

FHA DEVELOPMENT, INC.
Regular Meeting Minutes
Thursday, July 8th, 2021 at 6 pm
Via Zoom

I. Call to Order

The regular meeting of the FHA Development Board of Directors was called to order at 6:00 pm on Thursday, July, 8th, 2021.

II. Roll Call

All Directors were present, as well as Interim Executive Director Berry, Sarah Marsh, representatives for the offers made on scattered site properties, and members of the public.

III. Review and Approval of Agenda

The agenda was approved as it stood.

IV. Public Comment

Joanna Kraus, Executive Director of Canopy Northwest Arkansas, commended FHA for considering offers that would maintain affordable housing units for Fayetteville and requested a deadline extension for offers that would fall into that category.

V. Old Business

A. Approval of minutes

A motion was made to approve the minutes as they were. The motion was seconded, and a vote was called. The motion passed unanimously.

B. Approval of financials

There was discussion regarding timeliness of the financial reports in regard to making informed decisions.

There was a motion to grant Director Breashears authority to contact Lindsey directly, with a friendly amendment to table the current set of financials as presented. The motion was seconded, and the vote was called. The vote passed unanimously.

Interim Executive Director Berry clarified that the Board had asked him to contact Lindsey directly regarding belated financials. There was a proposal that Director Breashears and Interim Executive Director Berry work together to clarify direct questions to Lindsey.

C. FHA Development Inc. and the Housing Authority of the City of Fayetteville Management Agreement

There was a review of the language used regarding the ERA weekly report, and clarification of the properties the document referred to.

There was a question if the Accounts Receivable could be used to offset the debt owed to FHA. There was a discussion as to whether this agreement should be amended before or after the agreement was finalized.

There was clarification of the current total as what was on the 25th.

A motion was made to approve the settlement agreement between FHA Development and FHA Housing Authority for management services as presented, and the motion was seconded. A vote was called and the motion passed unanimously.

VI. New Business

A. Review: offers on FHAD scattered site properties

Sarah Marsh, Realtor representing FHAD, reviewed the current offers for the scattered site properties. She stated that property management did not provide documents she requested to answer inquiries for information made by interested parties. She recommended against selling the properties as one unit.

i. 12th Street Apartments

She reviewed financial terms proposed by Hope Partners LLC for the 12th Street apartments, and the documents they sent. There was discussion regarding the definition of 'affordable' and 'modest pricing' as applied to public housing.

Agent Brooke Vickery, representing Konrad Siemek, made a statement regarding the intent behind the offer as providing affordable housing.

There was a question regarding extending the offer period. There was a request to review Mr. Siemek's contingencies. There was a review of current balances and closing costs.

Casey, Realtor for Hope Partners LLC, clarified commissions on concessions.

ii. Dean Street Apartments

Of the four offers, Ms. Marsh first recommended the one from Hope Partners LLC. There was discussion over their requests for a longer inspection period and financial inspection. She reviewed the offers from Canopy NW A and BDM Properties.

Ryan Blackstone, Agent for BDM Properties, spoke on the flexibility of the offer.

There was a request for a representative from Canopy NW A to explain the lack of stated financing.

There was discussion about only offering the properties 'as is' and the stance current offers take on that standard. Chair Terry reviewed a letter from Attorney Crouch clarifying the issue.

iii. Hiway Inn apartments

Ms. Marsh reviewed the two offers, both below the recent appraised value of the property. She stated that the board does have the option of extending the listing for an additional 20 days.

A motion was made to authorize the FHAD realtor, Ms. Marsh, to engage directly with Interim Executive Director Berry, and to direct Interim Executive Director Berry to work with Ms. Marsh and assign staff as needed to fulfill her request. The motion was seconded and brought to a vote. The Motion was unanimously approved.

Chair Terry recommended tabling the consideration of Highway Inn and allowing the realtor to work with buyers and calling a special meeting before the next scheduled regular board session.

There was a discussion about counteroffer amounts and the appraised value of Highway Inn.

A motion was made to authorize the realtor to engage with offers on Highway Inn for a counteroffer in the amount of \$850,000. A vote was called and the motion passed unanimously.

There was a discussion regarding the other property offers and pre-qualification letters. Joanna, representative of Canopy NW A, clarified the purpose of seeking additional grant funding.

There was a motion to accept the Hope Partners offer for 12th Street, and the BDM properties offer for Deane Street. The motion was seconded and opened for public comment.

Ms. Vickery clarified Mr. Siemek's intention in renovating in the units with his offer.

Amira, social worker in south Fayetteville, made a statement supporting affordable housing.

The vote was called and the motion passed unanimously.

There was a request that any communication between Ms. Marsh and Interim Executive Director Berry be CC'd with Chair Terry.

B. Emergency Rental Assistance enrollment update

Discussion was tabled due to no staff being on call for the meeting. A written update would be requested via email from Interim Executive Director Berry.

C. West End property transition expenses

Chair Terry reviewed the request made by the owner's attorney for replacing appliances. She reviewed detailed accounting received from staff concerning those appliances, the security protocols in place for the scattered sites.

There was a review of the initial inspection report for West End.

A motion was made to direct Interim Executive Director Berry to respond to the questions as posed in the email sent by Chair Terry and report the findings to the Board Chair and the FHAD attorney, as well as creating and sharing an Asset Management protocol by the FHA property manager with the leadership team kept on the rental roll and includes the police report number. The motion was seconded, and a vote was called. The motion passed unanimously.

D. Choice Neighborhoods Planning Grant

Chair Terry reviewed recommendations made by the liaison at the Tulsa Housing Authority regarding when to apply. There was a discussion regarding hiring someone to write the grant.

VII. Announcements, Final Discussions

- A.** There was a request for an update on the status of the hiring process for a finance manager as well as all other positions, and a request for a copy of the current organizational chart.
- B.** Director Jones gave an update on the process of hiring an Executive Director. There was a discussion regarding the position of board representative on the hiring committee.
- C.** There was a discussion regarding the FHA Development Board Director vacancy. There was a suggestion regarding expanding the board.
- D.** Kristifier requested a copy of the bylaws to review ahead of time.

VIII. Adjournment

The meeting was adjourned at 10:22 pm.