

Asheville Housing Authority Commission Meeting Minutes August 28, 2019

I. Work Session

The work session was held at the Central Office starting at 5:07 pm. The following Commissioners were present: Chair Cassandra Wells, Vice Chair Raynetta Waters, Member Jennifer Pickering, and Member Bruce Kennedy. The following Commissioners were absent: Member Tilman Jackson.

The meeting with called to order by Chair Cassandra Wells. She opened the meeting with a discussion about agenda item #1; Resolution No. 2019-8. David Nash explained that during the April Board Meeting the commissioners approved a resolution for the issuance of multifamily housing revenue bonds for the rehabilitation of Arrowhead Apartments. We gave preliminary approval to issue the bonds. The original owner has decided to sell the property but remain involved in the development, so this resolution starts that process over for the new owner that will be purchasing the property. The developer and owner are proposing is a \$25 million bond. If that is the final amount, HACA's issuer fee will be 1% at closing, and 0.1% of the outstanding balance during the term of the bonds.

David Nash explained agenda item #2; rescission of Resolution No. 2019-4. We are rescinding the initial resolution passed in April and transferring the deal to a new owner.

David Nash explained that agenda item #3 is to schedule a special board meeting as a strategic planning retreat. After discussion, it was determined that the special board meeting and strategic planning retreat would be held in lieu of the regularly scheduled work session on September 25, 2019 starting at 3:00 pm in the HACA Board Room. David will send out the documents for the current 5-year plan with an outline of the objectives that have been accomplished. The new 5-year plan is due to HUD in October 2019. We may do a more extensive revision of that plan next year if there are major changes in the City's Consolidated Plan for affordable housing during their planning process next spring.

Shaomin Li provided an update regarding the financial reports for July 2019. The maintenance budget may need to be increase by net loss after the purchase of 2 big items. North Asheville had big maintenance expenses that were \$100,000 over budget for tree removal and replacing floors. David Nash shared that we may do a budget amendment at the end of the year to cover expenses. Cassandra Wells suggested that we consider doing more maintenance work in-house to conserve on costs. Shaomin Li reported that we did move money from the strategic investment funds to Hillcrest and Lee Walker Heights to cover expenses and improve July's budgets.

David Nash shared a video of a resident's public comment during the Asheville City Council meeting held on August 27, 2019. There was discussion about the comment that was made in order to spark conversation on community engagement activities for low income neighborhoods.

The work session ended at 6:00 pm.

II. Regular Meeting - Call to order

Chair Cassandra Wells called the regular meeting of the Board of Commissioners to order at **6:04 pm on Wednesday, August 28, 2019** at the **HACA Central Office, 165 S. French Broad Avenue, Asheville, NC 28801**. Teresa Jenkins conducted the roll call. The following Commissioners were present: Chair Cassandra Wells, Vice Chair Raynetta Waters, and Member Bruce Kennedy. The following Commissioners were absent: Member Tilman Jackson.

III. Approval of minutes from last meeting

Bruce Kennedy made a motion, seconded by **Raynetta Waters**, to approve the minutes. The Commissioners unanimously approved the minutes of **July 24, 2019**.

IV. Bills and Communications

David Nash shared that the construction of Lee Walker Heights is now underway. He shared aerial photographs of the progress.

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 92% occupied. There were 109 units that were on rehab/hold status, 53 units being prepared for leasing, 4 ready for leasing, and 37 move-ins. The average turn around days per unit was 25 days. Noele explained that Southside didn't meet their turnaround goal for the month because they had a transfer that took longer than planned due to the tenant being disabled.

b) Asheville Housing Vouchers

Brandy Woodard reported the monthly Asheville Housing Vouchers report as submitted with the board packet. There are a total of 3262 vouchers, 3221 available to lease, 2767 leased, 454 available, and 141 assigned/looking. There were 3 mobility moves, 25 move-ins, 24 move-outs, 220 re-inspections, and 181 annual inspections.

Brandy also introduced the newest member of the Housing Choice Voucher program, Natalie Bailey. Natalie is the Housing Support Specialist.

c) Family Self-Sufficiency

Shaunda Sandford reported the monthly Family Self-Sufficiency report as submitted with the board packet. She reported that they have 254 participants in the program

and 146 of those participants have escrow accounts. In July, they had 3 new FSS participants enrolled, 4 newly established escrow accounts, and 1 FSS graduate. There were no closings in the homeownership program in July, however there are 3 participants under contract and 1 participant closed on land purchase.

Shaunda also introduced the newest member of the Family Self-Sufficient Program, Shataura Dudley. Shataura is a Family Self-Sufficiency Coordinator for Pisgah View. She also announced that the iStart Fresh Back-to-School Event was held at Asheville High School. The kids were given school supplies, haircuts/hairstyles, personal items and backpacks. There were over 400 kids in attendance. On the first day of school, the FSS staff went out to the schools to greet the kids and also went to the Marvelous Math Club to work with the kids.

d) Financial Report

Shaomin Li presented the monthly financial report as submitted with the board packet. She reported that the overall revenue for July is in line with the budget. She reported that the maintenance expenses were high especially in North Asheville due to major repairs in units, tree removal, gutters, and flooring. She reported that \$100,000 was transferred from Hillcrest per the board's approval in July 2019; also transferred moneyback to Lee Walker Heights from strategic investment fund. The variances in the HAP fund continue to grow. However, the Housing Choice Voucher program is working hard to address leasing challenges. The net revenue broke even for the year-to-date.

e) Residents Council Report

No Report.

f) Edington Center Report

No Report.

g) Property Management Report

Allison Smith introduced Devin Anderson, Assistant Site Manager at Pisgah View. Robert Hooper announced that the initial preventive maintenance inspections and work for 2019 have nearly been completed. Hillcrest is a little behind in their preventive maintenance but working hard to get everything completed. The contractors are making progress on Building 17.

VI. New Business

1) Approval of Resolution No. 2019-8, giving preliminary approval to the issuance of multifamily housing revenue bonds to finance the acquisition, rehabilitation, and equipping of an affordable housing development (Arrowhead Renewal LP).

David Nash introduced Tommy Attridge, a representative of the owner and developer of Arrowhead Apartments. He explained that this property was initially built for seniors and continues that preference today. The plan is take out tax credit bonds to renovate and preserve long term affordability. The property is being sold to Renewal Housing,

and Standard Properties will remain in the deal as a developer for the project. The preliminary resolution was passed by the board back in April 2019. They are planning an extensive rehabilitation to the units due to the age of the property. David Nash explained that the Housing Authority would issue the bonds as we have done previously for similar projects like Ledgewood Village and Spruce Hill. The bonds will be sold to investors, which are paid back from the revenues of the property. The Housing Authority earns an issuer fee at closing and each year that the bonds are outstanding.

Bruce Kennedy made a motion, seconded by **Jennifer Pickering** to approve Resolution No. 2019-8, giving preliminary approval to the issuance of multifamily housing revenue bonds to finance the acquisition, rehabilitation, and equipping of an affordable housing development (Arrowhead Renewal LP).

AYE

NAY

The Board voted as follows:

Ms. Cassandra Wells
Ms. Raynetta Waters
Ms. Jennifer Pickering
Mr. Bruce Kennedy

- 2) **Rescission of Resolution No. 2019-4, giving preliminary approval to the issuance of multifamily housing revenue bonds to finance the acquisition, rehabilitation, and equipping of an affordable housing development (Standard Property Company Inc.).**

David Nash explained that the original resolution that was approved in April 2019 is being cancelled and replaced with the resolution above. This is due to a shift in ownership.

Jennifer Pickering made a motion, seconded by **Bruce Kennedy** to rescind Resolution No. 2019-4, giving preliminary approval to the issuance of multifamily housing revenue bonds to finance the acquisition, rehabilitation, and equipping of an affordable housing development (Standard Property Company Inc.).

AYE

NAY

The Board voted as follows:

Ms. Cassandra Wells
Ms. Raynetta Waters
Ms. Jennifer Pickering
Mr. Bruce Kennedy

- 3) **Approval to schedule a special board meeting on Wednesday, September 25, 2019 at 3:00 pm in the HACA Central Office Board Room as a strategic planning retreat.**

David Nash explained that it is time to review and update the 5-year plan for the organization. This special meeting will be a strategic planning session.

Raynetta Waters made a motion, seconded by **Bruce Kennedy** to approve the scheduling of a special board meeting on Wednesday, September 25, 2019 at 3:00 pm in the HACA Central Office Board Room as a strategic planning retreat.

AYE

NAY

The Board voted as follows:

Ms. Cassandra Wells

Ms. Raynetta Waters

Ms. Jennifer Pickering

Mr. Bruce Kennedy

VII. Unfinished Business

None

VIII. Public Comment

Southside resident Roy Harris shared that he had been doing a survey of the Southside community. He's been studying non-profit and for-profit entities located in the community to determine how, where, and when do they provide the services. He also shared that Southside Rising is in the process of starting their neighborhood plan to become established as an official neighborhood recognized by the city. Finally, he announced that the Edington Center garden is flourishing.

IX. Adjournment

There being no further business to come before the Board, the meeting adjourned at 6:46 pm. The next meeting will be held at 6:00 pm on September 25, 2019 at Deaverview Apartments, 275 Deaverview Road, Asheville, NC 28806.



Cassandra Wells, Chair

ATTEST:



David Nash, Secretary

RESOLUTION NO. 2019-8

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

WHEREAS, Arrowhead Renewal LP, a North Carolina limited partnership, 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.

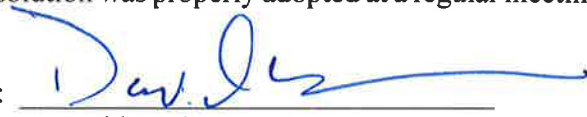
9. This resolution shall take effect immediately upon its passage.

RECORDING OFFICER'S CERTIFICATION

I, David Nash, 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 28, 2019.

(SEAL)

By:



David Nash, Secretary

