

FHA Development, Inc.

Board Meeting | October 19, 2020

Fayetteville Housing Authority office, Fayetteville, AR via Zoom

I. Roll Call

OLD BUSINESS

- A. Resolution 26: Authorization for Executive Director Belford to apply for HOME Loans and National Housing Trust Fund financing for White Sage Flats (West End Ave)
  - a. 49 units purchase price \$1,600,000
  - b. Propose dividing project into 2 phases: \$2.76M (approximately \$68,000/unit)
    - i. Each phase would result in \$900,000 HOME loan application (Total \$1.8M at 1% interest for 25 years)
    - ii. NHTF grant of \$960,000 (8 units allocated to residents that make 30% AMI; can be paired with HCV voucher)
    - iii. This would complete the purchase
    - iv. Propose 5% developer fee of construction costs (approximately \$125,000)
  - c. Propose hiring Strategic Realty Group as consultant to ensure proper compliance with HOME Loan and NHTF – split developer fee 20% Strategic Realty/80% FHA Development, Inc.
- B. Resolution 27: Authorization for Executive Director Belford to apply for financing for pre-development costs
  - a. Up to \$400,000 loan for low interest rate for 6 months
  - b. Unsecured note with offsetting deposits in CDs of \$500,000
  - c. Developer agreement states that pre-development costs will be paused after design development/community engagement (approximately \$80,000) until construction loan is secured
  - d. Would be paid off when construction loan is initiated
- C. Discussion: Hillcrest Towers Expansion design committee

NEW BUSINESS

- D. Approval of Minutes of Regular Board Meeting September 21, 2020
- E. Discussion: Home ownership/purchasing 5 single family homes
  - a. Owner of 1190 & 1218 N West End Ave; 2561, 2569 & 2572 W Valley Dr approached FHA Development about the possibility of purchasing.
  - b. ED told him nothing until at least first of the year, want to know boards thoughts
  - c. Each of the 5 lots could be divided into a 2<sup>nd</sup> lot.
- F. Discussion: North Gate – Single Room Occupancy during renovation (may be for non-veterans)

ADJOURNMENT