

Asheville Housing Authority
Commission Meeting Minutes
April 24, 2019

I. Work Session

The work session was held at the Central Office starting at 4:12 pm. The following Commissioners were present: Chair Lewis Isaac, Vice Chair Cassandra Wells, Member Jennifer Pickering, and Member Bruce Kennedy. The following Commissioners were absent: Member Raynetta Waters.

Lewis Isaac called the work session to order and reviewed the agenda items briefly.

David Nash discussed agenda item #1; approval of Resolution No. 2019-2, accepting a grant of \$4.2 million from the City of Asheville and authorizing the Board Chair to execute the grant agreement. He explained the City Council has approved the grant for the Lee Walker Heights redevelopment project. The Housing Authority will invest these funds as part of a subordinate loan to the project along with HACA and County funds. The city attorney has requested that an official resolution come from the board. The City requires that the grant to be spent on demolition and site infrastructure. At least \$1.8 million will be spent on the Matthew's Ford property.

David also discussed agenda item #2 and #3; approval of Resolutions No. 2019-3 and No. 2019-4. He explained that both of the resolutions had been combined into one Resolution for the board to approve. The combined resolution is No. 2019-3. David explained the transaction and funding process for the Lee Walker Heights redevelopment project. The Housing Authority will issue bonds for BB&T to purchase and partially fund the construction phase. The funds received from the primary mortgage loan and HACA's subordinate financing will be used to collateralize and ultimately pay off the bonds. During the construction process, the \$22.5 million in bonds will all be paid back by the end of the process. The permanent funding sources are (1) approximately \$14.5 million in tax credit equity that will be invested by the National Equity Fund, (2) a HUD-insured primary mortgage through Bellwether Enterprise for approximately \$13 million dollars that will be paid back over a 40-year period, and (3) the Housing Authority subordinate financing of approximately \$13 million, made up of HACA surplus cash funds, and City and County grant funds. HACA is a co-developer of this project, along with Mountain Housing Opportunities, and will be giving guarantees related to project completion and operation to the investor and other entities.

David also discussed agenda item #4; approval of Resolution No. 2019-4, giving preliminary approval for issuance of multifamily housing revenue bonds to finance the acquisition, construction and equipping of an affordable housing development. He explained that Arrowhead Apartments, which is similar to Ledgewood Village and Spruce

Hill Apartments, is an affordable housing property. The Housing Authority will issue bonds and receive an issuer fee. The funds raised from sale of the bonds will be used to renovate the property and build 50 new units, and will be repaid over time by the owner of the property from its operations.

The work session ended at 4:57 pm.

II. Regular Meeting - Call to order

Chair Lewis Isaac called the regular meeting of the Board of Commissioners to order at **5:01 pm on Wednesday, April 24, 2019** at the **Central Office, 165 S. French Broad Avenue, Asheville, NC 28801**. Teresa Jenkins conducted the roll call. The following Commissioners were present: Chair Lewis Isaac, Vice Chair Cassandra Wells, Member Jennifer Pickering, and Member Bruce Kennedy. The following Commissioners were absent: Member Raynetta Waters.

III. Approval of minutes from last meeting

Jennifer Pickering made a motion, seconded by **Bruce Kennedy**, to approve the minutes. The Commissioners unanimously approved the minutes of **March 27, 2019**.

IV. Bills and Communications

Gene Bell presented on the Southside Community Easter Celebration at Walton Street Park. The event had bounce houses, sack races, and gave away bicycles to contest winners. Michael Hayes facilitated a dance contest for the youth.

Gene also shared with the board that we had a small fire outside the Central Office that caused minimal damage to the property, and recognized Co-Director of Property Management, Robert Hooper and Lead Maintenance Technician, Trevor Sluder for their diligence in getting the fire put out quickly.

V. Report of the Secretary

a) Asheville Housing Properties

Noele Tackett reported the monthly Asheville Housing Properties occupancy report submitted with the board packet. She reported that they ended the month 93% occupied. There were 103 units that were on rehab/hold status, 44 units being prepared for leasing, 8 ready for leasing, and 42 move-ins. The average turn around days per unit was 38 days. She reported that there were multiple transfers and flooring issues that contributed to the turn-around days, and we are working to get that number back down.

b) Asheville Housing Vouchers

Brandy Woodard reported the monthly Asheville Housing Vouchers report as submitted with the board packet. She reported that the VASH and NED numbers were on the low side. There were 2 mobility moves, 27 move-outs, 241 re-inspections, 197 annual inspections, and 64 adjustments.

c) **Family Self-Sufficiency**

Karolina Hopkins reported the monthly Family Self-Sufficiency report as submitted with the board packet. She reported that they have 242 participants in the program and 134 escrow accounts. In March, they had 3 new FSS participants enrolled and 2 new established escrow accounts. There is one homeownership participant currently under contract.

d) **Financial Report**

Shaomin Li presented the monthly financial report as submitted with the board packet. She reported that the revenue and expenses are in line with the budget and there hasn't been much change since last month. The utility, maintenance, and HAP funds still have large variances. West Asheville has a negative variance due to maintenance expenses for ceiling and wall repairs. North Asheville has negative variances due to maintenance expenses on flooring in Klondyke and Hillcrest.

e) **Residents Council Report**

No Report.

f) **Edington Center Report**

Shuvonda Harper shared with the board a video that was developed for promotional and marketing about the City of Asheville, including artwork by HACA resident children. In June, Word on the Street will be working on a Southern Story project. On May 8th, 2019, the Edington Center will host a Career Fair from 1:00 pm until 4:00 pm that will feature living wage employers. On April 27th, 2019, there will be a Community Cook-out at the Grant Center for the Southside Community. Everyone is encouraged to attend and tell their story about Southside. The garden at the Edington Center is growing and demolition for the auditorium renovation is currently underway. The Youth Arts Improvement held an art showcase for youth artists. Their artwork will be displayed in the hallways in June and July.

g) **Property Management Report**

No Report. The board member, Jennifer Pickering inquired about the trees at Klondyke and why they were cut down. Gene explained that the trees were removed because they jeopardized the building and could cause possible damage, and to allow for effective installation of video cameras for improved safety.

VI. New Business

1) Approval of Resolution No. 2019-2, Accepting a Grant of \$4.2 Million from the City of Asheville and Authorizing the Board Chair to Execute the Grant Agreement.

David Nash explained that the Housing Authority received a \$4.2 million grant from the City that will be invested in the Lee Walker Heights Redevelopment Project. The City requested an approved resolution authorizing the Board Chair to sign the grant agreement.

Jennifer Pickering made a motion, seconded by **Bruce Kennedy** to approve Resolution No. 2019-2 to accept a grant of \$4.2 million from the City of Asheville and authorizing the Board Chair to execute the grant agreement.

AYE

NAY

The Board voted as follows:

- Mr. Lewis Isaac
- Ms. Cassandra Wells
- Ms. Jennifer Pickering
- Mr. Bruce Kennedy

2) Approval of Resolution No. 2019-3, Giving Final Approval to Issuance of Multifamily Housing Revenue Bonds by the Housing Authority of the City of Asheville, Execution of the Lee Walker Heights Transaction Documents and Closing Transaction.

David Nash explained that this resolution approves the issuance of bonds for the Lee Walker Heights redevelopment project and authorizes execution of documents for bond issuance, the FHA-insured first mortgage, the Housing Authority subordinate financing, and tax credit investment documents in connection with the project. He explained that there are several safeguards in place for long-term affordability. We are creating an LLC to own the property and participate in the Low-Income Housing Tax Credit program, and a HACA affiliated non-profit will be one of the managing members of that LLC. HACA is leasing the land to the LLC for 65 years and then it will be returned to the Housing Authority. Second, the subordinate financing will help the Housing Authority discourage any unwanted buyers of the property. Third, after the 15-year tax credit compliance period HACA have Right of First Refusal to repurchase the investor member's 99.99% interest in the LLC for a low price. When we exercised that option at Woodridge, it cost HACA for \$1. During that compliance period, we plan to contract with Partnership Property Management, our management agent at Woodridge, to meet NC Housing Finance Agency requirements and ensure compliance with all management and regulatory requirements.

Bruce Kennedy made a motion, seconded by **Cassandra Wells** to approve the issuance of multifamily housing revenue bonds by the Housing Authority of the City of Asheville for the execution of the Lee Walker Heights transaction documents and closing transaction.

AYE

NAY

The Board voted as follows:

- Mr. Lewis Isaac
- Ms. Cassandra Wells
- Ms. Jennifer Pickering
- Mr. Bruce Kennedy

3) Approval of Resolution No. 2019-4, Giving Preliminary Approval to Issuance of Multifamily Housing Revenue Bonds to Finance the Acquisition, Construction and Equipping of an Affordable Housing Development.

David Nash explained that we received a request from the owner of Arrowhead Apartments for the Housing Authority to issue tax exempt housing revenue bonds. They are requesting \$25 million in bonds to renovate units and build 50 new units. The repayment of the bonds will come exclusively from the property and no investment or guarantee is required by the Housing Authority. This will help to preserve affordable housing for elderly and disabled residents of Asheville.

Cassandra Wells made a motion, seconded by **Bruce Kennedy** to approve the issuance of multifamily housing revenue bonds to finance the acquisition, construction and equipping of an affordable housing development.

AYE

The Board voted as follows:

Mr. Lewis Isaac

Ms. Cassandra Wells

Ms. Jennifer Pickering

Mr. Bruce Kennedy

NAY

VII. Unfinished Business

None

VIII. Public Comment

Cassandra Wells inquired about the duplex project near the Edington Center and the progress. David Nash explained that the exterior was manufactured and assembled by Deltec Homes, a local modular builder. The interior will be finished out by the Youthbuild program at Green Opportunities, so will probably take some time. They are currently working on the framing a firewall between the two units.

IX. Adjournment

There being no further business to come before the Board, the meeting adjourned at 5:39 pm. The next meeting will be held on May 22, 2019 at Hillcrest Apartments, 100 Atkinson Street, Asheville, NC 28801 at 5:00 pm.



Cassandra Wells, Vice Chair

ATTEST:



Gene Bell, Secretary

**Asheville Housing Authority
Board of Commissioners
Resolution No. 2019-2**

WHEREAS:

1. Asheville Housing Authority 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 Authority, in collaboration with Mountain Housing Opportunities, has secured permanent funding sources to redevelop Lee Walker Heights totaling approximately \$39.7 million, including a \$4.2 million grant from the City of Asheville that Asheville Housing will invest in the redevelopment project consistent with Low Income Housing Tax Credit requirements; and
3. The City Council has approved Resolution No. 19-65, attached, outlining the purposes of the City grant, including construction of a new city street needed for the project over a neighboring parcel at 319 Biltmore Avenue that is slated for future redevelopment by the City, and other demolition and site infrastructure work, and those terms are acceptable to the Housing Authority.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board of Commissioners hereby accepts the \$4.2 million grant from the City of Asheville for demolition and site infrastructure costs of the Lee Walker Heights redevelopment project, and authorizes the Board Chair to execute a grant agreement on behalf of the Housing Authority.
2. The Board Chair and CEO are further authorized to take all other steps necessary to effectuate the intent of this resolution.

Approved, this 24^h day of April, 2019.

Attest:


Gene Bell, Secretary


Lewis Isaac, Chair

RESOLUTION NO. 19- 70

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND ENTER INTO A GRANT AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE IN THE AMOUNT OF \$4.2 MILLION IN FUNDING IN SUPPORT OF THE REDEVELOPMENT OF LEE WALKER HEIGHTS

WHEREAS, pursuant to NCGS 160A-456, the City is authorized to expend funds for community development programs and activities; and

WHEREAS, the City and region continue to face a serious current and projected shortage of affordable housing; and

WHEREAS, City Council approved and adopted Resolution No. 16-98 in support of the Housing Authority of the City of Asheville's (HACA) redevelopment of Lee Walker Heights (LWH), an existing public housing development, and committing key funding for the initial phase of redevelopment in an amount not to exceed \$4.2 million; and

WHEREAS, the award of City funds was conditional upon HACA receipt of an award of Low Income Housing Tax Credit (LIHTC) funds and HACA received an award of tax credits in 2017 from the NCHFA resulting in approximately \$14 million in investor equity for the LWH redevelopment; and

WHEREAS, the the Lee Walker Heights (LWH) redevelopment will replace the existing 96 public housing units with 212 new affordable mixed-income units serving families earning between 10% and 60% of Area Median Income (AMI), 96 of which will continue to have deep subsidies, serving families well below 50% of AMI and the Project will also include work to be undertaken for the benefit of 319 Biltmore Ave., a property adjacent to the Lee Walker Heights property that is is a City Identified "High Impact Site" and on which the City currently has an Option to Purchase for potential use as a mixed-income, mixed-use development, such work to include a new street to be dedicated to the City which will connect into the LWH development from Biltmore Avenue, (herein "the Project"); and

WHEREAS, the total development costs of the Project are estimated to be approximately \$39.7 Million and the project will be funded through a combination of 4% Low Income Housing Tax Credit (LIHTC) funds, HUD Funds, Housing Authority Funds, Buncombe County grant funds in the amount of \$4.2 million and the City grant funds in the amount of \$4.2 million; and

WHEREAS, HACA will be partnering with Mountain Housing Opportunities, through a newly formed entity named Maple Crest, LLC, to undertake this Project; and City grant funds will be granted directly to HACA to be invested by HACA in the Project consistent with Low Income Housing Tax Credit requirements; and

WHEREAS, City Staff has identified a funding steam that supports this \$4.2 million funding request in a fiscally responsible manner and sourced from the following funds:

General Fund Fund Balance (reserved)	\$1,380,000
Affordable Housing CIP (General CIP)	\$1,000,000
General Obligation (GO) Housing Bond, High Impact Sites	<u>\$1,820,000</u>
TOTAL	\$4,200,000; and

WHEREAS, HACA will ensure that an amount equal to or greater than the \$1,820,000 in General Obligation (GO) Housing Bond funding is expended on 319 Biltmore, a City identified "High Impact Site", for Eligible Project Costs as defined below; and

WHEREAS, the disbursement of funds to HACA shall be administered in accordance with the following schedule and upon City's receipt of proof of payment of Eligible Project Costs:

1. \$1,400,000 within 7 days after the equity and construction finance closing (projected timing: May 7, 2019);
2. \$1,400,000 when Eligible Project Costs for the Project have been incurred and paid equaling at least \$1,120,000 (80% of the first draw, projected timing: July or August 2019);
3. \$1,200,000 when Eligible Project Costs for the Project have been incurred and paid equaling \$2,520,000 (100% of the first draw and 80% of the second, projected timing: October or November 2019);
4. \$200,000 when Eligible Project Costs for the Project have been incurred and paid equaling at least \$4,200,000; and

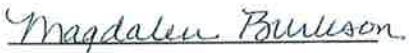
WHEREAS, "Eligible Project Costs" for purposes of this grant agreement shall be defined as demolition and site infrastructure costs, including without limitation, abatement, demolition, mobilization, erosion and stormwater control, excavation and grading, materials testing, retaining walls, guard rails, fencing, sewer, water, fire, electrical, and gas lines and other infrastructure improvements, landscape, streets, sidewalks, parking lots, related engineering costs for site work (not to exceed \$150,000), and any other costs approved by the City Manager or his/her designee; and

WHEREAS, City Staff recommends that the \$4.2 million in key funding for the initial phase of the redevelopment be granted based on: 1) the important public improvements HACA will be completing both at the Lee Walker Heights property and at the adjacent property located at 319 Biltmore a City identified "High Impact Site" for which bond funding is targeted; 2) the low subsidy per unit to assist very-low Area Median Income (AMI) families; 3) the guarantee by HACA of permanent affordability; 4) HACA has stated that it will not seek any additional funding support from the City for this project, thereby allowing the City to use its other sources of funds-HOME, CDBG, HTF for other community investment; and 5) the importance of this neighborhood redevelopment to the future success of the 212 individuals and families, and the unique 78 year relationship between the City of Asheville and HACA;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

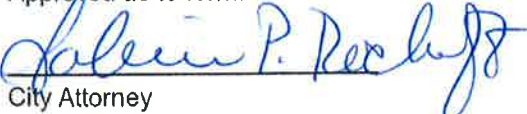
The City Council of the City of Asheville hereby authorizes the City Manager to negotiate and enter into a grant agreement with the Housing Authority of the City of Asheville for \$4.2 million in City funding in support of the redevelopment of Lee Walker Heights in accordance with the terms and conditions stated herein.

Read, approved and adopted the 26th day of March, 2019.


City Clerk


Mayor

Approved as to form:


City Attorney

**RESOLUTION NO. 2019-3: GIVING FINAL APPROVAL TO
ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY
THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE,
EXECUTION OF LEE WALKER HEIGHTS TRANSACTION
DOCUMENTS AND CLOSING TRANSACTION**

WHEREAS, the Housing Authority of the City of Asheville (the "Authority") is authorized pursuant to the provisions of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"), to issue bonds to finance housing developments for persons of low and moderate income under the terms and conditions specified in the Act; and

WHEREAS, the Authority has the opportunity to work with the United States Department of Housing and Urban Development ("HUD") which makes certain funds available to the Authority to assist in the revitalization of certain of its public housing facilities through demolition and/or rehabilitation of existing structures and the subsequent development thereof; and

WHEREAS, the Authority intends to lease the parcel of land located at 17 Wilbar Avenue, Asheville, North Carolina and owned by the Authority (the "Site"), on which Lee Walker Heights Apartments are located, pursuant to a Ground Lease to be dated on or about the transaction closing date (the "Ground Lease"), between the Authority and Maple Crest, LLC, a North Carolina limited liability company (the "Borrower"), as lessee; and

WHEREAS, the Authority has received approval from HUD to convert its 96 former public housing units currently known as Lee Walker Heights to be administered by the Authority as project based voucher units under HUD's Rental Assistance Demonstration Program ("RAD"), which conversion was effective June 1, 2017, and the Authority will, with HUD approval, assign or issue a new RAD Project Based Voucher Housing Assistance Payment Contract to the Borrower at closing, so that 96 units will continue to receive deep subsidies through the Authority's Housing Choice Voucher program and serve applicants from the Authority's waiting list; and

WHEREAS, the Borrower intends to demolish the existing Lee Walker Heights Apartments and construct and equip on the Site a new multifamily residential rental facility in replacement thereof, to consist of 212 units located in 7 residential buildings (the "Development"); and

WHEREAS, the Authority intends to issue its Multifamily Housing Revenue Bond (Lee Walker Heights), Series 2019 in the principal amount of \$22,500,000 (the "Bond"), the proceeds of which will be loaned to the Borrower to pay a portion of the cost of the Development; and

WHEREAS, BB&T Community Holdings Co. (the "Purchaser") has agreed to purchase the Bond pursuant to a Bond Purchase and Loan Agreement (the "BPLA"), among the Authority, the Borrower, the Purchaser, and Branch Banking and Trust Company, as escrow agent; and

WHEREAS, a portion of the cost of the Development will be financed with funds provided by a tax credit investor (the "Tax Credit Investor") as a result of the receipt of 4% low income housing tax credits available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), which tax credits are available because of the financing provided by the Bond; and

WHEREAS, an affiliate of the Authority will be one of the members of the Managing Member of the Borrower under the Amended and Restated Operating Agreement (the “Operating Agreement”) of the Borrower, and the Tax Credit Investor is requiring that the Authority, along with Mountain Housing Opportunities, Inc., guarantee obligations of the Borrower pursuant to the Operating Agreement (collectively, the “Equity Guaranty”); and

WHEREAS, the Borrower has obtained a commitment for a loan (the “Mortgage Loan”) from Bellwether Enterprise Real Estate Capital, LLC (the “Mortgage Lender”) to provide funding for a portion of the cost of the Development, which will be secured by a Multifamily Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing (North Carolina) from the Borrower to a deed of trust trustee for the benefit of the Mortgage Lender (the “Security Instrument”); and

WHEREAS, it is expected that the advances made under the Mortgage Loan and certain subordinate loans will serve as collateral for the proceeds of the Bond, which in turn will be used to finance the Development, all as set forth in a Disbursement Agreement, among the Mortgage Lender, the Borrower, the Authority, the subordinate lenders and BB&T, as escrow agent (the “Funding Agreement”); and

WHEREAS, the Authority intends to make a loan to the Borrower in the amount of \$12,947,110 (the “Authority Loan”) to finance a portion of the costs of the Development, which loan will be secured by a Deed of Trust from the Borrower to a deed of trust trustee for the benefit of the Authority (the “Authority Loan Deed of Trust”); and

WHEREAS, as a condition to making the Mortgage Loan, the Mortgage Lender (and HUD as the insurer of such Mortgage Loan), requires the Authority to subordinate the Authority Loan and the Authority Loan Deed of Trust to the Mortgage Loan and the Security Instrument by execution of a Subordination Agreement in favor of the Mortgage Lender (the “Subordination Agreement”); and

WHEREAS, Community Housing Capital, Inc., a California nonprofit public benefit corporation (“CHC”) intends to make a bridge loan of up to Two Million Two Hundred Fifty Thousand and 00/100 Dollars (\$2,250,000.00) (the “Bridge Loan”) to Borrower to be used as a part of the funds needed to finance construction of the Development, and to secure such Bridge Loan, CHC requires an unlimited guaranty from each of Mountain Housing Opportunities, Inc. and the Authority (collectively, the “Bridge Loan Guaranty”); and

WHEREAS, if necessary, the Authority may cause to be issued a letter of credit (the “Escrow Letter of Credit”) from BB&T, in the amount of \$254,322, collateralized by Authority unrestricted cash reserves, to serve as the HUD Working Capital Deposit Escrow;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ASHEVILLE:

1. The Authority hereby authorizes the issuance and sale of the Bond in accordance with the terms set forth in the BPLA, and the sale thereof to the Purchaser. The Bond will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the BPLA and the Bond; provided, however, that the aggregate principal amount of the Bond shall

not exceed \$22,500,000. In connection therewith, the Authority hereby approves the following documents relating to the Bond, and authorizes and directs the Chairman, Vice Chairman or Chief Executive Officer of the Authority to execute and deliver such documents (collectively, the "Bond Documents"): the BPLA, the form of the promissory note of the Borrower in the amount of \$22,500,000, together with the form of endorsement from the Authority to the Purchaser; the form of the Authority's \$22,500,000 Multifamily Housing Revenue Bond (Lee Walker Heights), Series 2019, bearing interest and payable as set forth therein; a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by the Borrower for the benefit of the Authority, pursuant to which the Borrower agrees to comply with the requirements of the Code relating to low and moderate income housing, the Disbursement Agreement, and the Guaranty of Payment and Completion, pursuant to which the Authority and Mountain Housing Opportunities, Inc. agree to guaranty to the Purchaser the obligations of the Borrower to pay the Bond and complete the Development, and such other documents as may be contemplated in the BPLA or which may be necessary or advisable to be executed by the Authority to consummate the Bond transaction.

2. The Bond Documents shall be in substantially the forms submitted or available for inspection prior to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary to reflect the final terms of the transaction described above, including any changes in dates as may be required to reflect the date of the actual closing, changes required by the Purchaser to reflect the terms of the financing, and as otherwise approved by the officers of the Authority executing them after consultation with bond counsel and counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

3. The Authority hereby confirms the RAD Commitment, and authorizes and directs the Chairman, Vice Chairman or Chief Executive Officer of the Authority or his designee to execute and deliver such documents as may be required for the financing and operation of the Development under RAD.

4. The Authority hereby approves the documents described in the recitals to this resolution necessary for the financing of the Development, including but not limited to the Ground Lease, the Equity Guaranty, documents evidencing the Mortgage Loan, including the Security Instrument, the documents evidencing the Authority Loan, including the Authority Loan Deed of Trust and the Subordination Agreement, the Bridge Loan Guaranty, an Escrow Letter of Credit, and such other documents, including guaranties, as may be contemplated in the loan documents or which are necessary or advisable to consummate such transactions (collectively, the "Loan Documents"), and the Chairman, Vice Chairman and Chief Executive Officer of the Authority are each hereby authorized and directed to execute and deliver such documents.

5. The Loan Documents shall be in substantially the forms submitted or available for inspection prior to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary to reflect the final terms of the transaction described above, including any changes in dates as may be required to reflect the date of the actual closing, changes required by the Tax Credit Investor, the Mortgage Lender, CHC or HUD to reflect the terms of the financing, 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. The officers of the Authority are authorized to pursue and perform the transactions described in this resolution (the "Transactions") and to negotiate, pursue, close and perform the Transactions upon such terms and conditions as the Authority, acting by and through its Chief Executive Officer deems appropriate.

7. The Chief Executive Officer is hereby authorized, empowered and directed, acting alone, for and on behalf of the Authority, and in the Authority's name, to execute and deliver the Bond Documents, the Loan Documents, including but not limited to, promissory notes, loan agreements, regulatory agreements, declarations, assignments, security agreements, security interests, financing statements, guaranties, agreements, instruments and such other documents, and to take such action, that the Chief Executive Officer shall deem necessary or desirable in order to effectuate the foregoing resolution and matters incidental thereto and/or connected therewith, including but not limited to, consummating the Transactions and matters incidental thereto and/or connected therewith.

8. Any authorization made hereby to the officers of the Authority to execute any document or agreement described or authorized herein shall include authorization to the Chairman, Vice Chairman and Chief Executive Officer of the Authority (or any one of them acting alone) 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 if necessary, and, where appropriate, to deliver it to the other parties thereto, all in the manner provided in the documents.

9. 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 effect the Transactions described herein, including but not limited to a tax certificate, tax forms and other certificates. 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 financing thereof as described in this resolution are hereby authorized, ratified, confirmed and approved.

10. This resolution shall take effect immediately.

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 April 24, 2019.

(SEAL)

By: 
Gene Bell, Secretary

RESOLUTION NO. 2019-4

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

WHEREAS, Standard Property Company, Inc., a California corporation, 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, construction and equipping of an affordable housing complex known as Arrowhead Apartments, currently consisting of 116 units and located at 100 Cheerio Lane in the City of Asheville, North Carolina (the "Development"); and

WHEREAS, the Borrower intends to rehabilitate the existing units in the Development and is considering constructing and equipping approximately 50 additional units to be added to 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, constructing 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, 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-Five Million Dollars (\$25,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as "official action" toward the issuance of the Bonds within the meaning of 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, construction and equipping of the Development, the Authority agrees that the Borrower may proceed with plans for such acquisition, rehabilitation, construction 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 holding 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 April 24, 2019.

(SEAL)

By: Gene Bell
Gene Bell, Secretary

