

MINUTES OF A SPECIAL MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
SEPTEMBER 25, 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, September 25, 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, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Absent: None.

Visitors: Charles Francis, Francis Law Firm; Kristen Kirby, McGuireWoods LLP; Anthony Ellis Au, NC Green; Noah Wagner, Oppidan Investment Company; Zakiya Stewart, public; Paula Coppola, Walnut Terrace resident.

RHA Staff: Rachel Agunbiade, Sonia Anderson, Priscilla Batts, Will Biggs, Wendy Blain, Shannon Bowen, Liz Edgerton, Michael Eliahu, Jim Farrell, Regina Hardaway, YouAndi Jackman-Brown, Katie Lebrato, Ashley Lommers-Johnson, Laura McCann, Jennifer Morgan, Kenya Pleasant, Gwen Wall, Chris Whitenhill, .

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

RECOGNITION OF VISITORS

The Board Chair welcomed the visitors to the meeting.

ANNUAL MEETING FOR RHA BOARD CHAIR AND VICE CHAIR

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

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

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

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

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

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

PUBLIC COMMENTS

Paula Coppola

The staff is doing a fabulous job with the residents and I hope they continue doing a fabulous job for.

CONSENT AGENDA

Consent Agenda

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

Item 1

Charge-off of delinquent resident accounts for August 2025

Item 2

Occupancy Report as of August 19, 2025

Item 3

Minutes from August 28, 2025 regular meeting

Commissioner Covington Chavez moved and Commissioner Goodwin seconded approval of the Consent Agenda.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None

The Consent Agenda has been adopted.

REPORT OF THE BOARD CHAIR

Commissioner Braun

I want to thank everyone for the opportunity to lead for another year. One thing I haven't done very effectively is communicate with the individual Board Members, so be on the lookout in the coming weeks. I'd like to sit down with each Board Member and talk about items you may want to have us address as we move forward this year, or any concerns you have.

I have been informed that we have everyone officially set up with their .gov email accounts now, so going forward we're only going to communicate through those accounts. Please make sure you are checking those regularly for communications. If you run into any issues or concerns with that, reach out to Gwen Wall or Ashley Lommers-Johnson and they will connect you with IT. For cybersecurity reasons, we want to make sure we're all using the .gov account.

If there are any matters you would like to discuss with me, or you would like to see addressed in the future, feel free to reach out to me so we can talk about that and make it happen, if needed.

REPORT OF THE BOARD SECRETARY

Topics covered

- Possible Government Shutdown.
- New Cash Management Requirements.
- Housing Choice Voucher Program Updates.
- RHA Property Operations Update (PH&RAD).

Government Shutdown?

- Congress to miss deadline for passing appropriations bill.
- No agreement on a short-term continuing resolution.
- Government shutdown likelihood higher than previous years.
- No direction from HUD about actions to take.
- HUD removed 2023 strategy from its website.
- Received public housing funding for October & November.
- Received HAP subsidy for October (=/- \$4 Million).

Commissioner Braun

Does RHA have a contingency plan if the shutdown lasts longer than October?

Ashley Lommers-Johnson

Typically, in the past, HUD has made available two months' worth of subsidy on the public housing side and Section 8 side. RHA has reserves that it can use if that were to happen. Staff will brief the Board on any new information as it develops.

At the federal government level, OMB has directed mass firings of staff. In the past, they've been furloughed, but this time, the directive is to fire if the government shuts down on October 1st.

The deadline is September 30th for a new appropriations bill, or for a continuing resolution is October 1st.

New Public Housing Cash management rule

- Rental income and other revenue must now be expended first, before PHAs can expend any operating subsidy.
- HUD will recapture any unspent operating subsidy seven years after its appropriation, even if it has been earmarked for permitted uses.
- Creates complex and expensive accounting requirements for PHAs to track.
- Tracking required on ongoing basis for each property individually.
- PHAs unlikely to be ready to comply by January 2026 deadline.
- Requires complex new internal policies and procedures.
- Requires changes to software systems to accommodate tracking requirements.
- HUD's aging systems unlikely to handle new procedures.
- Most PHAs will need additional accounting staff.
- Industry groups asking for delay, clarification and technical assistance.

Commissioner Warren

Did we have any unspent operating subsidy dollars earmarked for permitted uses outside of subsidizing particular developments? Are we going to lose any money through a HUD recapture?

Liz Edgerton

We don't have enough detail yet. In the past, if they have not approved certain funding for redevelopments, until HUD approves that plan it is not in a restricted bucket. Unless we have presented something to them regarding the redevelopments or the plans for that, and they've approved it, then yes, it could be up for recapture.

Commissioner Warren

We've always been fearful of clawback of other funds that RHA has that is outside of what I'd understood to be HUD control. Those reserve that we have are not necessarily threatened by this rule – is that correct? This is still within the public housing world – not reaching into any other pots of money that we may have saved over the years. Is that correct?

Liz Edgerton

That's correct – and typically they don't let us use operating subsidy for development activities anyway.

Commissioner Whitehouse

I take it this is going forward and not backwards – the potential clawback? They're not asking us to go back 7 years and recant how the money has been spent?

Ashley Lommers-Johnson

I don't think they're asking us to go back, because the accounting for this new rule will only start taking effect on January 1st.

Voucher Program Update

- HCV Program emerging from shortfall (RHA analysis).
- RHA has not issued any “regular” vouchers in 2025.
- RHA leased up most of 30 PBVs committed to CASA.
- Only vouchers currently being issued are Heritage Park tenant protection vouchers (TPBs)
- Board-approved Glenview emergency and “displacement” preference allowed 13 residents to relocate with HP TPVs.
- 27 HP TPVs remain.

REPORT OF THE REIC CHAIR

Gregg Warren

I was unable to attend the last REIC meeting so I do not have anything to report.

Kenya Pleasant

We reviewed the 4% bond application that we’re planning to submit for the balance of Block 1 for Heritage Park. That is going to be 112 units, and will be going on Tuesday. Commissioner Morris and Commissioner Whitehouse attended the meeting.

COMMISSIONERS COMMENTS

Arne Morris

I would just say, coming out of that last REIC meeting, I think Kenya Pleasant and her team and the architects did a great job of presenting. They were very thorough, and it looks like it's going to be a great project. I think we're off to a good start.

NEW BUSINESS

Liz Edgerton said this resolution authorizes the issuance of a \$23 million Multifamily Housing Revenue Note for Barton Oaks; a 152-unit multifamily residential development located on Strickland Road in Raleigh. The note is expected to be privately placed with Citibank.

The development will include 38 one-bedroom units, 76 two-bedroom units, and 38 three-bedroom units. These units are designated to serve residents earning between 20% and 70% of the Area Median Income, with 16 units specifically reserved for households earning 30% AMI or below. In accordance with the requirements of the Low-Income Housing Tax Credit program, the property will also accept Housing Choice Vouchers.

Oppidan is the developer for Barton Oaks. The Tenant Selection Plan will include a preference for RHA residents who have been displaced due to redevelopment.

With this resolution, the CEO, Chair, and/or Vice Chair are authorized to execute all documents related to the issuance of the Note.

All materials have been reviewed by RHA’s legal counsel with no exceptions.

Commissioner Warren

I'd like to note that this is a great location. Northwest Raleigh needs more affordable housing. I commend the developer for identifying that site. How much of a developer fee are you pro forming in your sources and uses?

Noah Wagner

The approximate developer fee that we are paying, as part of Barton Oaks, is \$3.42 million. That is the underwriting requirement from NCHFA, and, as of current, we are planning to pay 80% of that fee in our initial underwriting here.

Susan Ellinger

Is the city of Raleigh involved in this?

Noah Wagner

Yes, the city is making a gap loan for the project.

Susan Ellinger

Then I'll recuse myself from the vote.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 60 (2025)
RESOLUTION AUTHORIZING ISSUANCE AND SALE OF A
MULTIFAMILY HOUSING REVENUE NOTE FOR BARTON OAKS

WHEREAS, KTJ 427, LP, a Minnesota limited partnership (the "Borrower"), has requested that the Housing Authority of the City of Raleigh, North Carolina (the "Authority") assist it in financing a portion of the cost of the acquisition, construction and equipping of a 152-unit multifamily residential rental facility to be known as Barton Oaks and located in the City of Raleigh, North Carolina (the "Development") and the Authority has agreed to do so; and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Housing Revenue Note (Barton Oaks), Series 2025 (the "Governmental Lender Note") in an aggregate principal amount not to exceed \$23,000,000; and

WHEREAS, it is anticipated that the Governmental Lender Note will be privately placed with Citibank, N.A. (the "Funding Lender") pursuant to a Funding Loan Agreement (the "Funding Loan Agreement"), between the Authority and the Funding Lender; and

WHEREAS, the proceeds of the Governmental Lender Note will be loaned to the Borrower pursuant to a Borrower Loan Agreement (the "Borrower Loan Agreement"), between the Authority and the Borrower, for the purpose of (i) paying a portion of the costs of the acquisition, construction and equipping of the Development and (ii) paying certain expenses in connection with the issuance of the Governmental Lender Note; and

WHEREAS, the Borrower's obligations under the Borrower Loan Agreement will be secured by a deed of trust with respect to the Development, from the Borrower to the deed of trust trustee named therein for the benefit of the Authority (the "Deed of Trust"), and various other security

documents, all of which will be assigned to the Funding Lender; and

WHEREAS, there have been presented to this meeting draft forms of the following instruments (collectively, the "Authority Documents"), which the Authority proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Authority:

- (a) the Funding Loan Agreement, together with the form of the Governmental Lender Note attached thereto;
- (b) the Borrower Loan Agreement;
- (c) the promissory note of the Borrower in favor of the Authority (the "Borrower Note"), which will be assigned by the Authority to the Funding Lender;
- (d) the Deed of Trust; and
- (e) the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), pursuant to which the Borrower will be required to operate the Development in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended;

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

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Development through the issuance of the Governmental Lender Note pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended, the loan of the proceeds thereof and the deposit of such proceeds in accordance with the Funding Loan Agreement and the Borrower Loan Agreement.
2. The Authority hereby authorizes the issuance and sale of the Governmental Lender Note pursuant to and in accordance with the terms set forth in the Funding Loan Agreement. The Governmental Lender Note will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Funding Loan Agreement; provided, however, that the aggregate principal amount of the Governmental Lender Note shall not exceed \$23,000,000.
3. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designee is hereby authorized and directed to execute and deliver the Authority Documents to the other parties thereto. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designee, is authorized and directed to execute and deliver such endorsements, assignments and other instruments as may be necessary to assign the Borrower Note, the Deed of Trust and other security documents to the Funding Lender.
4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Governmental Lender Note in the manner and subject to the conditions provided in the Funding Loan Agreement to cause the Governmental Lender Note to be delivered to or for the account of the Funding Lender, or any affiliate thereof, upon payment of the purchase price therefor.

5. The Authority Documents and the Governmental Lender Note shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary or convenient to reflect the final terms of the Governmental Lender Note, and as otherwise approved by the officers of the Authority executing them after consultation with counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

6. Any authorization made hereby to the officers of the Authority to execute a document shall include authorization to the Chairman, Vice Chairman and Chief Executive Officer of the Authority, or their respective designees, to execute the document, authorization to the Secretary or any Assistant Secretary to affix the seal of the Authority to such document and attest such seal and where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Authority Documents.

7. Such officers are hereby authorized and directed to execute and deliver any and all other documents, agreements, instruments, and certificates in the name and on behalf of the Authority as may be necessary or desirable to the issuance of the Governmental Lender Note. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Development and the issuance and sale of the Governmental Lender Note are hereby ratified, confirmed and approved.

8. This resolution shall take effect immediately.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

Resolution No. 60 (2025) has been adopted.

Liz Edgerton said this resolution is also related to the issuance and sale of the \$23 million Multifamily Housing Revenue Note for Barton Oaks. This resolution is to approve the finance team. This resolution is required by the North Carolina Local Government Commission.

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

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 61 (2025)
RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN
FINDINGS WITH RESPECT TO THE ISSUANCE OF A MULTIFAMILY
HOUSING REVENUE NOTE FOR BARTON OAKS

WHEREAS, KTJ 427, LP, a Minnesota limited partnership (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a 152-unit multifamily residential rental facility to be known as Barton Oaks and located in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority finds that the financing of the Development through a tax-exempt note will fulfill the Authority’s purpose under the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”), to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, which is defined in the statute to include “loans and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income;” and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Housing Revenue Note (Barton Oaks), Series 2025 (the “Governmental Lender Note”) in an aggregate principal amount not to exceed \$23,000,000; and

WHEREAS, the North Carolina Local Government Commission has requested the Authority to make certain findings with respect to the Governmental Lender Note consistent with Section 159-153 of the North Carolina General Statutes; and

WHEREAS, it is anticipated that the Governmental Lender Note will be privately placed with Citibank, N.A. (the “Funding Lender”) pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”), between the Authority and the Funding Lender; and

WHEREAS, the Borrower has requested that the Authority approve its selection of the following financing team members for the issuance and sale of the Governmental Lender Note, on the terms and at the fees set forth in the documents and financial information relating to the financing, providing for the issuance and sale by the Authority and the purchase by the Funding Lender of the Governmental Lender Note and in the financial information provided to the Authority with respect to the Governmental Lender Note:

| | |
|--------------------------------|----------------------------|
| Bond Counsel: | McGuireWoods LLP |
| Authority’s Counsel: | The Francis Law Firm, PLLC |
| Borrower: | KTJ 427, LP |
| Borrower’s Counsel: | Winthrop & Weinstine, P.A. |
| Funding Lender: | Citibank, N.A. |
| Funding Lender’s Counsel: | Holland & Knight LLP |
| Tax Credit Investor: | CAHEC |
| Tax Credit Investor’s Counsel: | Kutak Rock LLP |

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

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

1. The above financing team for the issuance and sale of the Governmental Lender Note by the Authority is hereby authorized and approved.
2. The Authority hereby finds that the financing is necessary or expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Raleigh, North Carolina, and that the acquisition, construction and equipping of the Development proposed by the Borrower are necessary and sufficient to accomplish the Authority's purposes with respect to the properties involved.
3. The Authority hereby finds that the Borrower has demonstrated that the amount of debt to be incurred in connection with the Development and the fees to be paid in connection therewith are sufficient but not excessive for the purpose of acquiring, constructing and equipping the Development.
4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitment of the Funding Lender to purchase and hold the Governmental Lender Note, and (iii) the award of bond volume cap allocation by the North Carolina Federal Tax Reform Allocation Committee at the recommendation of the North Carolina Housing Finance Agency, that the Borrower has demonstrated that (a) it is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Borrower Loan Agreement between the Authority and the Borrower (the "Borrower Loan Agreement"), which will provide the funds to pay principal and interest on the Governmental Lender Note, and (b) the Development will generate sufficient revenues to make loan repayments and other payments under the Borrower Loan Agreement, to operate, repair and maintain the Development at its own expense and to discharge such other responsibilities as may be imposed under the Borrower Loan Agreement or applicable law. The Authority further finds that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Governmental Lender Note, and the operation, repair and maintenance of the Development at the expense of the Borrower.
5. The Authority hereby finds that the use of the proceeds of the Governmental Lender Note for a loan to finance the costs of the Development and for the other purposes stated above will accomplish the public purposes set forth in the Act and hereby approves such use of proceeds.
6. This Resolution shall take effect immediately upon its passage.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

Resolution No. 61 (2025) has been adopted.

Priscilla Batts said annually the U.S. Department of Housing and Urban Development (HUD) requires Public Housing Agencies (PHA) administrating the Housing Choice Voucher Program to establish and maintain a Utility Allowance Schedule that reflects reasonable Utility consumptions and costs for tenant-paid utilities.

HUD regulations 24 CFR 982.517 further requires PHA's to review utility rate data annually and revise the Utility Allowance Schedule if there has been a change of ten percent (10%) or more in the utility rate since the last revision.

The Raleigh Housing Authority contracts with the Nelrod Company who conducted the required review of current utility consumptions rates for electric, natural gas, water/sewer, trash collection, and other applicable utilities in the Raleigh Housing Authority jurisdiction. Based on this review, staff has determined that utility rates have increased by more than 10% for natural gas services and the schedule has been updated accordingly.

The proposed Utility Allowance Schedules for multifamily units and Single-Family Homes have been prepared in compliance with HUD regulations and are attached for your review. The effective date of the change will be January 1, 2026, and I recommend approval.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 62 (2026)**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires Public Housing Agencies (PHAs) administering the Housing Choice Voucher Program to establish and maintain a Utility Allowance Schedule that reflects reasonable utility consumption and costs for tenant-paid utilities; and

WHEREAS, HUD regulations at 24 CFR §982.517 require PHAs to review utility rate data annually and revise the Utility Allowance Schedule if there has been a change of ten percent (10%) or more in the utility rates since the last revision; and

WHEREAS, the Raleigh Housing Authority (RHA) contracts with the Nelrod Company to conduct the required review of current utility consumption rates for [electric, natural gas, water/sewer, trash collection, and other applicable utilities] in RHA's jurisdiction; and

WHEREAS, based on this review, staff has determined that utility rates have increased by more than 10% for natural gas services and the schedule has been updated accordingly; and

WHEREAS, the proposed Utility Allowance Schedules for multifamily units (attached hereto as Exhibit A) and Single-Family Homes (attached hereto as Exhibit B) have been prepared in compliance with HUD regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the Board hereby acknowledges and

affirms that the required annual review of utility consumption rates has been completed in accordance with HUD regulations at 24 CFR §982.517.

BE IT FURTHER RESOLVED that the revised Utility Allowance Schedules, as presented in Exhibits A and B, are hereby approved and adopted effective January 1, 2026.

BE IT FURTHER RESOLVED that staff is directed to implement the approved schedule in the administration of the Housing Choice Voucher Program, and to notify program participants of any resulting changes to tenant rent portions.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

Resolution No. 62 (2025) has been adopted.

Sonia Anderson said RHA engaged *The Nelrod Co*, an affordable housing and energy efficiency consulting firm, to conduct a utility rate comparison based upon the average cost of utilities. The objective of this survey and study is to update PH utility allowances with current utility providers rates and charges for electric, natural gas, water, sewer and trash collection. The last adjustment to *consumptions* was in 2021 therefore RHA will have a new study conducted in 2026.

All of our developments have one or more of the following energy efficient equipment: windows, water heaters, insulation, and/or water saving appliances. These allowances are based upon a reasonable consumption, from a previous engineering method study of an energy conservative family of modest circumstances and to provide the basic essentials needed for a living environment that is safe and healthy.

This rate comparison indicated:

- Duke Energy Progress summer and winter rates decreased.
- PSNC natural gas summer rates increased 13%, winter rates increased 12%.
- City of Raleigh Water sewer trash remained the same.

HUD regulations require a greater than 10% change in utility rates and charges, therefore RHA is updating utility allowance in developments where residents pay some or all of these utilities.

The PHA will give notice to all residents of the allowances and notice of the availability of relief from surcharge or payment of utility billings in excess of the allowance for resident purchased utilities. Adjustments of a corrective nature may be to ensure our records and reports remain accurate and compliant.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 63 (2026)

WHEREAS, The Department of Housing and Urban Development Regulations (24 CFR, Part 965) require public housing authorities establish utility allowances that “approximate a reasonable consumption of utilities by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment;” and

WHEREAS, Raleigh Housing Authority engaged The Nelrod Company, an affordable housing and energy efficiency consulting firm (“The Consultant), to conduct a utility rate comparison based on the average cost of utilities and found an average increase of 10.49% from the current allowances; and

WHEREAS, The Department of Housing and Urban Development’s threshold requirement for rate changes is 10% or greater; however, RHA will implement changes based on changes in the rates as determined by the Consultant in order to ensure that residents’ housing costs do not exceed 30% of their adjusted income;

WHEREAS, a public notice will be sent to each resident household to encourage public review and comments; and

WHEREAS, the draft of the proposed utility allowance will be available for review and comment on RHA’s web page; and

WHEREAS, the public comment period will be held for thirty days and the deadline for providing written comments will be October 27, 2026; and

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

WHEREAS, the analysis of the utility allowance is attached to the resolution and by reference incorporated herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the present Utility Allowances adopted in 2024 be revised effective January 1, 2026, to reflect the changes in the cost of utilities for new admissions and at the residents’ next annual recertification.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

Resolution No. 63 (2025) has been adopted.

Sonia Anderson said the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”) established flat rents for public housing units for the first time. Flat rents act as a ceiling rent for public housing residents and each family is provided with the option to choose to be on flat rent at least annually.

Flat rents are based upon 80% of the most current Fair Market Rent (“FMR”) minus the appropriate utility allowance for each unit size. Public Housing rents are based upon household income. However, families are given a choice at move-in and at least once annually during their recertification to choose between the Flat or the Income Based rent amounts.

Currently there are 49 public housing families paying flat rent. The Walnut Terrace community has the most with 16 paying flat rent and Glenwood and Mayview have the least number of families on flat rent with only one resident at each community.

HUD published the most recent FMRs on August 29, 2025, with an effective date of October 1, 2025. Some of the FMR (rents) went down this year.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 64 (2026)

WHEREAS, the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”) established flat rents for public housing units; and

WHEREAS, flat rents act as a ceiling rent for public housing residents and each family is provided the option to choose to be on flat rent at least annually; and

WHEREAS, the purpose of flat rents is consistent with QHWRA’s intent to encourage work and create mixed-income communities by not prompting residents to leave public housing due to big increases in income-based rent, which in some cases exceed the market value of their dwellings; and

WHEREAS, public housing flat rents are based on the bedroom size, location, and the market rent for non-subsidized units in the vicinity of the public housing unit; and

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) Notice PIH 2014-12 required that all flat rents be at least 80% of the most current Fair Market Rent (“FMR”) minus the appropriate utility allowance for each unit size; and

WHEREAS, Notice PIH 2022-33 published by HUD on November 22, 2022, maintains the calculation methodology using a value of no less than 80% of the posted FMR rates, or a more localized small area FMR if necessary to reflect local market conditions, while also deducting utility allowances paid for by the residents; and

WHEREAS, HUD requires agencies analyze flat rents annually and make necessary revisions required within 90 days of the new FMR effective date; and

WHEREAS, HUD published the most recent FMRs on August 29, 2025, with an effective date of October 1, 2025; and

WHEREAS, RHA staff has completed its annual review and adjustments are attached to this resolution and by reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to apply the attached flat rent schedules for new move-ins and at annual re-certifications effective January 1, 2026.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

Resolution No. 64 (2025) has been adopted.

Liz Edgerton said RHA's IT policy was established in 2006, and was last revised in 2021. Staff will periodically conduct a comprehensive review of policies and identify areas that need updates. Due to significant changes in technology and business operations since our last update, I am presenting a revised IT policy for the Board's review and approval.

Some highlights of the revision include:

- A more streamlined and simplified policy. It's been reduced from 8 pages to a more focused and readable document, down to 2 pages.
- A new section has been added on cybersecurity and training. This includes clear training requirements using our new cyber awareness platform.
- We've added clarity to the hardware section, particularly regarding the use of personal hardware connected to the RHA's internal network.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 65 (2025)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh (“RHA”) adopted Resolution No. 18 on February 23, 2006, establishing an Information Technology (“IT”) Policy; and

WHEREAS, the IT Policy was subsequently updated through Resolution No. 32 on May 30, 2013, to reflect changes in technology; and

WHEREAS, in response to operational changes necessitated by the COVID-19 pandemic, including the need for remote work access, the IT Policy was again updated through Resolution No. 23 on March 25, 2021; and

WHEREAS, RHA’s IT department endeavors to maintain a high standard network security; and

WHEREAS, the IT Department has recently implemented additional security measures to strengthen the agency’s computer network environment; and

WHEREAS, staff has prepared a revised IT Policy to incorporate these security enhancements, which are attached hereto and incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached revised Information Technology Policy is hereby adopted and shall take effect immediately upon passage of this resolution.

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

Aye: Eric Braun, Evan Covington Chavez, Valerie Crutchfield, Susan Ellinger, Jeronica Goodwin, Arne Morris, Bahati Mutisya, Gregg Warren, Joe Whitehouse.

Nay: None.

Resolution No. 65 (2025) has been adopted.

POLICY AND PROGRAM DISCUSSION:
RAD Public Housing Repositioning—Replacement Housing

Ashley Lommers-Johnson

Topics covered

- Repositioning Environment
- Main Challenges

- Emerging Replacement Housing Strategy
- Imminent Opportunity—Executive Session

Repositioning environment

- Federal Funding and Regulatory Environment
 - Two Primary HUD Tools: Section 18 & RAD
- Local Support Environment
- Tools and Strengths Internal to RHA

Federal support environment

- **Challenges**
 - Continued underinvestment in PH: capital and operating funds
 - Almost non-existent financial support for development
 - No regulatory relief—in fact, growing administrative costs and complexity
- **Opportunities**
 - Increased support for LIHTC
 - Strong Administration support for RAD repositioning
 - Section 18 Demo/Dispo
 - New RAD Section 18 90/10 Blend

SECTION 18 VS RAD BLEND



Section 18

- SAC Office
- High Hurdle: Physical Obsolescence Test
- Commensurate Public Benefit (<FMV)
- 1 for 1 “Not Enough”
- Max TPVs: 100%

RAD 90/10 Blend

- Recapitalization Office
- No Physical Obsolescence Test
- No Commensurate Public Benefit Requirement
- 1 for 1 Required
- Max TPVs 90%

Local support environment

- Highest stated priority for Raleigh elected officials.
- City and County funding support (gap and other financing).
- COR acquisition of parcels for affordable housing.
- Strong LIHTC pipeline.
- Partnership opportunities with strong developers.
- High demand for affordable housing.
- Growing appreciation for RHA’s potential as a vital partner.

RHA environment & Tools

- Board and Strategic Plan commitment to repositioning.
- Strong internal capacity to execute strategies.
- Project-based vouchers—availability and demand.

- Investment grade credit rating—access to low-cost capital.
- Property tax exemption—regardless of use.
- 50+ acres of low-density public housing sites.

→ **Attractive Affordable Housing Partner**

90/10 Blend Challenges

- Permanent Replacement Housing
 - Approximately 1,100 units.
 - Can't develop our way out of this challenge.
 - Acquisition and strong partnerships necessary.
- Relocation
 - Approximately 1,000 households.
- Preserving Tenant Protection Voucher Eligibility (Timing)
 - 24-month “Look-Back Period”.
 - Glenwood and Kentwood.

Commissioner Braun

What is the trigger point for the look-back period?

Ashley Lommers-Johnson

The trigger point is the issuance and approval of the RAD Conversion Commitment (RCC).

Emerging Replacement Strategy

- Strategic Partnerships/Acquisitions
 - Developing occupied RHA sites will take decades to achieve.
 - Target shovel-ready and/or stalled LIHTC projects for early delivery.
 - Pursue partnerships/acquisitions aligned with Strategic Objectives.
 - Under RAD, Replacement housing requires RHA control .
 - Potential to create vast majority of replacement housing off-site.
 - Leverage RHA tools—low-cost capital, tax exemption, TPVs.
- Acquisitions: Use of General Revenue Bonds (to come)

KEY BUSINESS TERMS



- **RHA Long-Term Ownership**—Preferred role: RHA holds 100% ownership. Or other means of “control”
- **Option of Partner as Turnkey Developer**
- **Noncompetitive PBV Allocation:** Implicit feature of RAD
- **Cash Flow and Developer Fee Share**
- **Right of First Refusal or Purchase**
- **Guarantees:** Partner provides construction-period guarantees on overall condition, schedule, budget and quality; shared if partner holds long-term co-ownership.

Immediate Opportunity

- City RFP for Duplex Village Developer.
- Likely 100 to 120 units.
- Three developer requests to partner with RHA.
- RHA primary goal is permanent replacement housing.
- RHA has discussed range of partnership options.
- Exploring both LIHTC and non-LIHTC financing options.
- RHA to select partner by Friday, September 26, 2025.

Executive Session Discussion

- Staff wishes to discuss with the Board potential terms with the three developers.
- Discussion of specific terms in public could materially affect the process, potential terms and outcome.
- After executive session, Board may want to take action by approving staff's general direction in pursuing this and similar partnership opportunities.
- Any use of RHA funds will follow procurement policy.

EXECUTIVE SESSION

There being no further business to come before the Board, the RHA Board Meeting adjourned at 6:30pm to go into executive session to discuss a real estate matter.