

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

A meeting of the Board of Commissioners of the Lee County Housing Authority (LCHA) was held **September 9, 2021 at 1:00 p.m.** 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
Commissioner Christine Sardina
Commissioner Robert Ortiz (via Zoom as he was ill)

ABSENT: Vice Chairman Donald Komito

APPROVAL OF MINUTES: Chairman Norris brought before the board the minutes from the July 1, 2021 board meeting. 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. Commissioner Sardina made a motion to accept the minutes, seconded by Ortiz. The motion carries.

Ken Thompson, attorney suggested under the circumstances of Commissioner Ortiz not feeling well and not being present in the room, we should amend the agenda and only do the absolute necessary agenda items and forgo the Department Head Reports. Chairman Norris accepted the recommendation of Ken Thompson, attorney that the Department Head Reports do not have to be heard today, but the Financial Report, in addition, to the Medical Plan Renewal 2021/Property and Causality, Payment Standards FY 2022, the Formation of Rivers Edge North, Inc., and the Budgets FYE 9/30/22 be addressed. Mr. Goodson agreed with these agenda items being reviewed today and put the other agenda items on next month's board meeting. Commissioner Sardina made a motion to amend the agenda, seconded by Commissioner Ortiz. The motion carries.

Financial Reports-Vicki Collins, CPA

Enclosed for your review are financials, i.e., Balance Sheet, Income Statements, as well as my summary reports, for June and July 2021.

PUBLIC HOUSING PROGRAM

JUNE 2021

The budget to actual report for the Public Housing Program for the first nine months of the fiscal year:

	Budget	Actual	Variance
Pine Echo	\$(11,700)	29,984	\$ 41,684
Barrett Park	<u>(22,275)</u>	<u>6,525</u>	<u>28,800</u>
Total Public Housing	<u>\$(33,975)</u>	<u>36,509</u>	<u>\$ 70,484</u>

At June 30, 2021, Public Housing had operating cash of \$571,708

JULY 2021

The budget to actual report for the Public Housing Program for the first ten months of the fiscal year:

	Budget	Actual	Variance
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Pine Echo	\$(13,000)	10,440	\$ 23,440
Barrett Park	<u>(24,750)</u>	<u>(14,687)</u>	<u>10,063</u>
Total Public Housing	<u>\$(37,750)</u>	<u>(4,247)</u>	<u>\$ 33,503</u>

At July 31, 2021, Public Housing had operating cash of \$536,015.

Ten months into the fiscal year 83% of the budgeted revenues should have been earned and 83% of the budgeted expenses should have been incurred. Public Housing is continuing to perform slightly better than projected in the budget; 85% of budgeted revenues have actually been earned and 82% of budgeted expenses have been incurred.

SECTION 8 PROGRAM

JUNE 2021

The budget to actual numbers for the Section 8 Program for the first nine months of the new fiscal year are:

	Budget	Actual	Variance
Administration	\$ (25,500)	\$ 106,816	\$ 132,316
HAP	<u>0</u>	<u>61,744</u>	<u>61,744</u>
Total Section 8	<u>\$(25,500)</u>	<u>\$ 168,560</u>	<u>\$ 194,060</u>

As of June 30, 2021, Admin Fee Reserves were \$162,589.

HAP (Housing Assistance Payments) Reserves at June 30, 2021 were \$96,580.

JULY 2021

The budget to actual numbers for the Section 8 Program for the first ten months of the new fiscal year are:

	Budget	Actual	Variance
Administration	\$ (28,333)	\$ 113,636	\$ 141,969
HAP	<u>0</u>	<u>58,593</u>	<u>58,593</u>
Total Section 8	<u>\$(28,333)</u>	<u>\$ 172,229</u>	<u>\$ 200,562</u>

As of July 31, 2021, Admin Fee Reserves were \$ 168,662.

HAP (Housing Assistance Payments) Reserves at July 31, 2021 were \$94,176.

(Not being heard today)

Department Head Reports

- **Housing and Maintenance Reports**
- **Section 8 Reports**
- **Family Self-Sufficiency Program (FSS)**
- **Housing Choice Voucher Program (HCV) (FSS)**
- **Resident Services**

Executive Director Reports, Marcus D. Goodson

- **Resignation of Vice Chairman Donald Komito**

Ken Thompson, attorney suggested making a motion that because Vice Chairman Donald Komito has left the State of Florida, we accept his resignation. Chairman Norris stated that Vice Chairman Donald Komito has left the State of Florida and is no longer able or qualified to serve on this board. Mr. Goodson suggested asking Mrs. Komito to write a letter stating he no longer

resides in the State of Florida and what date he moved. Due to the fact that he has left the State of Florida for a period of more than 9 months, these actions indicate that he has voluntarily resigned from the LCHA Board. Commissioner Sardina made a motion to approve the resignation of Vice Chairman Donald Komito, seconded by Commissioner Ortiz. The motion carries. Chairman Norris stated that Commissioner Ortiz is appearing electronically by Zoom as he has a contagious illness.

- **Medial Plan Renewal 2021/Property and Casualty Insurance**

Negotiations for our various insurance benefit contracts have been reviewed. We would like to continue with United Healthcare. The staff has United Healthcare insurance at present. We have reviewed the medical plan renewal from United Healthcare for the upcoming year and their proposal has a 4.9% increase in premiums to our current medical plan.

We also offer staff dental insurance. There are no premium changes to the Principal Dental Plan which includes Life and AD & D.

We also offer staff a Health Reimbursement Arrangement (HRA) Plan card in the amount of \$1500.00 to be used for co-pays, prescriptions, etc.

Also, up for renewal is the property and casualty insurance for the LCHA with Public Risk Insurance Advisors (PRIA) which is included in each board packet. Commissioner Sardina stated there is a big increase for Cyber Liability. Deborah Johnson from the finance office got Brian from the insurance company on the phone. He stated that the Cyber Liability has increased because of the claims for cyber ransom money being spent by insurance carriers. Commissioner Sardina made a motion to approve the Medical Plan Renewal for 2021-2022, seconded by Commissioner Ortiz. The motion carries.

- **Payment Standards FY 2022**

Mr. Goodson stated effective October 1, 2021, LCHA will implement the new HUD Fair Market Rent (FMR). Each year, HUD redetermines the area of FMR and the PHA must set their Payment Standards at 90-110% of the HUD published FMR. Due to the current market rates in Lee County, LCHA Payment Standards will be set at 110% of the new FMR. Commissioner Sardina made a motion to approve the Payment Standards FY 2022, seconded by Commissioner Ortiz. The motion carries.

- **The Formation of Rivers Edge North, Inc.**

Attached for your review and approval is Resolution 2021-01 Approving the Formation of Rivers Edge North, INC. We also have attached for your review and approval the Bylaws of Rivers Edge North, INC. (A Florida Not for Profit Corporation).

As you are aware, we are partnering with Revital Development on the submission of multiple affordable housing development deals this funding cycle offered by Florida Housing Finance Corporation (FHFC). One application is for 9% low-income housing tax-credits for a site located in North Fort Myers known as Hermosa North Fort Myers (Hermosa NFTM) and is utilizing River North Properties, Inc. as a single purpose entity as part of that ownership structure.

The second deal we are partnering with Revital Development on is a SAIL application offered through FHFC and is for a site located on Evans Street in Fort Myers known as Hermosa Fort Myers (Hermosa FTM). Because River North Properties, Inc. is being used as a single purpose entity on the Hermosa NFTM project, Saxon Gilmore our legal counsel suggested we should create a new Florida not for profit for this application. We will apply for 501c3 status so the entity is available for other applications next year if this application does not get awarded. Commissioner Sardina made a motion to approve the Formation of Rivers Edge North, Inc., seconded by Commissioner Ortiz. The motion carries.

- **Budget FYE 9/30/22**
Public Housing

Ms. Collins stated we are projecting a break even for Pine Echo and Barrett Park. We are expecting total public housing income of \$1,113,600 and expenses of \$1,113,600 compared to last year we expected a loss of \$45,300. Included in each board packet is a table of the proration rates. For 2020 because we received the extra COVID Funds, they added that into our operating funds and calculated the proration at 112%. Currently in 2021 the proration rate is 95.88%. We used the current quotes we have for employee benefits and property and liability insurance to project the 9/30/22 budget. Other expenses were projected based on historical spending, which includes recent price increases. The Bureau of Labor Statistics CPI (Cost Price Index), that measures inflation, indicates a 9.5% increase in costs between January 1, 2021 and July 31, 2021. If this does not reverse, it will impact our costs during the next fiscal year.

For the FYE 9/30/21 budget we projected a decrease in tenant revenue of about 12% due to the continued COVID situation. However, that did not happen, income remained steady, comparable with the prior year. Therefore, the 9/30/22 budget is projecting tenant revenues to continue at current levels. Included in each board packet is a table of tenant and operating revenue for the last 3 years to compare with the 9/30/22 budget year.

The new budget does include \$144,000 of Capital Fund Operations, as compared to last years' budget that only contained \$85,000. We included the extra because maintenance expenses were higher for this last year, including some bathrooms that had to be renovated and AC's that had to be replaced and the general price increases that were mentioned.

Conversion to Rental Assistance Demonstration (RAD) is being evaluated, which could change the budget. If the conversion takes place, we will need to spend down extra cash on hand and capital fund dollars that have been awarded and not yet spent on repairs and capital projects. For 2021 the agency was awarded \$512,000 in Capital Fund Dollars. Mr. Goodson stated we issued a Request for Qualifications (RFQ) last week and received seven or eight developer inquiries. We would like to recommend RAD as a viable tool to assist the housing authority in our renovation efforts for each public housing development.

Section 8 Program

Ms. Collins stated the admin fees are projected to be funded at 84.87% proration rate; the current rate HUD is using. The projected lease up rate of Regular and Project Based Vouchers is projected to be 92% for 9/30/22 FY, the same as the previous year. Special vouchers, such as VASH and FUP, must have the clients referred to LCHA by other agencies. Therefore, we do not have much control over the lease up of these vouchers and this tends to reduce our overall lease up rate.

The budget includes an average 5% increase in staff wages; based on a projected 2.0% Cost of Living Allowance (COLA) and an average 3.0% merit increase. Commissioner Sardina made a motion to approve the FYE 9/30/22 Budget, seconded by Commissioner Ortiz. The motion carries.

Capital Improvements

There were no reports.

Other Business/Board of Commissioners Comments

Mr. Goodson stated he read an article recently about the town of Fort Myers Beach Town Council wanting to build affordable workforce housing close to Fort Myers beach. Mr. Goodson reached out to the town manager and requested a meeting with him.

An email from the Governor’s office is included in the board packet.

Commissioner Sardina stated that she got the fee waived from the Commission on Ethics.

Attorney Report(s)

There were no reports.

Public Input/Comments

There was no one to be heard.

ADJOURNMENT: Having no further business to discuss, Commissioner Sardina made a motion to adjourn the meeting at 2:37 p.m., seconded by Commissioner Ortiz. The motion carries.

ATTEST Cheryl L. LaBelle, Executive Assistant Date