

Fayetteville Housing Authority
FHA Development Inc.
Meeting Minutes

April 2, 2020

I. Call to order

Meeting called to order the regular meeting of the FHA Development Inc. on April 2, 2020 at 5:15PM at the Fayetteville Housing Authority office by Vice Chair Rios-Stafford, via Zoom.

II. Roll call

Director Rios-Stafford conducted a roll call. The following Directors were present:

Director McMahon, Director Rios-Stafford, Director Bensinger, Director Breashears

Housing Authority staff:

Executive Director Belford, along with members of the public and the press

III. Approval of Minutes

Approval of all previous minutes were approved.

IV. Old Business

- Executive Director Belford discussed appraisals on proposed property to buy.
- Appraisal reports received. (Google Drive – appraisal spreadsheet) 12th Street Apartments appraised at \$865,000. Deane Avenue appraised at \$1,350,000. West End property appraised at \$1,600,000. West End appraised value is \$180,000 less than the offer. The Dunn Street property was appraised at \$850,000 which is \$25,000 less than the offer amount.
- Executive Director Belford has had discussion with the seller and let him know that Legacy Bank will not be able to issue the loan for 30-60 days. He wanted to know if we would be talking to a secondary bank. Simmons Bank could only loan us \$3,000,000 and are very interested in working with us. Simmons will loan us 75% of the value and we should be able to continue with the purchases by the end of April. We have requested 18 months of interest only payments.
- Due to COVID-19 the initial scale up will be difficult for us and we are negotiating the current property manager stay on for the time being. Executive Director Belford proposed the 12th Street Apartments continue to move forward as well as the Deane Street project. She also asked to be able to move forward with Simmons Bank. From an operations standpoint it is recommended that we do not start with the West End project first. It is undetermined at this point what the interest rate will be on this loan.

- ED Belford stated that seller is no longer willing to owner finance only two of the properties as he would have if we were able to purchase four properties. He is open to owner finance a portion of the purchase.
- Both properties will be both open to the public and Section 8. Approximately 60% will be vouchers/subsidized and 40% will be available for anyone to rent. Executive Director Belford states she would like to request 18 months interest only payments.
- Discussion was had in regard to residents incomes going down due to COVID-19 and possible loss of employment. Executive Director Belford explained how the subsidized rents are calculated and how our income will be affected.
- Director Breashers moved to approve resolution #14 with the purchase 12th Street property. Director Bensinger seconded motion. Roll Call. All in Favor. Resolution 14 approved unanimously.
- Director Bensinger moved to approve Resolution #15 to move forward with purchase of Deane Street property. Roll Call. All in Favor. Resolution 15 approved unanimously.

V. New Business

- **Resolution 16 – Apply for Community Housing Development Organization designation**
 - Executive Director Belford discussed the requirements of this designation. Stated that we must have two full time equivalent paid employees doing the work of the non-profit organization. HUD gives the State of Arkansas HOME funds, legally required to give 15% of these funds to CHDO designated organizations. This will open up a lot of funding for us. The application is not too difficult to complete (8 pages).
 - Director Breashers moved to approve Resolution 16. Director McMahon seconded. All in favor. Motion passed.

VI. Adjournment

Meeting adjourned the meeting at 6:05PM.