

FHA DEVELOPMENT, INC.
Regular Meeting Minutes
Thursday, May 13th, 2021 6:00 pm
Via Zoom

I. Call to Order

The regular meeting of the FHA Development Board of Directors was called to order at 6:01 pm on Thursday, May 13th, 2021.

II. Roll Call

All Directors were present. Additionally, in attendance: Interim Executive Director Berry, Director of Housing Butler.

III. Review and Approval of Agenda

Agenda was reviewed and approved as is.

IV. Public Comment

V. Old Business

A. Approval of minutes: January - April 2021

Meeting minutes were reviewed. Motion was made to approve the minutes with corrections, motion was seconded. The motion passed unanimously.

B. Board Chair Update– Chair Terry

Chair Terry gave an update regarding the forensic audit, having met with the auditor. She reviewed the cost and time estimates.

A written record of the conversation with Jim Petty of Strategic Realty was made available to the Board reviewing the Patriot Park project.

Chair Terry and Interim Executive Director Berry will be meeting with the Simmons loan officer to discuss Hillcrest II financing. The What We Know Final Update PDF in the meeting folder contains the full report.

An update was given regarding Washington County engagement and relations. Chair Terry reached out to Judge Woods' office to set up an appointment regarding funding for affordable housing. There is a Choice Neighborhood funding opportunity that could be appropriate for FHA Development.

C. Hillcrest II Design Committee Report– Director McMahon

Director McMahon met with the main design team for the Hillcrest expansion, which recommended a smaller building between 50 – 60 units in the northwest corner of the site.

There was discussion regarding the reasoning behind the change in recommendation from a larger 100 unit building to a smaller building. There was a review of the CDI summary of estimated costs, and further discussion on financing and timing of the project.

D. Resolution regarding Hillcrest II 50– 60 unit scope schematic design

A resolution was proposed: Proceed with Pro-forma & Schematic Design for Hillcrest II with project scope of 50 – 60 units not to exceed \$25,000.

A motion was made to approve the resolution, seconded. The motion passed with 4 ayes and 1 no.

VI. New Business

A. Northgate Update & Bank of Fayetteville Meeting – Interim Executive Director Berry

He provided a slide-deck that went over key points of the Northgate Property and the meeting with the Bank of Fayetteville.

There was a request for further information on the selling price of Northgate, as well as the time period for the administrative costs presented in the update.

Director of Housing Butler reviewed parking lot and grading issues.

There was discussion regarding the Emergency Grant Resident Relocation Invoice

B. Finances– Interim Executive Director Berry

Another slide-deck was provided giving updates on FHA Development finances by property. He went over money coming in from ERA, money owed by past tenants, grant money, and loan payments.

He and Chair Terry will be meeting with the bank to discuss the Simmons loan that can be used for pre-development costs at Hillcrest.

There was discussion about board policy regarding finances and accountability, with a suggestion of doing monthly or bi-monthly budget reviews.

C. Options for the 2 Leaseto-own properties (White Sage Flats, Golden Elm Meadows) Interim Executive Director Berry

He led discussion about White Sage Flats and the current financial standings for that property as well as Golden Elm Meadows. The Board asked about what pre-COVID finances looked like and if that could be used to estimate the standings of the properties post-COVID. There was discussion regarding the floodplain and estimate of unit renovation, as well as the crime rate around that property.

Chair Terry led discussion regarding the loans and grants at these properties. There was discussion about the HOMES grant and where it was in the process. Director of Housing Butler led discussion about maintenance costs and current rent.

A resolution was motioned to not exercise the right to continue to lease or buy the property at West End. The motion was seconded and the resolution passed unanimously.

A resolution was motioned to not exercise the right to continue to lease or buy the property at Dunn Ave. The motion was seconded. The motion failed with 2 ayes, 1 abstention, and 2 nos.

A motion was made to table the Dunn Avenue property decision for 30 days and pursue a list of questions to complete due diligence that will be completed in Google Drive. The motion was seconded, and passed with 4 ayes and 1 no.

VII. Adjournment

The meeting was adjourned at 11:00 pm.