scored by both RHA staff and resident representatives; and

WHEREAS, seventeen service providers have been identified as eligible partnering agencies that brought considerable services and benefits to RHA residents in 2024; and

WHEREAS, scoring percentages and donations have been calculated and are attached to this resolution for Commissioner review; and

WHEREAS, based on this information, staff recommends the Board of Commissioners approve \$25,750 in total donations as a ‘thank you’ to our partners for their dedication and hard work to improving RHA residents’ lives;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to make contributions to service providers as indicated on the attachment to this resolution.

BE IT FURTHER RESOLVED that staff is authorized to revise the AMP budgets as needed to accommodate these contributions.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 21 (2025)

WHEREAS, the Raleigh Housing Authority (“RHA”) has included in its Operating Budget for Fiscal Year beginning April 1, 2025 through March 31, 2026 an allocation of funds for Tenant Participation and Tenant Opportunities; and

WHEREAS, the funding amounts have been determined in accordance with the U. S. Department of Housing and Urban Development (“HUD”) Notice PIH 2021-16 that was published May 18, 2021; and

WHEREAS, federal regulations require a total of \$25 per occupied public housing unit to be allocated to support tenant participation activities with \$15 per occupied public housing unit per year being provided directly to residents to support the activities of the duly elected resident councils; and

WHEREAS, the Notice indicates that funding levels can be tied to the agency current operating subsidy funding level provided by HUD which has an average estimated proration of 95% which results in a rate of \$14.25 per unit; and

WHEREAS, the remaining \$10 per occupied public housing unit will be used by RHA to support tenant participation activities; and

WHEREAS, calculations include the total number of units at all sites including those approved for offline usage; and

WHEREAS, the Inter-Community Council Inc. (“ICC”) a 501(c)3 non-profit is an effective and viable organization within RHA’s organizational structure; and

WHEREAS, a Memorandum of Agreement between RHA and the ICC addresses the expenditure of Tenant Participation funds; and

WHEREAS, the ICC requires financial assistance from RHA to help offset expenses and to address the needs of public housing residents; and

WHEREAS, the ICC and its Executive Board have agreed to provide 20% of the funding to the ICC; and

WHEREAS, the breakdown of the calculations for FYE 2026 Resident Council Community Budget is summarized on the attached spreadsheet;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the CEO is hereby authorized to execute agreements with Resident Councils in good standing and the ICC for a total funding amount of \$17,784 in Tenant Participation Funding for FY beginning April 1, 2025 through March 31, 2026.

BE IT FURTHER RESOLVED that the CEO is authorized to approve and adjust funding levels if HUD’s funding levels should change.

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 22 (2025)

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

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

WHEREAS, Section 19.3 of the ACOP allows agencies with a current Memorandum of Agreement (MOA) access to twenty Special Admission housing slots in the public housing program; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH approves entering into a Memorandum of Agreement for the fiscal year ending March 31, 2026, between RHA and the Salvation Army of Wake County.

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

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HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 23 (2025)

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

WHEREAS, this long-term partnership has resulted in the establishment of on-site Community Learning Centers located in a number of RHA low-income housing communities; and

WHEREAS, CIS Wake also leases space within 971 Harp Street for their administrative offices; and

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

WHEREAS, Lessor and Lessee desire to extend the terms of the Leases in accordance with the provisions set forth herein; and

WHEREAS, additional considerations, negotiations, and final legal review are anticipated to be pending at the expiration of the Leases;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff execute the attached lease addendum with Communities in Schools of Wake County in order to continue to provide educational learning to RHA residents for an additional three months.

RECOMMENDATION: Approval as submitted by staff.

Commissioner Warren 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, Arne Morris, Gregg Warren, Joe Whitehouse.

Nay: None.

The Consent Agenda has been adopted.

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#### REPORT OF THE BOARD CHAIR

Commissioner Braun said we had an excellent meeting with Mayor Janet Cowell today, and gave her an update on some of the things we've been working on. She was very supportive and was eager to continue finding ways for the housing authority and for the city to work together and to leverage our collective resources. We appreciate the mayor making time for us because she's extremely busy.

I also wanted to thank RHA and staff for their help with an event. Raleigh Forward and WakeUP Wake County jointly sponsored a meeting with the National Civic League on emerging engagement tools, and we used the RHA Community Room. It was well attended – we had about 55 people in attendance. We had the Mayor there, and another city councilor, and I thought it went well.

The same group, along with City Builders, is sponsoring a screening in the community room on April 3<sup>rd</sup> for a movie called *Fault Lines*. It explores all sides of the fight for more affordable housing in San Francisco, but a lot of the issues and themes are transferable to our community. That's a free program, and open to the public, so if anybody is interested in attending, it's April 3, from 6:00pm until 8:00pm.

I want to thank Mr. Lommers-Johnson and his team. We're going to hear about some good things that have happened recently, and it's really because of him and the hard work of staff. A lot of positive things have been happening, and I know you've had lots of things to deal with, lots of challenges, but I feel like we're really making great progress. I wanted to just thank everybody in advance



## REPORT OF THE SECRETARY

### **Report Contents**

1. BIG News
2. FYE 2025 Budget Revisions
3. FYE 2026 Budget Comments
4. Heritage Park News
5. Proposed Resident Services Department
6. Customers' Experience of RHA

### **Big News**

Received Highest S&P Credit Rating Possible for an Agency of RHA's Size: A+

- Examples of PHAs' Use of Bond Issuances
  - Everett Housing Authority borrowed 15-year debt (100%LTV) to acquire 381-unit property for \$120 million
  - Columbus MHA loaned bond proceeds to LIHTC partnership for a \$27.6M, 180-unit 4% new construction project
  - KCHA (WA) used lines of credit for 5 workforce properties (722 units) and used \$52M in bond proceeds for permanent financing

### **FYE 2026 HUD Budget**

- Administration Impacts—temporary pause & CR
- Pause for Sec. 8 lifted on same day; PH—24 hrs
- Federal programs budgets based on March 14 CR
- Exceeded House & Senate budget proposals
- Level funding, except Voucher Program anomalies
- FFY26 budget process will likely result in CR(s)

Commissioner Warren asked if there will be regulatory changes that could affect RHA's ability to move the public housing portfolio into RAD. Also, there may be less HUD staff and we could face longer processing times.

Mr. Lommers-Johnson said HUD is currently under direction not to comment. In many ways, we are in the dark about what is going to happen. There is some information coming out that the administration wants to consolidate smaller housing authorities into larger, regional housing authorities. But as far as these programs we want to make use of are concerned, we don't know and we haven't heard what the impacts may be. We will push forward with the initiatives that we have started and that we want to start. We are moving forward with the Glenwood Towers RAD Section 18 application. It's best for RHA to move forward based on our Strategic Plan.

Commissioner Warren asked if we have any outstanding HUD approvals for Heritage Park that could be impacted.

Mr. Lommers-Johnson said we have made a request to HUD after receiving our disposition approval. That approval gives us the ability to then request the tenant protection vouchers. So we have requested the tenant protection vouchers and the request has moved from the field office in Greensboro to headquarters.

### **Voucher Funding Projections**

- 2024 Budget Authority: \$40.5M
- 2024 HAP Reserves: \$3.8M
- Total Available: \$44.3M
- Actual HAP Paid: \$45.8M (\$1.5M in shortfall funding)
- 2025 Budget Authority: \$47.5M
- 2025 Projected HAP Spend: \$51.7M
- Total Potential Additional HAP Funds: \$7.4M (\$74M over 10 yrs)

Commissioner Warren asked, given that RHA is using more than 100% of its Section 8 dollars, does that limit RHA's ability to do project based assistance?

Mr. Lommers-Johnson said in this calendar year, the program will go down from 200 to 220 vouchers. That happens essentially every year.

Commissioner Warren asked why we lose them.

Mr. Lommers-Johnson said it's because participants move on for one reason or another. That does not impact our ability to project base new vouchers.

Commissioner Warren asked if RHA will be able to fund all of the (RFP) requests that are out right now.

Mr. Lommers-Johnson said "no" because we are limiting to 90 vouchers. We have 15 applications that we are currently evaluating.

### **Heritage Park/Development News**

- Section 18 disposition approved; TPVs requested
- Perfect score for 9% LIHTC Application (congratulations to the Development team)
- 4% Application to be submitted by August 2025
- Only 10 households remain
- Filled underwriter position (starting in May)

Commissioner Braun asked if there were a lot of 9% LIHTC perfect scores that RHA is competing against.

Kenya Pleasant said there were 7 perfect scores in Wake County and only 2 (at most) will be accepted. The tie breaker is non-public dollars – so that will increase our chances.

Commissioner Braun asked if we will apply for a 4%, regardless of getting the 9%.

Kenya Pleasant said, yes.

Commissioner Warren asked about security at Heritage Park.

Mr. Lommers-Johnson said we have ended the security contract and are using security cameras.

Commissioner Warren asked if the 10 remaining families at Heritage Park will be difficult to move out.

Laura McCann said there are actually 8 families remaining, as of today. At least 4 of the remaining households have a unit lined up and are waiting for the maintenance team to get it ready to move in. We have one individual who is trying to port to Orange County, and that may take a little time. We are estimating that Heritage Park will be empty by the end of May.

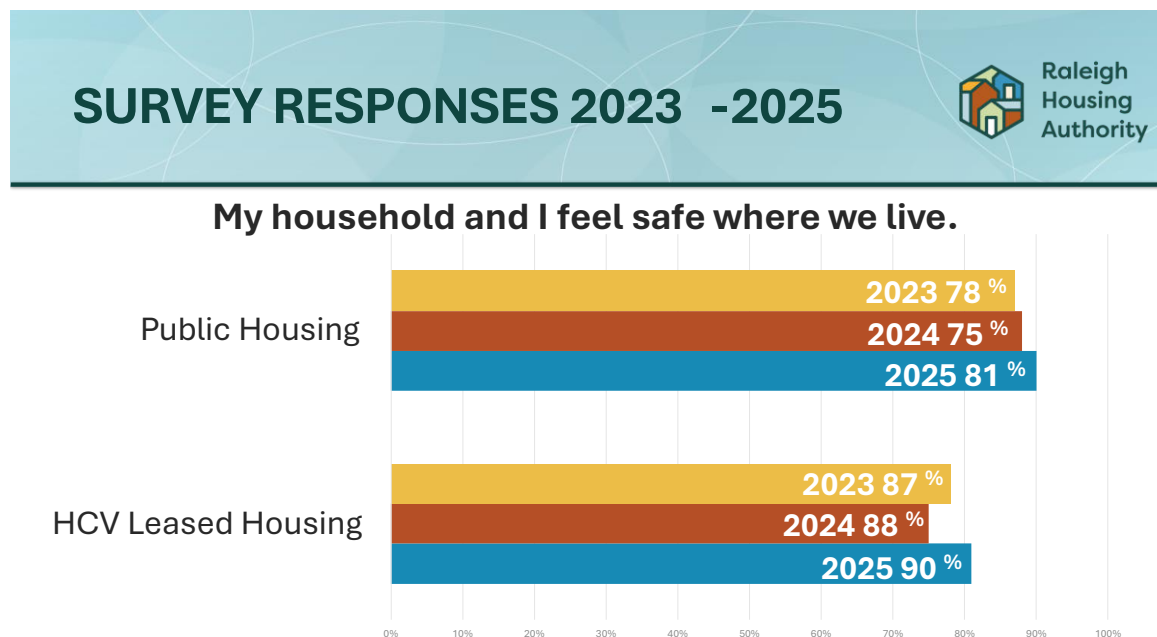
Commissioner Warren asked if demolition will follow shortly after all of the remaining families are out.

Kenya Pleasant said staff is working on the transition plan for the property to close it down and put up fencing, etc.

### **Proposed Resident Services Department**

- Two Resident Services Coordinators
- Relocation Team
- New Family Self-Sufficiency Program
- FSS Coordinator Funded from HCV Reserves for Three Years
- Promotion of Laura McCann to Director of Resident Services

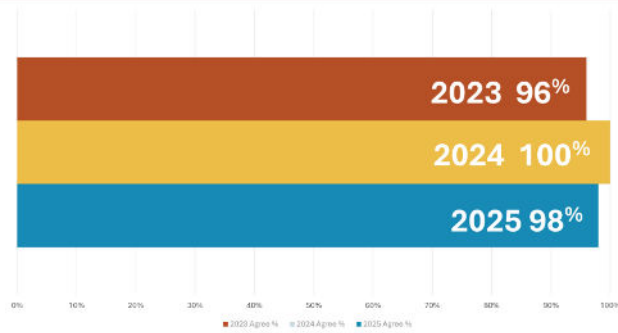
### **Survey Responses 2023-2025**



## PH SURVEY RESPONSES 2023-2025



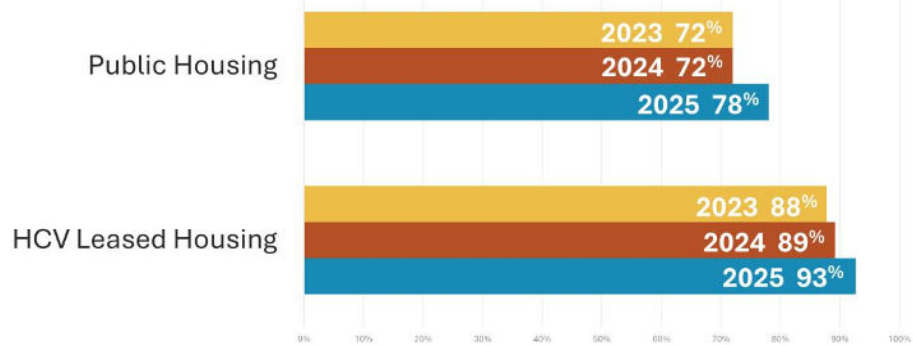
I want to know  
RHA's plans  
about **the future**  
of my  
community.



## SURVEY RESPONSES 2023-2025



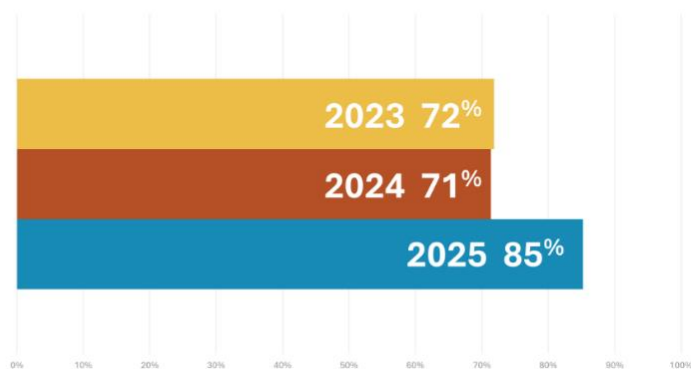
**I am satisfied with the quality of my housing.**



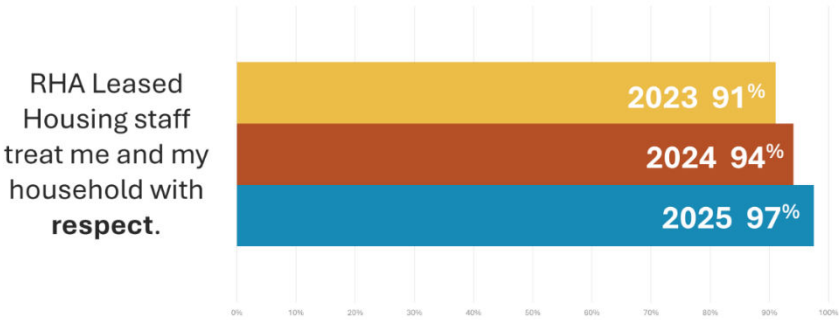
## HCV SURVEY RESPONSES 2023-2025



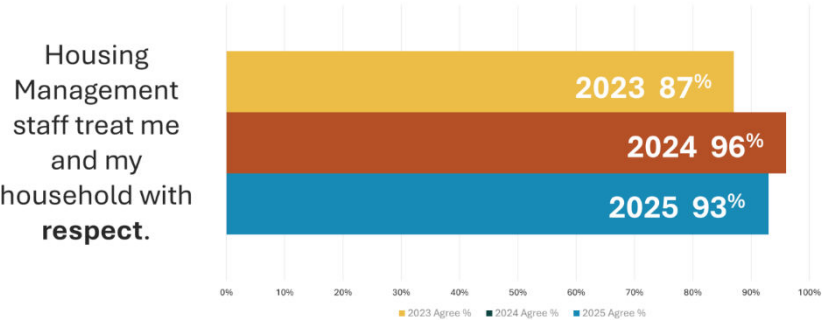
RHA Leased  
Housing staff  
**return my calls**  
in a **timely**  
manner.



# HCV SURVEY RESPONSES 2023-2025

# PH SURVEY RESPONSES 2023-2025

## REPORT OF THE REIC CHAIR

Commissioner Warren said the only report he has is that there will be a meeting coming up soon.

## COMMISSIONER COMMENTS

Commissioner Whitehouse congratulated the agency for reaching the credit rating that was awarded. He also congratulated Laura McCann on her promotion.

## BUDGET PRESENTATION

Liz Edgerton gave the following Proposed 2026 Budget Presentation.

## BACKGROUND INFORMATION



- 1) The Annual Contributions Contract (ACC) requires that Public Housing Authorities prepare an operating budget for the Low Rent Housing Program.
- 2) With one day left before a government shut down, the Senate passed a full -year Continuing Resolution on March 14 on a 54–46 vote. President Trump signed the CR into law over the same weekend, formally averting the shutdown.
- 3) The new Continuing Resolution maintains level funding from FY 2024 to FY 2025, except for certain anomalies for both the tenant -based rental assistance accounts and the project-based rental assistance account. It is expected that the anomaly provided for the Housing Assistance Payments program will fully fund voucher renewals based on HUD’s last publicly released forecast.

March 24, 2025

## BUDGET ASSUMPTIONS FOR 2026



- 1) Budget assumes 95% proration for PH Operating Funds
  - a) Last Year: 95% proration assumption
  - b) Calendar Year 2024 finished at 97.12 proration
  - c) Current proration is 95%
- 2) Budget assumes 91% proration for HCV admin fees & 99.2% voucher utilization for the HCV Program
  - a) Last Year: 92% proration with 97.5% utilization
- 3) Estimating \$1,500,000 for bond income where part of this income will fund the development team
- 4) Investment interest rates at 3.5%
- 5) CCC: earns 10% Management fees from our nonprofit

March 24, 2025

## FEDERAL VS. FUNDING VS. FISCAL YEARS



Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

Federal Fiscal Year (Oct-Sep)

Public Housing / HCV Funding Year (Jan-Dec)

Mod Rehab Contract Funding Year (12/5-12/4)

CFP Funding Year (varies)

RHA/CAD/OCAC Fiscal Year (Apr-Mar)

March 24, 2025

## Public Housing Properties Proposed Budget

Fiscal Year 2026

		FYE 2025 Budget Approved	Proposed FYE 2025 Budget Revisions	Proposed FYE 2026 Budget	Variance Between 26 Budget and 25 Revised
<b>Income</b>	Description				
	Subsidy Income	5,015,469	5,175,689	4,980,299	(195,390)
	Net Dwelling Rent	5,330,274	5,377,974	5,426,766	48,792
	Other Income	298,558	320,263	300,276	(19,987)
	<b>Total Income</b>	<b>10,644,301</b>	<b>10,873,926</b>	<b>10,707,341</b>	<b>(166,585)</b>
<b>Expense</b>	Employee Expenses	2,801,510	2,637,838	2,720,680	82,842
	Admin Expense	1,547,978	1,513,664	1,563,330	49,666
	Tenant Services Expense	256,284	325,437	215,547	(109,890)
	Utilities	1,101,389	1,088,406	1,045,902	(42,504)
	Ord. Maint. & Operation	3,696,848	4,276,606	4,027,560	(249,046)
	Protective Services	203,000	599,450	200,500	(398,950)
	General Expense	809,423	951,299	863,400	(87,899)
	Subsidy and Grant Expense				
	Operating Expense	10,416,432	11,392,700	10,636,919	(755,781)
	Nonroutine Expenditures	30,000	51,633	29,999	(21,634)
	Non Operating Items				
	<b>Total Expenses</b>	<b>10,446,432</b>	<b>11,444,333</b>	<b>10,666,918</b>	<b>(777,415)</b>
	Residual Receipts, (Deficit) Pre-Reserves	197,869	(570,407)	40,423	610,830
	Reserves		670,407		(570,407)
	<b>Res. Rec. (Deficit) Adjusted</b>	<b>197,869</b>	<b>0</b>	<b>40,423</b>	<b>40,423</b>

### Budget notes:

- 1) Subsidy Income is calculated at 95% Proration. Calendar Year 2024 actual was at 97.12%
- 2) In 2026 Heritage Park operating subsidy will shift to asset repositioning fees
- 3) Expense changes are related to vacancy turns and plumbing cost
- 4) Fluctuations in Protective Service due to increased security needs at Heritage Park



## Central Cost Center Proposed Budget

Fiscal Year 2026

		FYE 2025 Budget Approved	Proposed FYE 2025 Budget Revisions	Proposed FYE 2026 Budget	Variance Between 26 Budget and 25 Revised
<b>Income</b>	Description				
	Management Fee Income	2,949,082	2,753,666	3,013,882	260,216
	Fee for Service Income	2,324,588	1,746,621	2,436,881	690,260
	Other Income	402,017	372,431	394,111	21,680
	<b>Total Income</b>	<b>5,675,687</b>	<b>4,872,718</b>	<b>5,844,874</b>	<b>972,156</b>
<b>Expense</b>	Employee Expenses	4,544,392	4,413,855	4,859,707	445,852
	Admin Expense	354,693	575,998	347,547	(228,451)
	Utilities	130,244	126,650	126,236	(414)
	Ord. Maint. & Operation	216,626	286,719	203,752	(82,967)
	General Expense	238,348	220,525	278,349	57,824
	Operating Expense	5,484,303	5,623,747	5,815,591	191,844
	Nonroutine Expenditures	3,000	1,500	3,000	1,500
	Non Operating Items				
	<b>Total Expenses</b>	<b>5,487,303</b>	<b>5,625,247</b>	<b>5,815,591</b>	<b>193,344</b>
	Residual Receipts, (Deficit) Pre-Reserves	188,384	(752,529)	26,283	778,812
	Reserves		752,529		(752,529)
	<b>Res. Rec. (Deficit) Adjusted</b>	<b>188,384</b>	<b>0</b>	<b>26,283</b>	<b>26,283</b>

### Budget notes:

- 1) Management Fee Income less for current fiscal year due to grant monies not yet released
- 2) Less "Fee for Service" income in revision due to vacant positions and supervisor reassignment. Landscaping roles will be aligned and qualify for fee-for-service rates in FY26 budget, impacting both revenue and employee expenses
- 3) Changes in Admin Expense due to temporary staffing services



## All Voucher Programs Proposed Budget

Fiscal Year 2026

		FYE 2025 Budget Approved	Proposed FYE 2025 Budget Revisions	Proposed FYE 2026 Budget	Variance Between 26 Budget and 25 Revised
<b>Income</b>	Description				
	HAP Income	39,643,900	50,403,602	49,364,902	(1,038,700)
	Admin Fee Income	4,099,402	4,541,550	4,579,371	37,821
	Other Income	193,273	425,026	419,455	(5,571)
	<b>Total Income</b>	<b>43,936,575</b>	<b>55,370,178</b>	<b>54,363,728</b>	<b>(1,006,450)</b>
<b>Expense</b>	Employee Expenses	2,532,861	2,321,461	2,774,848	453,387
	Admin Expense	1,522,463	2,192,139	1,646,243	(545,896)
	Tenant Services	242,875	138,028	10,800	(127,428)
	Utilities	11,315	10,740	10,351	(369)
	Ord. Maint. & Operation	14,748	11,583	55,098	43,515
	General Expense	124,286	316,495	382,389	65,894
	Housing Assistance Payments	39,643,900	50,403,602	49,364,902	(1,038,700)
	Operating Expense	44,092,448	55,394,048	54,244,431	(1,149,617)
	Nonroutine Expenditures	8,084	1,000	1,000	
	Non Operating Items				
	<b>Total Expenses</b>	<b>44,100,532</b>	<b>55,395,048</b>	<b>54,245,431</b>	<b>(1,149,617)</b>
	Residual Receipts, (Deficit) Pre-Reserves	(163,957)	(24,870)	118,297	143,167
	Reserves				
	<b>Res. Rec. (Deficit) Adjusted</b>	<b>(163,957)</b>	<b>(24,870)</b>	<b>118,297</b>	<b>143,167</b>

### Budget notes:

- 1) HAP income and Housing Assistance Payments are a net flow through
- 2) Changes in Admin Expense due to temporary staffing services and contracting services for annual reexams, partially offset by decrease in employee expenses
- 3) Employee Expense is increasing due to new position and alignment of salary allocations
- 4) Tenant services change is due to decreased need for owner incentives





## Other Business Activities Proposed Budget

Fiscal Year 2026

	FYE 2025 Budget Approved	Proposed FYE 2025 Budget Revisions	Proposed FYE 2026 Budget	Variance Between 25 Budget and 26 Revised
<b>Income</b>				
Management Fee Income	730,801	736,904	772,159	35,255
Bond Fee Income	615,000	908,044	1,000,000	91,956
Other Income	581,240	632,660	592,700	(39,960)
<b>Total Income</b>	<b>1,937,041</b>	<b>2,277,608</b>	<b>2,364,859</b>	<b>87,251</b>
<b>Expense</b>				
Employee Expenses	1,643,972	1,497,971	2,045,600	547,629
Admin Expense	48,495	129,719	99,647	(30,072)
Utilities				
Ord. Maint. & Operation	4,597	3,989	4,597	608
General Expense	31,734	79,014	46,346	(32,668)
Operating Expense	1,728,798	1,710,693	2,196,190	485,497
Nonroutine Expenditures				
Non Operating Items				
<b>Total Expenses</b>	<b>1,728,798</b>	<b>1,710,693</b>	<b>2,196,190</b>	<b>485,497</b>
Residual Receipts, (Deficit) Pre-Reserves	208,243	566,915	168,669	(398,246)
Reserves				
<b>Res. Rec. (Deficit) Adjusted</b>	<b>208,243</b>	<b>566,915</b>	<b>168,669</b>	<b>(398,246)</b>

### Budget notes:

- 1) Bond Fees exceeded budget, reached \$900k this year; projected to increase to \$1.0mm due to higher activity
- 2) The difference in employee expenses is primarily due to vacant position on the development team, coupled with the alignment of the salary allocations that take affect this year
- 3) Increase in Admin Expense due to temporary staffing services, offset by decrease in employee expenses



Commissioner Whitehouse asked about the increase in employee expenses.

Mrs. Edgerton said it is partly due to the staffing whose portion of salary is coded to this program. We look to see if those percentages were in line with the actual job duties that they are performing, because if they're performing duties that are related to our OCAC or CAD program, they are getting paid from this budget versus the central cost center budget. So, some allocations of the salaries were redistributed and realigned to make sure that they were following the job duties and what work was actually being performed. And so, the percentages went up higher for this program.

Commissioner Whitehouse asked if there is an offset by other means of income from those other activities that they're performing?

Mrs. Edgerton said income comes through that management fee income line that you see. These are duties that they would be performed that are covered by the management fee. Also, there were some staff that were not in place. We have an underwriter that was in the original budgeted amount, but we reduced that in the revision because that position was not hired in the current fiscal year, and so we are now having to put that salary back in, because that position is going to come in in the new year. So that is one another change that would occur. There were also a few new positions.

Commissioner Warren asked how many employees are in the Development Department.

Mr. Lommers-Johnson said there are four – that includes the underwriter position.



## OCAC Properties Proposed Budget

Fiscal Year 2026

	Description	FYE 2025 Budget Approved	Proposed FYE		Variance Between 26 Budget and 25 Revised
			2025 Budget Revisions	Proposed FYE 2026 Budget	
<b>Income</b>	HUD Contributions	1,611,265	1,502,249	1,502,779	530
	Net Dwelling Rent	593,732	428,355	601,230	172,875
	Other Income	92,660	142,368	101,348	(41,020)
	<b>Total Income</b>	<b>2,297,657</b>	<b>2,072,972</b>	<b>2,205,357</b>	<b>132,385</b>
<b>Expense</b>	Employee Expenses	444,586	371,918	497,215	125,297
	Admin Expense	330,282	316,095	320,090	3,995
	Tenant Services Expense	15,136	6,769	16,057	8,288
	Utilities	28,375	31,301	28,375	(2,926)
	Ord. Maint. & Operation	817,762	942,602	844,568	(98,035)
	Protective Services	1,000	250	1,000	750
	General Expense	69,969	55,765	76,735	20,970
	Operating Expense	1,707,130	1,724,700	1,784,039	59,339
	Nonroutine Expenditures	20,555	17,000	20,555	3,555
	Non Operating Items				
	<b>Total Expenses</b>	<b>1,727,685</b>	<b>1,741,700</b>	<b>1,804,594</b>	<b>62,894</b>
	<b>Residual Receipts. (Deficit) Pre-Reserves</b>	<b>569,972</b>	<b>331,272</b>	<b>400,763</b>	<b>69,491</b>
	<b>Reserves</b>				
	<b>Res. Rec. (Deficit) Adjusted</b>	<b>569,972</b>	<b>331,272</b>	<b>400,763</b>	<b>69,491</b>

### Budget notes:

- 1) Revenue was impacted by vacancies following Choice Mobility Voucher issuance after the RAD conversion. Occupancy is currently at 100%
- 2) Changes in Employee Expense due to alignment of salary allocations
- 3) Expense changes are related to vacancy turns



## Oak City Affordable Communities, Inc. Replacement Reserve

### Oak City Affordable Communities, Inc. Replacement Reserve

Property	Units	Ending Balance at FYE 2024	Replacement Reserve Deposits for FYE 2025	Net Interest Earned less Fees for FYE 2025	Ending Balance at FYE 2025	Projected Replacement Reserve Deposits for FYE 2026
		<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Meadowridge	59.00	503,862.64	48,388.00	3,319.57	555,570.21	49,896.00
Valleybrook	49.00	600,378.47	37,600.00	2,582.49	640,560.96	38,808.00
Terrace Park	45.00	260,250.32	32,124.00	2,068.74	294,443.06	33,156.00
Berkshire Village	40.00	263,769.16	27,072.00	529.86	291,371.02	27,720.00
<b>Total</b>	<b>193.00</b>	<b>1,628,260.59</b>	<b>145,184.00</b>	<b>8,500.66</b>	<b>1,781,945.25</b>	<b>149,580.00</b>

### Notes

Per PBV: Other Miscellaneous Provisions #2 - Ongoing PHA Board Review of Operating Budget:

The Owner must submit to the administering PHA's Board the operating budget for the Covered Project annually. The PHA's Board must confirm that the Project Owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the Covered Project.

Commissioner Braun asked what the ultimate amount is that RHA will need in the replacement reserves.

Mrs. Edgerton said we had a 20-year pro forma that we had to present at the time we were doing the conversion, and that amount was set in that pro forma.

Commissioner Braun asked if we need to replenish it to keep it at that level.

Jennifer Morgan said it states that we have to make a deposit into the replacement reserve, and it goes up by a percentage each year. As we use it, we'll have to reallocate.

Commissioner Braun asked if everything is performing the way we expected.

Mrs. Edgerton said yes. It's very positive that the property is cash flowing.

## CAD Only Properties Proposed Budget

Fiscal Year 2026

		FYE 2025 Budget Approved	Proposed FYE 2025 Budget Revisions	Proposed FYE 2026 Budget	Variance Between 26 Budget and 25 Revised
<b>Income</b>	HUD Contributions	580,246	766,058	742,652	(23,406)
	Net Dwelling Rent	4,522,765	4,662,617	4,874,924	212,307
	Other Income	513,085	525,553	538,167	12,614
	<b>Total Income</b>	<b>5,616,096</b>	<b>5,954,228</b>	<b>6,155,743</b>	<b>201,515</b>
<b>Expense</b>	Employee Expenses	716,022	641,359	972,045	330,686
	Admin Expense	660,196	791,572	772,151	(19,421)
	Tenant Services Expense	22,275	22,667	22,275	(392)
	Utilities	263,930	247,518	263,930	16,412
	Ord. Maint. & Operation	1,622,543	1,640,034	1,648,965	8,931
	Protective Services	8,375	3,000	8,375	5,375
	General Expense	355,856	150,164	182,281	32,117
	Operating Expense	3,649,197	3,496,314	3,870,022	373,708
	Nonroutine Expenditures	20,000	20,000	38,652	18,652
	Non Operating Items				
	<b>Total Expenses</b>	<b>3,669,197</b>	<b>3,516,314</b>	<b>3,908,674</b>	<b>392,360</b>
	<b>Residual Receipts, (Deficit) Pre-Reserves</b>	<b>1,946,899</b>	<b>2,437,914</b>	<b>2,247,069</b>	<b>(190,845)</b>
	<b>Reserves</b>				
	<b>Res. Rec. (Deficit) Adjusted</b>	<b>1,946,899</b>	<b>2,437,914</b>	<b>2,247,069</b>	<b>(190,845)</b>

### Budget notes:

- 1) Increased rents budgeted for 2026 fiscal year
- 2) Changes in Employee Expense due to alignment of salary allocations
- 3) General Expenses was decreased due to paying off the Truist loan for Walnut Terrace early



## NEW BUSINESS

Jennifer Morgan said the following three resolutions are bond inducement resolutions for properties located at 3900 Sumner Boulevard near Triangle Town Center in Raleigh. The developer for these properties is Carolina project equities. Two of the properties, Sumner Pointe and Sumner Pointe II are 90-unit senior buildings adjacent to each other. The developers are handling these properties separately to allow flexibility to phase and time the construction process, along with the absorption of the senior units into the market, if needed.

I will present each resolution separately for approval, but they are all by the same developer and in the same location.

Resolution No. 11 (2025) is the inducement resolution for up to \$17 million in multifamily housing revenue bonds for Sumner Pointe. 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.

Summer Pointe is a 90-unit senior property with one 4-story elevator building, which includes 32 one bedroom units and 78 two bedroom units. The amenities at the property include:

- community room,
- computer center,
- exercise room
- several outdoor areas.

All of the units within the property will serve residents at 60% AMI or below, with the contract rents ranging from \$1,291 to \$1,537. The property is also required to accept Housing Choice Vouchers, due to the requirement of the 4% tax credits.

The total project is approximately \$24 million, including funding from bonds, tax credits and deferred developer fee. The developer is willing to include a preference in their tenant selection plan for RHA residents displaced due to redevelopment.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 11 (2025)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE BONDS (SUMNER POINTE)

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 March, 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 evidences of indebtedness and to secure the same by pledges of its revenues"; and

WHEREAS, Sumner Pointe LP, a North Carolina limited partnership, 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, construction and equipping of a 90-unit affordable housing development for seniors to be known as Sumner Pointe and located at approximately 3900 Sumner Boulevard 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, construction 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 Seventeen Million Dollars (\$17,000,000) 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.

(Susan Ellinger recused herself from voting.)

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

Aye: Eric Braun, Valerie Crutchfield, Arne Morris, Gregg Warren, Joe Whitehouse.

Resolution No. 11 (2025) has been adopted.

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Jennifer Morgan said this resolution is the inducement resolution for up to \$17 million in multifamily housing revenue bonds for Sumner Pointe II. RHA is the issuer for these bonds, and since they are non-recourse, RHA is not financially responsible.

Sumner Pointe II is similar to Sumner Pointe. It is a 90-unit senior property with one four story elevator building, which includes 32 one bedroom units and 78 two bedroom units. All the units within the property will also serve residents at 60% AMI or below, with contract rents ranging from \$1,291 to \$1,537. The property is also required to accept housing choice vouchers due to the requirement of the 4% tax credits.

The total project is approximately \$24 million, including funding from bonds, 4% tax credits and deferred developer fee. The developer is willing to include a preference in their tenant selection plan for RHA residents displaced due to redevelopment.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 12 (2025)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE BONDS (SUMNER POINTE II)

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 March, 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 evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, Sumner Pointe II LP, a North Carolina limited partnership, 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, construction and equipping of a 90-unit affordable housing development for seniors to be known as Sumner Pointe II and located at approximately 3900 Sumner Boulevard 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, construction 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:

11. 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 Seventeen Million Dollars (\$17,000,000) to provide all or part of the cost of the Development.

12. 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”).

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

19. The Authority hereby approves The Francis Law Firm, PLLC, Raleigh, North Carolina to act as issuer's counsel for the Bonds.

20. This resolution shall take effect immediately.

(Susan Ellinger recused herself from voting.)

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

Aye: Eric Braun, Valerie Crutchfield, Arne Morris, Gregg Warren, Joe Whitehouse.

Resolution No. 12 (2025) has been adopted.

Jennifer Morgan said this resolution is the inducement resolution for up to \$21 million in multifamily housing revenue bonds for The Pointe at Town Center II. RHA is the issuer for these bonds. They are non-recourse bonds, so RHA is not financially responsible.

The Pointe at Town Center II is a 96-unit family property with 2 four story elevator buildings, which includes one, two and three bedroom units. All of the units within the property will serve residents at 60% AMI or below, with contract rents ranging from \$1,291 to \$1,768. The property is also required to accept Housing Choice Vouchers due to a requirement of 4% tax credits.

The total project is approximately \$32 million including funding from bonds, 4% tax credits and deferred developer fee. The developer is willing to include a preference in their tenant selection plan for RHA residents displaced due to redevelopment.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 13 (2025)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE BONDS (THE POINTE AT TOWN CENTER II)

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 March, 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 evidences of indebtedness and to secure the same by pledges of its revenues"; and

WHEREAS, The Pointe at Town Center II LP, a North Carolina limited partnership, 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, construction and equipping of a 96-unit multifamily housing development to be known as The Pointe at Town Center II and located at approximately 3900 Sumner Boulevard 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, construction 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:

21. 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-One Million Dollars (\$21,000,000) to provide all or part of the cost of the Development.

22. 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").

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

29. The Authority hereby approves The Francis Law Firm, PLLC, Raleigh, North Carolina to act as issuer's counsel for the Bonds.

30. This resolution shall take effect immediately.

(Susan Ellinger recused herself from voting.)

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

Aye: Eric Braun, Valerie Crutchfield, Arne Morris, Gregg Warren, Joe Whitehouse.

Resolution No. 13 (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 6:10 pm.

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Eric Braun  
Board Chair

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Ashley Lommers-Johnson  
Secretary