

# FHA DEVELOPMENT, INC.

## Regular Meeting Minutes

Thursday, April 15<sup>th</sup>, 2021 6:00 pm

Via Zoom

### **I. Call to Order**

Chair Terry called to order the regular meeting of the FHA Development Board of Directors at 6:10 pm on Thursday, April 15<sup>th</sup>, 2021.

### **II. Roll Call**

All directors were present and in attendance, as well as Interim Executive Director Berry, Director of Housing Butler, and members of the public.

### **III. Review and Approval of Agenda**

There was a request for an update on the forensic audit RFP under Old Business – Item B

### **IV. Public Comment**

Jen Cole, Hillcrest Resident, wanted to address parking issues at Hillcrest Towers. She was redirected towards the appropriate avenue of FHA regular board meetings.

### **V. Old Business**

#### **A. Approval of minutes: January – March 2021**

Motion was made to table the minutes for the next regular session. Motion was seconded, and passed unanimously. Interim Executive Director Berry clarified where the minutes and other documents for review were being placed.

#### **B. Board Chair Update: Chair Terry**

Chair Terry suggested setting a schedule to review one property at a time in depth. There was another suggestion to go through two properties at a time. There was request for a master-list of the FHA Development properties. She went over the Cardinal Capital meeting focusing on the Hillcrest 2 expansion, and went over the Northgate financial questions. Interim Executive Director Berry provided updates regarding documents for parking lot renovation for Northgate.

Director of Housing Butler reviewed the current professional relationship with Mike Gilbert of Gilcon. There was discussion about the role of a staff construction manager in projects like these and working with general contractors. Chair Terry will reach out to Mr. Gilbert and get a debriefing regarding Northgate analysis.

Chair Terry reviewed the current status of the Cloyd properties. Attorney Crouch has agreed to be the communication representative with Mr. Cloyd. She gave an update regarding the RFP audit process, and clarified the differences between a normal and forensic audit. There was a request for Interim Executive Berry to review the RFP

documents sent from the city Comptroller's office and to ask the current auditing company what their area of expertise is. There was also a request to reach out to Mr. Crouch for recommendations for a forensic auditor.

There was a suggestion to audit FHA Development annually.

**C. FHA Development Labor Expenses Update: Interim Executive Director Berry**

Interim Executive Director Berry went over the board authorized percentages and year of cost for administrative and maintenance departments. There was a request for money spent on materials on the past year. There was also a question regarding the current status of all the loans under FHA Development.

Interim Executive Director Berry was instructed to gather information about the funds approved in Resolution #33.

**VI. New Business**

**A. Resolution 38: Authorizing Cardinal Capital to meet with the City of Fayetteville regarding the proposed sidewalk, retaining wall, exact measurement of said sidewalk, and the coordination of both FHA Sale to the City and FHA sale to FHA Development**

There was discussion regarding the previous survey done for this project and the net income from the city to the housing authority. Director McMahon was invited to the meeting with the city, Cardinal Capital, and Interim Executive Director Berry.

A motion was made to pass Resolution 38, which was seconded. The motion passed unanimously.

**B. Resolution 39: Provide Board direction to Cardinal Capital on projected income levels/percent of leasable units by income**

Chair Terry reviewed the context of Resolution #39 regarding working with Cardinal Capital and providing them a starting point. Interim Executive Director Berry discussed the commitment for affordable housing and what that looks like, specifically about the income percentage mix. There was discussion regarding financing and rent for the apartments in a way that serves the community.

A motion was made to approve Resolution #39 with the percentages as stated. The motion was seconded, passed with 3 ayes and one abstention.

**C. Northgate Recap**

Interim Executive Director Berry reviewed current status of Northgate as SRO units and upcoming renovation plans. He discussed the current project of clarification of the Hillcrest emergency grant relocation expenses.

There was discussion regarding possibly building kitchenettes into the units during the electrical renovations. Director of Housing Butler was invited to give her insight into the

property, which clarified the electricity renovation and financing. There was discussion regarding the roof and potential leakage.

There was a suggestion to invite Jim Petty, the developer for Patriot Park, to come and speak. There will be another report next meeting that includes an updated number of completed unites. There was further discussion regarding the Hillcrest Emergency Grant Relocation expenses.

## **VII. Adjournment**

The meeting was adjourned at 9:16 pm.