

## CITY OF RALEIGH, NORTH CAROLINA

### STATEMENT OF DISCLOSURES IN CONNECTION WITH A GENERAL OBLIGATION BOND AUTHORIZATION PURSUANT TO THE LOCAL GOVERNMENT BOND ACT, AS AMENDED

I, Allison E. Bradsher, Chief Financial Officer of the City of Raleigh, North Carolina (the “City”), having been designated by the City Council of the City (the “City Council”) to make and file with the City Clerk of the City a statement of disclosures in connection with the introduction of bond orders for the issuance of bonds pursuant to The Local Government Bond Act, as amended, DO HEREBY CERTIFY as follows:

1. The Bond Orders. On May 5, 2026, the City Council introduced bond orders authorizing the issuance by the City of not exceeding (a) \$101,500,000 Housing Bonds (the “Housing Bonds”), for the purpose of providing funds, together with any other available funds, for community development programs to provide and rehabilitate multifamily and single family housing inside the corporate limits of the City, principally for the benefit of persons of low and moderate income, including, without limitation, (i) the construction or rehabilitation of housing or neighborhood revitalization improvements, (ii) programs to provide loans and other financial assistance to such persons and to public and private providers of housing and (iii) the acquisition of any related land, rights of way and equipment and (b) \$101,500,000 Transportation Bonds (the “Transportation Bonds” and, together with the Housing Bonds, the “Bonds”), for the purpose of providing funds, together with any other available funds, for various transportation related improvements inside and outside the corporate limits of the City, including, without limitation, street, sidewalk and streetscape improvements, bridges, bicycle lanes, curbs and drains, traffic controls, greenways, bus and train station and shelter improvements, and the acquisition of any related land, rights of way and equipment.

2. Estimated Interest. If the Housing Bonds are duly authorized and issued, I have estimated that the total amount of interest to be paid by the City over the expected term of the Housing Bonds to be \$66,385,618. If the Transportation Bonds are duly authorized and issued, I have estimated that the total amount of interest to be paid by the City over the expected term of the Transportation Bonds to be \$63,107,118. *Such estimates are based on a number of assumptions regarding certain future events and circumstances, including the following:*

(a) A bond anticipation note (BAN) program will be utilized for the Bonds. Under the BAN program, two issues of BANs will initially be issued. \$50,750,000 will be issued in anticipation of the issuance of a corresponding principal amount of Housing Bonds, and \$50,750,000 will be issued in anticipation of the issuance of a corresponding principal amount of Transportation Bonds. The proceeds of the BANs will be used to fund the costs of the projects to be financed by the Bonds in anticipation of which the BANs are issued over a period of eighteen to thirty-six months. Following such period, the BANs will be refinanced by the Bonds in anticipation of which the BANs are issued.

After the first issues of the BANs are refinanced by Bonds, two new issues of BANs will be issued in the amounts of \$50,750,000 each in anticipation of the issuance of a corresponding principal amount of Housing Bonds and Transportation Bonds. The second issues of BANs will similarly fund costs of the projects to be financed by the Bonds in anticipation of which the

BANs are issued over a period of eighteen to thirty-six months, and at the end of such period will be refinanced by such Bonds.

(b) The Bonds when issued will mature or be payable in twenty (20) equal installments of principal payable annually, the first principal payment which will come due on the first anniversary date of issuance of the respective Bonds.

(c) All of the Housing Bonds will bear interest at a rate of 5.5921% per annum, payable semiannually. Such interest rate was determined by the North Carolina Local Government Commission to be the highest charged for similar non-tax-exempt debt over the past twenty (20) years and will be used for the purpose of determining the estimated cumulative interest cost for the Bonds to be specified in the ballot question for authorization of the Housing Bonds. Such rate assumes that interest on the Housing Bonds will be includable in the gross income of the owners thereof for federal income tax purposes.

All of the Transportation Bonds will bear interest at a rate of 5.344% per annum, payable semiannually. Such interest rate was determined by the North Carolina Local Government Commission to be the highest charged for similar tax-exempt debt over the past twenty (20) years and will be used for the purpose of determining the estimated cumulative interest cost for the Transportation Bonds to be specified in the ballot question for authorization of the Transportation Bonds. Such rate assumes that interest on the Transportation Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes

(d) There will not be any change from the current perceived credit quality of the City. Changes in the City's perceived credit quality would have an effect on the interest rates the City is able to achieve upon sale of the Bonds.

(e) There will not be any change from the current prevailing market demand for municipal bonds in general, and bonds issued by or on behalf of North Carolina local government entities. A change in demand in general for obligations such as the Bonds would have an effect on the interest rate on and prices for the Bonds at the time of sale.

(f) The current federal and State tax treatment arising from ownership of the Bonds, receipt of payments of principal and interest thereon and the ownership or disposition thereof will continue in their present forms. Changes in income tax rates or other State or federal tax treatment arising from ownership on the Bonds could have an effect on the interest rate on the Bonds at the time of sale.

(g) Neither the City nor any purchaser of the Bonds will obtain any credit enhancement (such as a policy of municipal bond insurance) to assure payment of principal of and interest on the Bonds. The arrangement of such an instrument would have an effect on the interest rate on the Bonds.

3. Property Tax Rate Increase. If the Bonds are duly authorized and issued using the assumptions set forth in Section 2 hereof, I have estimated that no property tax increase will be needed to provide sufficient funds to pay principal and interest on the Bonds. Such estimate is based on the schedule of expected retirement of existing debt of the City over the period when the Bonds will be issued and natural growth in the property tax base.

4. Differences May Occur. The information contained in this Statement of Disclosures is preliminary and is for general informational purposes only. There is no assurance that the assumptions upon which the disclosures are based will occur and the occurrence of certain of the assumptions is beyond the control of the City. Differences between the actual circumstances at the time the Bonds are issued from the assumptions included in this Statement of Disclosures could result in significant differences between the disclosures made and the actual occurrences.

4. “Two-thirds” Capacity. At present, the City has no capacity to issue general obligation bonds without a referendum on account of a net reduction in its general obligation bond indebtedness for the fiscal year ended June 30, 2025.

5. Validity of the Bonds. Pursuant to N.C.G.S. 159-55.1(b), the validity of the Bonds is not subject to challenge on the grounds that the actual interest to be paid on the Bonds or the actual property tax increase required to provide funds to pay principal and interest on the Bonds when issued are different than the estimated amounts set forth above.

Signed this \_\_\_\_ day of May, 2026.

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Director of Finance

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I, Louis M. Buonpane, City Clerk of the City of Raleigh, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of a statement of disclosures which was filed with me at a meeting of the City Council of said City held on May 5, 2026, upon the introduction of orders authorizing general obligation bonds of said City, and that said statement is open to public inspection in my office.

WITNESS my hand and official seal of said City this 5<sup>th</sup> day of May, 2026.

[SEAL]

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City Clerk