

**Lee County Housing Authority (LCHA)
Board of Commissioners Special Meeting**

A meeting of the Board of Commissioners of the Lee County Housing Authority (LCHA) was held on **January 16, 2025**, at **10:30 am** at the Community Center, located at 14073 Whitebirch Way, North Fort Myers, Florida, 33901. Notice of this meeting was duly posted.

ATTENDANCE: Chairman Robert Norris
Vice Chairman Robert Ortiz
Commissioner Christine Sardina

ABSENT:

APPROVAL OF MINUTES:

Chairman Norris brought before the board the minutes from the October 21, 2024, board meetings. Having reviewed the minutes, Chairman Norris inquired if there were any corrections, additions, or deletions required. Chairman Norris entertained a motion to accept the minutes. October 21, 2024, Vice Chairman Ortiz made a motion to accept the minutes, seconded by Commissioner Sardina.

Financial Reports – Vicki Collins, CPA

Enclosed is a review of the FYE 9-30-24 and October 2024, the first month of the new fiscal year.

FYE 9-30-24

Enclosed for your review are financials, i.e Balance Sheet, Income Statement for the Fiscal Year 9-30-2024. Pages 11 and 12 of the Summary Reports show the monthly and quarterly breakdown for the twelve-month period.

PUBLIC HOUSING PROGRAM

The Public Housing Program budget to actual for the year ended September 30, 2024:

	Revised Budget	Actual	Variance
Pine Echo	(87,500)	(93,946)	(6,446)
Barrett Park	(48,700)	(72,909)	(24,209)
Total PHA	(136,200)	(166,855)	(30,655)

For the fiscal year, Public Housing incurred a loss of \$168,855; over budget by \$30,655. The budget overage was due mainly to maintenance expenses. With the start of the RAD project approaching, the staff is not making any large capital expenditures for maintenance projects. Instead, they are maintaining the units in safe and sanitary condition until major renovations can

begin. This has been more costly than expected, as systems such as AC continue to require major repair or replacement and cannot wait until the RAD project begins. Also, due to the hurricane in the previous fiscal year, leaks and mold issues still arise requiring mediation.

At September 30, 2024, Public Housing had operating cash of \$1,588,060.

Chairman asked, so basically what we are doing for the time being on things that we have to deal with emergency standpoint?

Mr. Goodson responded, correct. We are trying to do as minimal as possible while keeping the units habitable because once we start the RAD conversion project, which is a major rehab. We don't want to go through and undo repairs that we did before we started the RAD project, and then it becomes a waste of money.

Chairman Norris asked about the HVAC units, if you have to purchase some until we start the RAD conversion, once it's converted, can we sell those HVAC units?

Mr. Goodson responded I don't think so because they don't meet the new HVAC law as of January 1st, 2025.

Chairman Norris asked was the RAD conversion starting sometime in June 2025?

Mr. Goodson responded we were hoping the closing would take place second quarter 2025, and then shortly after that we would start the renovation work

FYE 10-31-24

Enclosed for your review are financials, i.e Balance Sheet, Income Statement for first month of the new fiscal year, October 2024.

PUBLIC HOUSING PROGRAM

The Public Housing Program budget to actual for the month ended October 31, 2024:

	Budget	Actual	Variance
Pine Echo	(22,075)	(65,903)	(43,828)
Barrett Park	(6,483)	(8,781)	(2,298)
Total PHA	(28,558)	(74,684)	(46,126)

The Public Housing Program is over budget for the month of October by \$46,126. When the budget was presented to you, I noted that public housing was projecting losses for the year due to the maintenance costs to maintain the units during the transition to the RAD conversion project. For the month of October, \$60,500 was spent to clean up debris and remove large downed trees; Pine Echo \$55,333, and Barrett Park \$5,167.

At October 31, 2025, Public Housing had operating cash of \$1,440,411.

SECTION 8 PROGRAM

The budget to actual numbers for the Section 8 program for the Fiscal Year ended **September 30, 2024:**

	Revised Budget	Actual	Variance
Administration	119,800	147,951	28,151
HAP	(54,500)	(68,260)	(13,760)
Total Section 8	65,300	79,691	14,391

The administrative portion of the program performed better than projected. It was projected to have Net Income of \$119,800 at year-end; the actual Net Income was \$147,951. The HAP portion of the program spent \$68,260 more than it received. The program spent the HUD HCV reserves with which it began the year, and all the HAP received during the year.

As of September 30, 2024, Admin Fee Reserves were \$544,920.

HAP (Housing Assistance Payments) Reserves at September 30, 2024, were \$0.

HUD Held HAP Reserves are about:

HCV	\$200,000
MS	<u>\$350,000</u>
	<u>\$550,000</u>

SECTION 8 PROGRAM

The budget to actual numbers for the Section 8 program for the month ended **October 31, 2024:**

	Budget	Actual	Variance
Administration	7,667	9,983	2,316
HAP	0	28,984	28,984
Total Section 8	7,667	38,967	31,300

For the month of October, the HCV program performed \$31,300 better than projected.

As of October 31, 2024, Admin Fee Reserves were \$554,902.

HAP (Housing Assistance Payments) Reserves at October 31, 2024, were \$28,984.

HUD Held HAP Reserves are about:

HCV	\$150,000
MS	<u>\$325,000</u>
	<u>\$475,000</u>

Chairman Norris asked if the HAP reserves of \$28,000 have to be spent by a certain time.

Vicki responded no, it's ours to hold.

Department Head Reports- Diana Jones, PH/HCV Supervisor

Public Housing reports

The first report is the end-of-month balances for Pine Echo I and II which are carrying over \$10,040.05 and for Barrett Park \$4,630.05. A lot of this had to do with extensive repairs being made and tenants owing balances. We have a repayment agreement so we get a little bit of each month from the tenants which tends to make the balances just hang out there for an extended period of time but you can see the balances for Pine Echo I and II and Barrett Park tend to stay pretty low. Our write-offs are low for all of the properties. For our lease-ups, I put down 100% even though we don't have 100% of the units leased on Pine Echo I and II, but we are 100% leased on the available units. So, as we were doing before, making units are being taken offline in the PIC system so we still maintain our 100% lease-up rate. The second report is the maintenance report as you see in the report the turnaround days from 7 down to 1, which is pretty good.

Section 8 reports

With the housing choice vouchers what we are doing right now with our HCV program, with our regular vouchers, what we've been doing to keep those numbers up is absorbing the incoming ports as they lease up, instead of pulling people off the waitlist. However, I will still pull people off the waitlist if we have several vouchers available but since it's typically just one or two each month, we're getting those people transferring their vouchers from outside of Lee County, transferring them to our jurisdiction so we are just absorbing those vouchers as they lease-up. That way we can focus on the mainstream vouchers which is what we need to get leased and I'll be having a briefing for mainstream vouchers. Again, hopefully at the end of this month if not the beginning of February we can get those back leases up where they need to be even though we are already spending the half that they provided to us for the mainstream once we get our lease up where it needs to be they will increase the half amount that we get.

Chairman Norris asked if you have 100 vouchers that are being used and you get 15 families that move in through the portal and now you have to service 115 vouchers, are you penalized? Do we get the money from the federal government to do that?

Diana responded what you are looking at as far as the least up rate goes, is for the year. So, say you have 100 vouchers right, your unit's months available for the year would be \$1,200. You can lease up to 1,200 units over the course of the year. Say we have 115 vouchers but only 100 vouchers, as long as we were under-leased for a few months, then that extra 15 is just going to make up for what wasn't being used previously. At the end of the calendar year, as long as we have stayed within that 1,200 total, we are fine.

Chairman Norris asked if you go to 1215 vouchers, would it penalize us?

Diana responded we would be penalized in the sense that we would have to fund those vouchers ourselves, out of whatever excess funding that we have. We would not receive additional funding. When HUD unlocks a certain number of vouchers, that is what you get. If you go over that amount, you have to spend your own money to fund them.

Chairman Norris asked how do you protect yourself from that penalty.

Diana responded you got to watch that roller coaster which is what we do on a monthly basis.

Chairman Norris asked what if some residents from California because of the fire that happened and they want to move to Florida and you get quite a few, you cannot tell them no we can't service you? Is that correct?

Diana responded you are correct but when it comes to portability, we do not have to absorb them or bill them.

Commissioner Sardina asked about the Punta Gorda residents, are they still in our system?

Diana responded yes, they are. I believe all of them are still with us and from what I understand, they are going to be considered a permanent transfer to us at least until Punta Gorda has rebuilt their properties. In this case, they have the option to go back. That was also part of the reason for us going over budget on our public housing expenses. We had to make ready all of those vacant units that we hadn't bothered with previously because they had been taken offline.

Family Self Sufficiency (FSS) reports

For the FSS program, I got four or five applications for section 8 FSS. Hopefully, I can get all of them enrolled. We also got approved for our 2025 grant. We had one public housing resident move out because she bought a house through Habitat and got \$11,000 from the FSS program.

Commissioner Sardina asked that the FSS grant that you guys have to produce an outcome for them.

Diana responded that everything related to FSS is in PIC so they can see all of our database.

Commissioner Sardina asked, so you guys don't have to do any kind of recording when you reassess?

Diana responded every now and then, but HUD has spent so much time historically, that we used to have to do a logic model report every year. Now they have come up with a new recording model, but they will tell you to use it for one year, and then you'll go years without having to do it.

Commissioner Sardina asked is that a guaranteed grant? Does it roll over or not?

Diana responded no as long as the funding is available, as long as we are meeting the requirement to be able to receive those funds. Typically, they're going to renew the grant because we've had the program for so long. So it's just a matter of whether are they going to provide full funding.

Commissioner Sardina asked the reason why I asked if there is some type of way where people who are involved in this you guys can maybe partner with Habitat in ways to help them meet that next transition to home ownership.

Diana responded for the Public Housing finance, yes. For the Section 8 clients, it is my personal goal to get our Section 8 homeownership program going this year but Habitat is not going to be a good fit for Section 8 clients because they will be able to use their voucher there and the reason is because their mortgage will be set by Habitat based on their income.

Commissioner Sardina asked if there is a way you can get with a local home builder and see if they'll be willing to do your Section 8 clients.

Diana responded there is a company called ACI, which is one of the new ones and they are really big on working with housing authorities.

Commissioner Sardina mentioned Homeland, which is building a mobile home and I know they've partnered with other housing authorities before, so you might want to look into them too.

Resident Services- Elizabeth Jackson, ROSS Coordinator

Mr. Goodson mentioned that Elizabeth is out today, and she submitted her report for you to review. She got some pictures in there for your review. She always has some programs going on at Pine Echo I, where she called me over the holiday to say that. Commissioner Hammond was here. She took a picture with him, and that is part of what we were doing. She also got a list of upcoming events; you can read her report at your leisure. I'm sure she will have a report for us the next time we meet.

Executive Director Reports, Marcus D. Goodson

Mr. Goodson mentioned that he has a few things he just wanted to highlight so you are aware of what we are working on internally as a staff. There are big projects, as you know, Pine Echo I and II renovation and the RAD conversion, we anticipate closing this summer on these two projects. The reason for this summer and not this spring, I mentioned before but I want to mention again because of the new flood maps. This area is now in a different flood zone and when you are using CDBG-DR funds there are certain requirements that HUD will demand that meet. HUD will not invest CDBG-DR funds in properties that are in the flood zone that we're in.

Chairman Norris asked what zone we are in?

Mr. Goodson responded in zone A. It's causing us some delays, and one of the first conversations we had once this came up was with the county because we've got a little bit of a problem we need to try to work through. Their solution was unreasonable. They wanted us to raise the buildings like a foot or more. I mean that's just financially unfeasible.

Chairman Norris mentioned you can do it at Barrett Park if you want to do that.

Mr. Goodson responded that's a demo then new construction so we can adjust accordingly but imagine raising this building and every other building in Pine Echo II. We all knew that wasn't an option but they had to tell us that was one of the options, but we knew it wasn't a reasonable option. The county is going back and forth with HUD and we are involved in the conversation too, and we think we have a solution, but it has delayed the closing, so now we are looking at summer 2025 to close. The developer just texted me because I told him we were having a

conversation about it, and that's where we are with the closing. We believe the workaround is that HUD will allow us to do some amendments to go ahead and renovate without having to raise the buildings. Now, the other option was the Barrett Park new construction project.

Commissioner Sardina asked can you elevate at Barrett Park?

Mr. Goodson responded yes Barrett Park is a demo and new construction, so we are not concerned with it. One of the options was a demo and new construction here at Pine Echo II along with Barrett Park but then the county said, we don't have the extra \$10 million you may need, so you've got to find funding for that project. Right now, we're still looking at a renovation project here in Pine Echo II to hopefully start late summer or early fall, and that's the reason for the delay because of the flood zone. We want to look at the drainage as part of these renovations to make sure they are cleaned and jetted out, and in some areas, there may be some increased size for the drainage. I know that's a problem over in Pine Echo I and II. We recognize that and are still working on it, but we have a call every other Wednesday. The next call is next week with the Finance Group, Raymond James, the bank, and the people that are working with us on this project. I'm part of the call every other Wednesday for Pine Echo I and II, it's moving forward.

Commissioner Sardina asked about the Central Avenue Apartments.

Mr. Goodson responded that the seven units at Central Avenue were deeded to us and our non-profit by the City of Fort Myers. This property needs some work done. The city agreed to cover the cost of the installation of seven new A/C units. The contractors are installing the units, plus they are cleaning out all the ductwork. Since that time, I do not know how often you guys go to the Lee County Commission meeting, but I was there last week, and I made a request for funds to renovate the seven units. The rehab portion, where we ask the \$7 million for Pine Echo I and II, there is about \$8 million left. So, it wasn't oversubscribed. What was oversubscribed was the new construction money. Now, they are looking at taking the \$8 million and reallocating it. I sent an email out to Glen Slayer, Assistant County Manager, and they called me the same day and said they were not opposed to this. This is something that we could get behind. I said that while the staff has not given us a full endorsement, they did convey to me that this is something that they could support. And what I requested was, would you consider taking one \$1 million to 1.5 million, putting it back out in a rehab RFA, for smaller developments, 15 units and smaller. Jeannie and Glenn said that they could support that. Once these A/C units are installed, we are going to move seven families in. If we get the money, if the RFA is approved, and we apply, I'm going to ask for about \$300,000. What I don't want to do is for us to take our money to fix up those seven units because they are not going to reimburse us. So, I would rather wait and see if the county is going to approve that funding request for small developments. If they do great, if they do not, then at that time, I will go to Vicky, Luis, and everybody to figure out where we can get the funds needed to make the repairs.

Commissioner Sardina asked If you said that you're purchasing new units, what funds did you utilize to purchase new units?

Luis responded that it was the city's funds. They went out for the bid and hired their vendor.

Commissioner Sardina asked where they are local.

Mr. Goodson responded I received a call from John from the city, and he introduced himself. He said since the city was paying for the new units that are going to be installed, the city is going to handle the procurement.

Commissioner Sardina mentioned that if they do not do the warranty properly, we are going to be responsible for all the repairs.

Mr. Goodson responded that we would make sure.

Luis mentioned that I'm going to get with John from the city to request the new gas system. To make sure that the new requirements were put in the units.

Chairman Norris asked about the seven units that are going to be available. Are we finding the tenants?

Diana responded that they will be coming off our regular Section 8 waitlist. They'll be utilizing vouchers on the property because that's the only way we'll be able to maintain the property. The tenant portion is based on the NSP rule. The tenant's portion is taxed at 30% of their adjusted monthly income.

Mr. Goodson asked what the estimate is for each unit.

Diana responded is right around \$1,700 per month per unit.

Mr. Goodson, we are going to market these units for Section 8 participants

Diana mentioned that they will go through the Section 8 regular eligibility process as any applicant does in order to get the voucher, then on the management side, Lydia is going to be doing the background checks, the landlord checks, evictions, and checking for those kinds of things.

Commissioner Sardina asked if they would be doing inspections.

Diana responded, yes, it will be annual inspections.

Mr. Goodson mentioned about Barrett Park update. We applied for \$40 million from the county CDBG-DR program. We didn't get the funding. We were in the first tier to be funded, but we were outside of the funding range, and there were two or three tiers, as I recall. We were in the first tier. The problem was that our per-unit request was higher than some of the others, and we explained on multiple occasions why our request was higher per unit. Just like our Pine Echo I and Pine Echo II requests for rehab were lower per unit. It was lower than some of the others that were funded, and at one of the meetings that I attended before it went to the county commission level, there was an advisory group to review these applications for rehab. There was a comment about how we were leveraging our money for this project, where others were not. For example, we requested \$7 million, divide it by the number of units in both of these developments, and the \$7 million in the total project cost of like \$14 million, which shows how much we're leveraging the money. It was 100 percent DR money for their project. We were using maybe 40 percent DR money. They commended us on our ability to leverage funds. We couldn't do that with Barrett Park because Barrett Park does not fall in any of the advantage funding categories, like we're not in a DD or a difficult development area. We don't get the boost, the tax credit boost, because

we're not in a certain district. You would think that we are, I explained that three or four different times to the county. This is why we were asking for more money, and we were hoping they would consider funding us because we were disadvantaged. We don't get the advantages that some others get in other areas of the county. We explained it in detail. They understood, but still, they moved forward with the lower cost per unit. The plan is for us to apply for sail funding. It's in September when applications are due in the Florida Housing Finance Corporation. We are going to apply for sail funding and are going to take about \$1 million from the Pine Echo I and Pine Echo II projects, and will use that as part of our sale application. If we get funding, then we will go 4% because we have a sail, we have a \$1 million, and then we will build phase one, which will be the same, and demolish half of the site. We can do that now and cap off the utilities where the other half of the site still has utilities. So that's the strategy right now, that's plan A. Sail application later this year, take \$1 million from this project, and go for 4% tax credits and bond financing. That's for phase one. While still applying for money from the county, if it's made available. We also engaged Attorney Richard Aiden with the law firm Henderson and Franklin. We have them working with us now. Former Mayor Henderson has a development company, and I brought him on our team. So, that's where we are with Barrett Park, the sail funding late this summer, and then if we get awarded, then we'll start working on the senior piece while still on parallel tracks. Every time the county has a meeting, I'm there. Every time they talk about the redistribution of DR funds, I'm there.

Chairman Norris asked, as far as Barrett Park is concerned, what are the maintenance issues over in Barrett Park?

Luis mentioned that he is concerned about the rainy season that is coming, because of what we did in the mediation over Hurricane Ian two years ago. Whatever is on top of the roof is over two years old. We kept the cost lower to make sure our residents are safe. We need to reconsider to make sure the roofs are secure for the upcoming rainy season.

Commissioner Sardina asked about the round of DR funding. When do you submit for that, and is it in a timely manner?

Mr. Goodson responded that they haven't made a final decision. What they made a decision on doing that meeting was to fund Habitat and a project to fund Goodwill Industries.

Vice-Chairman Ortiz asked when the RAD will start, hopefully in the next eight months. Will everything start all at once? And why can't the roofing be done now before the hurricane?

Mr. Goodson responded that we have to close on the loan first. We got this DR funding of \$7 million, then we have funds that we are leveraging to put with that. All of those calls every other Wednesday are the finance calls. Those are the banks and the finance team that is putting this money together. We haven't closed yet, we are hoping this summer, and once we close, then the renovation work will start because we will have funding for the construction work. We will have a construction schedule from day one to the last day of the project.

Vice Chairman Ortiz asked if there was a way that the roof could be done first before the hurricane season starts.

Luis mentioned that I'm planning to go to the top of the roof and complete the assessment of the area and how we are before the rainy season starts.

Commissioner Sardina mentioned that if we start moving along like you decided, you want to get up on these roofs and do what you need to do, if you do that assessment well in advance, then we have a better idea of what we are tackling before the rainy season.

Mr. Goodson responded we will get a good assessment of what we are faced with, because these roofs are not going to be replaced before the rainy season. We are going to be proactive and keep you updated.

Commissioner Sardina asked when these big storms come, do they make the residents evacuate, since they are in flood zone A section?

Luis mentioned that we send out notices to the residents and let them know how serious the storm is, and to stay in local shelters.

Chairman Norris asked if it is mandatory for the residents to evacuate, will that be a liability?

Attorney Thompson responded that we are not responsible for the actions of the residents. We cannot kick them out.

Mr. Goodson stated that we provide notices and we provide a list of local shelters.

Commissioner Sardina asked if the residents need assistance, and if we provide that?

Mr. Goodson responded I think we certainly would do that because Elizabeth has transportation. I also like to update the board on the voucher request, which Senator Scott is working with us on. The request according to his assistant Katie Weissert sent us an email saying that this is one of their priority agenda items.

Vice-Chairman Ortiz asked if any chance that our governor is going to appoint anybody to us?

Mr. Goodson responded I haven't heard anything.

Capital Improvements

There were no reports

Other Business/Board of Commissioners Comments

There were no reports

Attorney Report(s)

Attorney Thompson mentioned that he met with state representative regarding the Collier County Housing Authority department. So, we had a delegation we talked to just last week dealing with the issue of appointments and the newly elected representative from Marco Island. There is no activity for appointments for the board. If anything happens, I will let you know. So, that is ongoing now. I'm approaching retirement age, and March 2025 will be my last time with you guys.

Mr. Goodson asked, are you retiring?

Attorney Thompson responded I am just cutting back on the hours, but that's a personal decision. I just need to cut back and free up more time, and we do not have to go out for bids to find a new attorney to represent LCHA it's up to the board to do that.

Public Input/Comments

There was no one to be heard.

Next meeting will be February 27, 2025

ADJOURNMENT: Having no further business to discuss, Commissioner Ortiz made a motion to adjourn the meeting at 11:55 a.m., seconded by Commissioner Sardina. The motion carries.

ATTEST


Yaritza Damiani, Executive Assistant


Date

