

November 1, 2017

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT OF
PROPOSED LOCAL GOVERNMENT FINANCING**

Joint Legislative Committee on Local Government
North Carolina General Assembly
16 West Jones Street
Raleigh, North Carolina 27601
Attention Committee Chairs; Committee Assistant

Fiscal Research Division
North Carolina General Assembly
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Interim Director

\$23,000,000

**Housing Authority of the City of Raleigh, North Carolina
Multifamily Housing Revenue Bonds
(Raleigh North & Millbank Court Apartments), Series 2017**

Ladies and Gentlemen:

We are bond counsel in connection with the proposed issuance of Multifamily Housing Revenue Bonds (Raleigh North & Millbank Court Apartments), Series 2017 (the "Bonds") in an aggregate principal amount not to exceed \$23,000,000 for the benefit of Steele Raleigh Millbank, LLC, a North Carolina limited liability company (the "Borrower"). The proceeds of the Bonds will be used to provide all or part of the funds with which to pay the cost of the acquisition, renovation and equipping of a multifamily residential rental facility known as Raleigh North & Millbank Court Apartments, consisting of approximately 230 units, and located in Raleigh, Wake County, North Carolina (the "Project").

We previously submitted a letter to the Joint Legislative Committee on Local Government (the "Committee") dated August 8, 2016, with respect to the Bonds. At the time such letter was submitted, we expected the Bonds to be issued by the Housing Authority of the County of Wake. However, after an unanticipated delay in the financing, and at the request of the Borrower, the Bonds will now be issued by the Housing Authority of the City of Raleigh, North Carolina (the "Authority") pursuant to its authority under Chapter 157 of the North Carolina General Statutes. The Borrower has received an allocation of 2017 bond volume cap in the amount of \$23,000,000 from the North Carolina Housing Finance Agency and the North Carolina Federal Tax Reform Allocation Committee, such that the Bonds may now be issued in an amount not to exceed \$23,000,000 rather than the \$22,000,000 expected at the time of the August 8, 2016 letter. The remaining details regarding the financing and the Project outlined in the August 8, 2016 letter

Joint Legislative Committee on Local Government
Fiscal Research Division
November 1, 2017
Page 2

remain accurate. We are providing this letter as an update to the August 8, 2016 letter to inform the Committee on the change in the issuer for the Bonds and the increase in the not to exceed principal amount of the Bonds.

The Authority expects that the North Carolina Local Government Commission (the "Commission") will consider the Authority's proposal to issue the Bonds for approval at the Commission's meeting scheduled for November 7, 2017. We are delivering this notice on behalf of the Authority and the Borrower in accordance with directions provided by the Commission in Memorandum No. 2012-02 dated July 25, 2011.

Very truly yours,



Mary Nash K. Rusher, Esq.
Bond Counsel

cc: Greg C. Gaskins, Secretary
Local Government Commission
NC Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604