

FHA Development, Inc.
Board Meeting | October 19, 2020
Fayetteville Housing Authority office, Fayetteville, AR via Zoom

I. Call to order

Regular Meeting of the Board of Directors of FHA Development Inc. was called to order on August 24, 2020 at 5:00PM via Zoom, by Chair Terry.

II. Roll call

Director Terry conducted a roll call. The following Directors were present: Director Breashears, Director McMahan, Director Rios-Stafford, Executive Director Belford.

OLD BUSINESS

A. Resolution 26: Authorization for Executive Director Belford to apply for home loans, and National Housing Trust financing for White Sage Flat, which is located on West End Avenue.

FHA Executive Director Belford offered updated information on the purchase of White Sage Flats, which allows for flexibility on refinancing. The project cost is projected to be \$2.7 million with \$960,000 National Housing Trust Fund. Project includes 49 units.

Director Breashears moved to approve Resolution 26 authorizing ED Belford to apply for HOME loans and National Housing Trust Funds to finance White Sage Flats, on West End Avenue. Director McMahan seconded motion. Director Terry called for a vote. All in Favor. Resolution 26 approved unanimously.

B. Resolution 27: Authorization for ED Belford to apply for pre-development costs for Hillcrest Towers expansion

The Board asked and discussed clarifying questions. Directors expressed preliminary perspectives and comments.

Director Breashears moved to approve Resolution 27 authorizing ED Belford to apply for pre-development costs for the expansion of Hillcrest Towers. Director McMahan seconded motion. Director Terry called for vote. All in Favor. Resolution 27 approved unanimously.

C. Discussion: Hillcrest Towers expansion design committee

ED Belford gave recommendations for composition of the Design Committee. The Board asked and discussed clarifying questions and worked to establish protocol for transparency that allows for community engagement.

Director Breashears moved to designate Director Lucky McMahon to serve as Board representative on the Design Committee for the expansion of Hillcrest Towers. Director Terry seconded motion. Director Terry called for vote. All in Favor. Board designee approved unanimously.

NEW BUSINESS

D. Approval of Minutes of Regular Board Meeting September 21, 2020

The Board engaged in discussion around previous Minutes. Note to correct previous meeting minutes regarding Magnolia Court to reflect that the developer fee is 10%, which will be split between Strategic Realty Group at 20% and FHA Development, Inc. at 80%.

Director Breashears moved to table approval of the minutes until the next FHA Development, Inc. meeting. Director Terry seconded motion. Director Terry called for vote. All in favor. Minutes to be tabled until next board meeting approved unanimously.

E. Discussion: Home ownership/purchasing 5 single family homes

ED Belford presented location of properties as 1190 & 1218 N. West End Ave. and 2561, 2569, & 2572 W. Valley Dr. Seller proposed cost for 5 units is \$550,000. Each unit is 1084 sq. ft. and each lot is 80x169. Current assessor's value for each unit is \$106,000. Possible financing option as proposed by seller would allow FHA Development, Inc. to assume seller's current loan at estimated \$350,000 with balance to be owner financed. Property potential includes renovation, destruction and rebuilding, eligible for Community Land Trust, placement in portfolio as test case for using HCV voucher for home ownership. Current rent is \$750 per unit. Units would pass HUD inspection for renting to vouchers. Total acreage is estimated to be over 1.2 continuous. Four of the units are in a floodplain.

Director Terry moved to authorize ED Belford to proceed with inquiries on this property. Director Breashears seconded motion. Director Terry called for vote. All in favor. Authorization for ED Belford to proceed with inquiry and research approved unanimously.

F. Discussion: North Gate – Single Room Occupancy during renovation (may be for non-veterans)

ED Belford proposed temporarily using 5-7 of the motel rooms on the property as single-room occupancy to generate income. As a studio apartment, each unit would rent for \$575. As a single-room occupancy, each unit would rent for \$425.

Mortgage payment will be \$3,312/mo. Combine rent from Cafe Rue Orleans at \$1,250 and 7 units @ \$425 would be \$4,225. The Board asked and discussed clarifying questions. Renovations would move forward on the remaining units as studio apartments. Former office space is proposed to convert to community space to be completed in two phases.

ADJOURNMENT