

Asheville Housing Authority Commission Meeting Minutes August 23, 2017

I. Work Session

The work session was held at the Central Office starting at 4:07 pm. The following Commissioners were present: Chair Lewis Isaac, Member Jennifer Pickering, Member James Canavan and Member Raynetta Waters. The following Commissioners were absent: Vice Chair Cassandra Wells

Lewis Isaac opened the work session with an overview of the agenda items. David Nash introduced the initial agenda item to be discussed during the board meeting. He explained that the Housing Authority is seeking approval of Resolution No. 2017-3, which would provide preliminary approval to issue multifamily housing revenue bonds to finance the acquisition and rehabilitation of Ledgewood Village. David explained that this project was consistent with the Mission of the Housing Authority, would improve the apartments of resident living in the development, and could provide a few units for VASH vouchers for placement of veterans experiencing homelessness.

David also explained the second agenda item, which is similar to the first. He explained that with Resolution No. 2017-4, we are seeking preliminary approval to issue multifamily housing revenue bonds for the acquisition and construction of Lee Walker Heights. As with the Ledgewood Village resolution, this is a prerequisite for a final application to the NC Housing Finance Agency for a tax exempt bond allocation and related 4% Low Income Housing Tax Credits.

The final agenda item is Resolution 2017-5. David explained that the approval of this resolution would allow the future deferral of the developer fee for the Lee Walker Project by 50%, if needed to cover up-front costs of the project. The developer fee is \$1.9 million and \$950,000 could potentially be deferred. The current budget assumes it will not be deferred, so this is essentially a contingency.

2016 Independent Audit Report

During the work session, Mike Stevens, our new auditor this year, reviewed the results of the Independent Audit Report from the December 31, 2016 audit. Mike explained that the overall the audit went well, and there were no major concerns resulting from the audit. He made a couple of suggestions of areas that might be improved, and he and CFO Shaomin Li indicated that that these were already being addressed and updated.

The work session ended at 4:56 pm.

II. Regular Meeting - Call to order

Chair Isaac called to order the regular meeting of the Board of Commissioners at **5:02 pm on August 23, 2017** at the **Asheville Housing Authority Central Office, 165 S. French Broad Avenue, Asheville, NC 28801**. Teresa Jenkins conducted the roll call. The following Commissioners were present: Chair Lewis Isaac, Member Jennifer Pickering, Member James Canavan and Member Raynetta Waters. The following Commissioners were absent: Vice Chair Cassandra Wells.

III. Approval of minutes from last meeting

James Canavan made a motion, seconded by **Raynetta Waters**, to approve the minutes. The Commissioners unanimously approved the minutes of **July 26, 2017**.

IV. Bills and Communications

Gene Bell announced that the Housing Authority is in the process of installing and/or upgrading security cameras in the developments. Cameras were recently installed in the Livingston Heights area and along John Street. The cameras installed in Deaverview last winter have had a significant impact on health and safety in that development. Cameras in Pisgah View were recently upgraded, and we are looking at other high priority areas.

Gene announced that the Housing Authority recently completed its audit for 2016. The audit was successful, and there were no findings.

Finally, Gene announced that the crosswalk from Livingston Heights to Green's Market that we requested last year has been completed, with flashing lights to alert drivers about that formerly dangerous crossing area.

V. Report of the Secretary

a) Asheville Housing Properties

Noele Tackett reported the monthly Asheville Housing Properties occupancy report submitted with the board package.

b) Asheville Housing Vouchers

Brandy Woodard reported monthly Asheville Housing Voucher report submitted with the board package. She announced that they were currently pulling 50 names a month from the waiting list for placement.

c) Family Self-Sufficiency

Shaunda Sandford reported the monthly Family Self-Sufficiency participation submitted with the board package.

Lindsey Creasman provided an overview of the highlights for the Family Self-Sufficiency Program, as well as an update from the Community Engagement Socials hosted by the FSS Program in collaboration with various community partners. He

announced that the event scheduled to be held at the Wesley Grant Center was postponed, but will be rescheduled for late fall. Lindsey announced that FSS staff will participate in a “Back to School” event at Asheville High School on Sunday, August 27, 2017 from 1:00 pm to 7:00 pm.

d) **Financial Report**

Shaomin Li presented the monthly financial report as submitted with the board packet. She explained that there were some corrections made to the budget for Lee Walker Heights due to maintenances expenses for unit turnover being charged incorrectly, but the bottom line for the development is expected to improve as additional revenue comes in and those unit turnarounds near completion in September. The Authority’s finances are healthy overall.

e) **Edington Center**

No Report.

f) **Residents Council Report**

No Report.

g) **Property Management Report**

Tanya Williams introduced her staff members, and provided highlights on the 2017 successes and management goals for Hillcrest Apartments.

VI. New Business

1. Approval of Resolution 2017-3, giving preliminary approval to issuance of multifamily housing revenue bonds to finance the acquisition, rehabilitation and equipping of an affordable housing development, at Ledgewood Village.

David Nash explained that the developer and owner of Ledgewood Village, which used to be called Oak Knoll Apartments, is planning to upgrade the property, and has requested that the Housing Authority issue tax exempt bonds to upgrade the units, resulting in more energy-efficient units. This will help preserve important affordable housing units and is consistent with Authority’s mission.

Jennifer Pickering made a motion, seconded by **Raynetta Waters** to approve Resolution 2017-3, giving preliminary approval to issuance of multifamily housing revenue bonds.

The Board voted as follows:

AYE

Mr. Lewis Isaac
Ms. Raynetta Waters
Ms. Jennifer Pickering
Mr. James Canavan

NAY

2. Approval of Resolution 2017-4, giving preliminary approval to issuance of multifamily housing revenue bonds to finance the acquisition, construction and equipping of an affordable housing development, at Lee Walker Heights.

David Nash explained that over the past three years, Asheville Housing has worked with residents and the MHO development team to plan for the redevelopment of for Lee Walker Heights, and to raise local funding commitments for the project. The tax exempt bonds preliminarily authorized with this resolution, along with 4% tax credits that automatically come with those bonds, will be a critical part of the funding for this project, along with the local commitments and a first mortgage on the property.

Jim Canavan made a motion, seconded by **Raynetta Waters** to approve Resolution 2017-4, giving preliminary approval to issuance of multifamily housing revenue bonds.

The Board voted as follows:

AYE

Mr. Lewis Isaac
Ms. Raynetta Waters
Ms. Jennifer Pickering
Mr. James Canavan

NAY

3. Approval of Resolution 2017-5, authorizing potential future deferral of Lee Walker Heights development fee.

David Nash explained that this resolution is related to the previous project resolution. Deferring the development fee could provide an important contingency for the project and allows the fees to be paid out over time. Housing Authority can defer up to half of the total fee.

Jennifer Pickering made a motion, seconded by **Jim Canavan** to approve Resolution 2017-5, authorizing potential future deferral of Lee Walker Heights development fee.

The Board voted as follows:

AYE

Mr. Lewis Isaac
Ms. Raynetta Waters
Ms. Jennifer Pickering
Mr. James Canavan

NAY

VII. Unfinished Business

None.

VIII. Public Comment

Lewis Isaac welcomed the South French Broad Neighborhood Association to the meeting. The South French Broad Neighborhood Association attended the meeting to express concerns and feedback regarding Aston Park Tower and Garden Apartments, and the surrounding neighborhood.

Hannah Hunt read a statement to the board addressing her concerns regarding the increase of illegal activities within the neighborhood, and requested corrective action be taken.

Laura Bryant explained that she has been a resident in the South French Broad neighborhood for the past 10 years. She expressed concerns with noise level, illegal activity, and bullying. She would like to see more of a community effort to address the issues, in an effort to create a safe place for South French Broad residents, including the residents of Asheville Housing.

Nancy Esterbrooks lives across the street, and has been a resident for 9 years. She requested that the Housing Authority address issues with wrought iron fence in front of the Garden Apartments. She requested that the fence be extended all the way down to discourage accessibility for non-residents looking to drugs, and other illegal activities. She also expressed concerns about the amount of trash on the street around Aston Towers and Housing Authority, especially at the bus stop, and requested that trash bins be provided and maintained. Gene Bell explained that the Housing Authority has a grounds crew that is regularly picking up trash, but will redouble those efforts particularly along the street and sidewalk. Nancy's final concern was about the noise level coming from Aston Towers late at night. Gene Bell encouraged her to contact the Asheville Police Department to report it, and the police officers present agreed with that recommendation.


Lou Popovitch lives in the neighborhood. He shared that he sees illegal activities occurring in the area, and has heard complaints from housing residents. He suggested an increase in the maintenance budget to repair holes cut in the fence and secure the perimeter of the property.

Helen Hyatt is a resident of the neighborhood. She would like to see a stronger fence installed that can't easily be cut to stop the foot traffic near the Garden Apartments. She expressed a desire to have Housing Authority staff and residents work together with the South French Broad Neighborhood Association moving forward to improve the neighborhood.

Gene Bell thanked the group for their feedback and expressing their concerns. He explained that the Housing Authority will take their concerns under advisement, consult with APD on ways to improve the security situation, and that he would attend a future Neighborhood Association meeting to provide them with an update.

IX. Adjournment

There being no further business to come before the Board, the meeting adjourned at 5:53 pm. The next meeting will be held at Altamont Apartments, 72 N. Market Street, Asheville, NC 28801 on September 27, 2017.



Lewis Isaac, Chair

ATTEST:



Gene Bell, Secretary

RESOLUTION NO. 2017-3

RESOLUTION GIVING PRELIMINARY APPROVAL TO
ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS
TO FINANCE THE ACQUISITION, REHABILITATION AND
EQUIPPING OF AN AFFORDABLE HOUSING
DEVELOPMENT

WHEREAS, Silver Street Holdings VII, LLC, a North Carolina limited liability company, or an affiliated or related entity (the "Borrower"), has requested that the Housing Authority of the City of Asheville (the "Authority") assist in financing the acquisition, rehabilitation and equipping of a 180-unit affordable housing complex known as Ledgewood Village Apartments located in the City of Asheville, North Carolina (the "Development"); and

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

WHEREAS, the Authority is of the opinion that the Development is a facility which can be financed under Chapter 157 of the North Carolina General Statutes (the "Act") and that the financing of the same will be in furtherance of the purposes of the Act;

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE:

1. It is hereby found and determined that the Development will involve the acquisition, rehabilitation and equipping of an affordable residential rental facility to serve persons of low and moderate income, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to assist the Borrower by undertaking the issuance of the Authority's multifamily housing revenue bonds (the "Bonds") in one or more series in an aggregate amount now estimated not to exceed Twelve Million Dollars (\$12,000,000) 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 the regulations issued by the Internal Revenue Service pursuant to Section 150 of the Internal Revenue Code of 1986, as amended (the "Code"), which will permit the Borrower to incur costs and to reimburse those costs with the proceeds of the Bonds.

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 Borrower. The Authority and the Borrower shall enter into a "financing agreement" pursuant to the Act for a term and upon 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 other 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. 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 of Asheville, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Borrower. It is understood and agreed by the Authority and the Borrower 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.

4. The Authority and the Borrower will proceed, upon the prior advice, consent and approval of the Borrower, bond counsel and the Authority's counsel, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Asheville.

5. It having been represented to the Authority that it is desirable to proceed with the acquisition, rehabilitation and installation of the Development, the Authority agrees that the Borrower may proceed with plans for such acquisition, rehabilitation and equipping, enter into contracts for the same, obtain interim construction financing therefor, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower 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 Borrower may be reimbursed from the proceeds of the Bonds for all qualifying costs so incurred by it as permitted by Internal Revenue Service Regulations Section 1.150-2.

6. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Borrower, receipt of necessary approvals (including allocation of volume cap), satisfactory underwriting of the Development, and mutual agreement to the terms for the Bonds, including the execution of a financing agreement, indenture, or security agreement and other documents and agreements necessary or desirable for the issuance, sale and delivery of the Bonds.

7. The officers and employees of the Authority are hereby authorized and directed to take all actions in furtherance of the issuance of the Bonds, including calling for a public hearing with respect to the financing of the Development through the issuance of the Bonds.

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

9. This resolution shall take effect immediately upon its passage.

RECORDING OFFICER'S CERTIFICATION

I, Gene Bell, the duly appointed Secretary of the Housing Authority of the City of Asheville, do hereby certify that the foregoing resolution was properly adopted at a regular meeting held August 23, 2017

(SEAL)

By: Gene Bell
Gene Bell, Secretary

RESOLUTION NO. 2017-4

RESOLUTION GIVING PRELIMINARY APPROVAL TO
ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS
TO FINANCE THE ACQUISITION, CONSTRUCTION AND
EQUIPPING OF AN AFFORDABLE HOUSING
DEVELOPMENT

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Asheville (the "Authority") met in Asheville, North Carolina at 5:00 p.m. on the 23rd day of August, 2017; and

WHEREAS, Mountain Housing Opportunities, Inc., a North Carolina nonprofit corporation that is serving as co-developer with the Authority, through an affiliated or related entity to be established by both entities (the "Borrower"), intends to enter into a ground lease for the existing housing development known as Lee Walker Heights (consisting of 96 multi-family units in 18 buildings) located at 17 Wilbar Avenue, Asheville, North Carolina, and to replace the existing units with a new 212-unit affordable housing complex (the "Development"); and

WHEREAS, the Authority currently owns and operates the Development, and has obtained authorization from the United States Department of Housing and Urban Development ("HUD") and completed conversion of the Development from traditional public housing to long-term Section 8 rental assistance contracts for ninety-six of the units under HUD's Rental Assistance Demonstration (RAD) Program, which in turn will enable the Borrower to obtain tax-exempt bond and tax credit financing for the construction of the Development; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority to pursue the issuance of its tax-exempt revenue bonds in such amounts as may be necessary to finance a portion of the costs of acquiring and constructing the Development and to obtain tax credits for the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility which can be financed under Chapter 157 of the North Carolina General Statutes (the "Act") and that the financing of the same will be in furtherance of the purposes of the Act;

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE:

1. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of an affordable residential rental facility to serve persons of low and moderate income, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to assist the Borrower by undertaking the issuance of the Authority's multifamily housing revenue bonds (the "Bonds") in one or more series in an aggregate amount now estimated not to exceed Twenty Million Dollars (\$20,000,000) 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 the regulations issued by the Internal Revenue Service pursuant to Section 150 of the Internal Revenue Code of 1986, as

amended (the "Code"), which will permit the Borrower to incur costs and to reimburse those costs with the proceeds of the Bonds.

3. The Authority and the Borrower may proceed with plans for the leasing and construction of the Development, enter into contracts for the same, and take such other steps as they may deem appropriate in connection therewith. The Authority and the Borrower, as applicable, may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred as permitted by Internal Revenue Service Regulations Section 1.150-2.

4. All obligations of the Authority hereunder are subject to the further agreement of the Authority and the Borrower to terms for the issuance, sale and delivery of the Bonds and the execution of a financing agreement, indenture or other financing and security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. 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 of Asheville, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Borrower. It is understood and agreed by the Authority and the Borrower that nothing contained in this resolution shall be construed or interpreted to create any personal liability for the officers or commissioners from time to time of the Authority.

5. The Authority and the Borrower will proceed, upon the prior advice, consent and approval of bond counsel and the Authority's counsel, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the North Carolina Tax Reform Allocation Committee, the City Council of the City of Asheville and, if required, the North Carolina Local Government Commission.

6. The officers and employees of the Authority are hereby authorized and directed to take all actions as may be required in furtherance of the issuance of the Bonds, including calling for a public hearing with respect to the financing of the Development through the issuance of the Bonds.

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

8. This resolution shall take effect immediately upon its passage.

RECORDING OFFICER'S CERTIFICATION

I, Gene Bell, the duly appointed Secretary of the Housing Authority of the City of Asheville, do hereby certify that the foregoing resolution was properly adopted at a regular meeting held August 23, 2017

(SEAL)

By: 
Gene Bell, Secretary

**Asheville Housing Authority
Board of Commissioners
Resolution No. 2017-5**

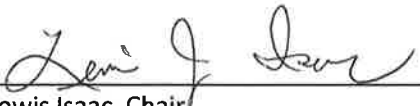
WHEREAS:

1. Asheville Housing Authority (Asheville Housing) is an affordable housing agency serving more than 6,000 low-income people through its project-and tenant-based voucher programs and affiliated properties;
2. Asheville Housing is the owner and co-developer of a proposed redevelopment of Lee Walker Heights, which will replace 96 RAD project based voucher units with a new 212 unit Low Income Housing Tax Credit development, including 96 new project based voucher units; and
3. Asheville Housing, through its co-developer, Mountain Housing Opportunities (MHO), will be applying to the North Carolina Housing Finance Agency (NCHFA) for tax credits for Lee Walker Heights, and if funded the co-developers will share a development fee of approximately \$1,900,000; and
4. The co-developers may need to use a portion of their shared development fee toward the development costs for the new property;


NOW, THEREFORE, BE IT RESOLVED THAT:

1. Asheville Housing is authorized to defer a portion of the Lee Walker Heights development fee, as long as it does not exceed fifty percent (50%) of the total amount of the development fee, as of the full tax credit application to be submitted in October 2017 to the NCHFA.
2. Asheville Housing will not charge interest on any deferred amount in excess of the long term Applicable Federal Rate (AFR).
3. Asheville Housing will require that the entire deferred amount of the developer fee be paid back within 15 years per Internal Revenue Service standards.

Approved, this 23rd day of August, 2017.



Lewis Isaac, Chair

Attest: 

Gene Bell, Secretary and CEO