

## William H Morgan, JR

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**From:** Kirby, Kristen M. <KKirby@mcguirewoods.com>  
**Sent:** Wednesday, November 1, 2023 11:01 AM  
**To:** bill.morgan@whmjraty.com  
**Subject:** FW: Woodstock Apartments - Bond Inducement  
**Attachments:** Elizabeth City - Woodstock Apartments - Amended Inducement Resolution(180949984.1).docx

Bill,

It was good speaking with you this morning. Forwarding this over to your new email. Attached is the resolution we discussed for Woodstock Apartments.

Thanks,

Kristen

### Kristen M. Kirby

Partner  
McGuireWoods LLP  
T: +1 919 755 6574 | M: +1 757 362 1202  
[kkirby@mcguirewoods.com](mailto:kkirby@mcguirewoods.com)

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**From:** Kirby, Kristen M.  
**Sent:** Wednesday, October 25, 2023 5:41 PM  
**To:** William H Morgan, JR <wmmorgan@embarqmail.com>  
**Subject:** RE: Woodstock Apartments - Bond Inducement

Bill,

I hope this email finds you well! As you may recall, Elizabeth City adopted a resolution at the April 10, 2023 City Council meeting giving preliminary approval for the issuance of up to \$17 million of tax-exempt bonds to finance the acquisition and rehabilitation by Fitch Irick Corporation of Woodstock Apartments. Given increases in construction costs and interest rates, the developer has determined that the amount of bonds needed for the project is more than initially anticipated and is requesting that the City adopt an amended inducement resolution giving preliminary approval for the issuance of bonds in an amount up to \$30 million. I have attached a draft of the proposed resolution for your review. We are hoping to get this on the City Council agenda for the November 13<sup>th</sup> meeting.

As a reminder, the City will be serving as a conduit issuer for the bonds. The bonds will not be a debt of the City and the City will have no payment obligations with respect to the bonds. Principal and interest on the bonds will be solely the responsibility of the borrower. Additionally, the borrower will pay all costs of the City in connection with the financing, so the change in the bond amount will not have any financial impact on the City.

Please let me know if you have any questions or if there is any additional information you need in connection with this request.

Thanks,

RESOLUTION AMENDING RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE THE ACQUISITION, REHABILITATION AND EQUIPPING OF WOODSTOCK APARTMENTS I, II AND III

WHEREAS, the City Council (the "City Council") of the City of Elizabeth City, North Carolina (the "City") met in Elizabeth City, North Carolina at 7:00pm on the 13<sup>th</sup> day of November, 2023; and

WHEREAS, pursuant to Section 160D-1311(b) of the General Statutes of North Carolina, the City is granted the power to exercise directly the powers of a housing authority organized pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the "Act"); and

WHEREAS, the Act in N.C.G.S. § 157-9 gives the City acting as a housing authority the power "to provide for the construction, reconstruction, improvement, alteration or repair of any housing project" and "to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues"; and

WHEREAS, on April 10, 2023, the City Council adopted a resolution (the "Preliminary Resolution") giving preliminary approval to the issuance of the City's multifamily housing revenue bonds in an amount not to exceed \$17,000,000 (the "Bonds"), the proceeds of which would be loaned to an affiliated or related entity of Fitch Irick Corporation, a North Carolina corporation (the "Company"), to finance the acquisition, rehabilitation and equipping of a qualified residential rental project known as Woodstock Apartments I, II and III, consisting of 206 units and located at approximately 1401 Walker Avenue in the City (the "Development"); and

WHEREAS, the Borrower has determined that the amount of tax-exempt debt to be provided to finance the cost of the Development is more than originally anticipated, and has requested the City to amend the Preliminary Resolution to increase the amount of the Bonds to an amount not to exceed \$30,000,000; and

WHEREAS, the Borrower will request an allocation of volume cap under Section 146 of the Internal Revenue Code of 1986, as amended, for the Bonds in the amount of \$30,000,000 from the North Carolina Federal Tax Reform Allocation Committee, based on the recommendation of the North Carolina Housing Finance Agency;

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

1. The City hereby confirms the determination it made in the Preliminary Resolution that the Development will involve the acquisition, rehabilitation and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the City agrees to assist the Company in every reasonable way to issue bonds to finance the acquisition, rehabilitation and equipping of the Development, and, in particular, to undertake the issuance of the City's multifamily housing revenue bonds (the "Bonds") in an amount now estimated not to exceed Thirty Million Dollars (\$30,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as an expression of official intent toward the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2 promulgated by the Internal Revenue Service pursuant to the Internal Revenue Code of 1986, as amended.

3. All other terms of the Preliminary Resolution remain in full force and effect.
4. This resolution shall take effect immediately.

Council member \_\_\_\_\_ moved the passage of the foregoing resolution and Council member \_\_\_\_\_ seconded the motion, and the resolution was passed by the following vote:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Not voting: \_\_\_\_\_

\* \* \* \* \*

I, April Onley, City Clerk to the City of Elizabeth City, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the City Council for the City of Elizabeth City, North Carolina, at a regular meeting duly called and held on November 13, 2023, as it relates in any way to the resolution hereinabove set forth, and that such proceedings are recorded in the minutes of the City Council.

WITNESS my hand and the seal of the City Council of the City of Elizabeth City, North Carolina, this 13<sup>th</sup> day of November, 2023.

(SEAL)

\_\_\_\_\_  
April Onley, City Clerk  
City of Elizabeth City, North Carolina