

# **FHA Development Inc.**

## **Meeting Minutes**

February 19, 2020

### **I. Call to order**

Meeting called to order the regular meeting of the FHA Development Inc. on February 19, 2020 at the Fayetteville Housing Authority office, 1 North School Ave, Fayetteville, AR 72701

### **II. Roll call**

Vice Chair conducted a roll call. The following Directors were present:

*Director McMahon, Chair Terry (joined later), Director Rios-Stafford, Director Bensinger, Director Breashears*

Housing Authority staff:

*Executive Director Belford, Deputy Director Berry, Audra Butler and Tara West was introduced to the Directors (Tara will be the property manager for the new property, Audra Butler is current property manager for FHA) were in attendance along with Martin Swope of Legacy Bank.*

### **III. Approval of Minutes**

Approval of previous minutes was tabled until next meeting

### **IV. Old Business**

- No old business to discuss

### **V. Open Issues**

- No open issues to discuss

### **VI. New Business**

- Discussion: Financing Terms for the purchase of 4 properties
  - Approval will be required after appraisal, for the final contract, loan terms, and provide authorization to sign documents. Legacy Bank was chosen as the finance company. Martin Swope discussed the following:
    - 18 months interest, only 7 year, 4.5% 2005 Community Bank
    - Why is the bank wanting to do it? Executive Director Belford's equity, service to the community in providing housing for the most vulnerable
    - Construction loan first draw is the purchase price of the \$4.8M to purchase property
    - \$500,000 drawn over the course of the construction/renovation
    - 108 units
    - No property taxes
    - Executive Director Belford explained that the current property owner was selling the property to buy a roofing company
- Market discussion strategy
  - Rebranding is a good thing. Recommend re-naming all four properties
    - Red Bud Garden – 12<sup>th</sup> Street
    - Golden Elm Meadows – Dunn Ave

- Blue Spruce Court – Deane and Porter – North Gate Studios (Discussion as Blue Spruce is not a native Arkansas tree) consider Magnolia Court
    - White Sage Flats – West End Studios
  - Recommend “Doing Business As” (DBA) for FHA Development for property management
    - Aspire Housing
- Resolution 5 – Resolution to Approve Preliminary Budget
  - Director Breashears moved to pass Resolution 5, Director Bensinger seconded motion, All voted in favor – Resolution 5 passed
- Resolution 6 – Resolution to pay all expenses related to Property Manger position. Salary \$45,000; Taxes and Benefits - \$8,300,
  - Director Rios-Stafford moved to approve Resolution 6, Director Bensinger seconded motion, All voted in favor – Resolution 6 passed
- Resolution 7 – Resolution to pay allocated expenses related to maintenance
  - Approval to charge 15% of maintenance personnel of Fayetteville Housing Authority to FHA Development Inc. Public Housing – 196 units, PBRA/Morgan Manor – 52 units, FHA Development – 134 units (after renovation). Because all of these units will be completely renovated over the next 18 months, staff proposes a 15% allocation of personnel expenses
    - Director Rios-Stafford moved to approve Resolution 7, Director Bensinger seconded motion – allocate expenses to maintenance, All voted in favor – Resolution 7 passed
- Resolution 8 – Resolution to pay 80% of expenses related to Construction Manager. Salary \$45,000; Taxes and Benefits - \$8,300 Paid for from loan proceeds from North Gate and 2020 purchase.
  - Director McMahon moved to approve Resolution 8, Director Breashears seconded motion, All voted in favor – Resolution 8 passed
- Strategic Planning meeting
  - Property Management Policy: Ratio of voucher to market rate clients in new property, Tenant Selection Policy (Sex Offenders, Felonies, Income Requirements), Future planned expansion – do we want to consider starting a company like Fort Smith HA?

## VII. Adjournment

Meeting adjourned the meeting at 7:10PM.

Minutes submitted by: John Berry, Deputy Director, Fayetteville Housing Authority