

**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 **February 24, 2022 at 2:00 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
Vice Chairman Robert Ortiz
Commissioner Christine Sardina

ABSENT:

APPROVAL OF MINUTES: Chairman Norris brought before the board the minutes from the November 23, 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. Vice Chairman Ortiz made a motion to accept the minutes, seconded by Commissioner Sardina. The motion carries.

Financial Reports – Vicki Collins, CPA

At the end of each fiscal year, the agency is required to submit to HUD a consolidated financial statement that includes an accounting of all programs and entities that it administers. Below is a Dashboard of the submission to HUD for FYE 9-30-21.

| <u>BALANCE SHEET</u> | <u>PHA</u> | <u>ROSS GRANTS</u> | <u>HCV</u> | <u>Not-for Profits</u> | <u>CONSOLIDATED</u> |
|-----------------------------------|------------------|------------------------|----------------|----------------------------|---------------------|
| ASSETS | | | | | |
| Cash | 744,878 | 0 | 479,439 | 393,202 | 1,617,519 |
| Accounts Receivable | 583 | 2,661 | 3,360 | 0 | 6,604 |
| Prepaid Exp | 18,991 | 0 | 0 | 0 | 18,991 |
| Intercompany AR | 270 | 0 | 0 | 0 | 270 |
| Fixed Assets, net | 5,717,123 | 0 | 1,653 | 0 | 5,718,776 |
| | | 0 | | | 0 |
| Total Assets | 6,481,845 | 2,661 | 484,452 | 393,202 | 7,362,160 |
| LIABILITIES AND EQUITY | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | 59,893 | 0 | 10,753 | 0 | 70,646 |
| Security Deposit Liability | 33,856 | 0 | 0 | 0 | 33,856 |

| | | | | | |
|---|------------------|--------------|----------------|----------------|------------------|
| Wages Payable | 8,058 | 797 | 1,407 | 0 | 10,262 |
| Compensated Absences | 58,969 | 1,864 | 22,954 | 0 | 83,787 |
| FSS Escrow Accounts | 84,793 | 0 | 106,052 | 0 | 190,845 |
| Intercompany AP | 0 | 0 | 270 | 0 | 270 |
| Unearned Revenues | 2,425 | 0 | 53,511 | 0 | 55,936 |
| Total Liabilities | 247,994 | 2,661 | 194,947 | 0 | 445,602 |
| EQUITY | | | | | |
| Net Investment in Capital Assets | 5,717,123 | 0 | 1,653 | | 5,718,776 |
| Restricted Net Position | 0 | 0 | 88,553 | 0 | 88,553 |
| Unrestricted Net Position | 516,728 | 0 | 199,299 | 393,202 | 1,109,229 |
| Total Equity | 6,233,851 | 0 | 289,505 | 393,202 | 6,916,558 |
| Total Liabilities and Equity | 6,481,845 | 2,661 | 484,452 | 393,202 | 7,362,160 |

The **Public Housing Program** ended the fiscal year with \$618,524 of nonrestricted cash. Once again, the agency is expected to receive the full 25 points from the FASS score.

| | <u>Ratio</u> | <u>Score</u> | |
|---------------|--------------|--------------|--|
| Current Ratio | 4.67 | 12 | over a ratio of 2 earns full 12 points |
| MENAR | 5.58 | 11 | over a ratio of 4 earns full 11 points |
| Debt Service | NA | <u>2</u> | No debt earns full 2 points |
| Total | | <u>25</u> | |

The Section 8 Program ended the fiscal year with \$273,649 of unrestricted cash for administrative uses, \$53,511 of Cares Act Cash and \$46,227 Restricted Cash for Housing Assistance Payments.

REVENUES

| | | | | | |
|-------------------------|----------------|---------|-----------|---|-----------|
| Tenant Rental Revenue | 394,191 | | 0 | 0 | 394,191 |
| Tenant Revenue Other | 7,853 | 0 | 0 | 0 | 7,853 |
| Operating Grants | 654,905 | 114,201 | 3,107,313 | 0 | 3,876,419 |
| Capital Grants | 637,403 | 0 | 0 | 0 | 637,403 |

Public Housing received \$637,403 in Capital Grants that were expended as follows:

| | |
|--------------------------------|------------------|
| Barrett Park Water Lines | \$185,413 |
| Barrett Park Bathroom Remodels | 13,856 |
| Pine Echo Water Lines | 379,634 |
| Pine Echo Bathroom Remodels | <u>58,500</u> |
| Total | <u>\$637,403</u> |

Coral Village divested its interest in the Coral Village Apartments and received \$477,780. This enabled the not-for-profits to repay the Public Housing program funds the PHA had advanced to pay development and legal costs incurred by the not-for-profits over the last few years. The Coral Village entity still had \$393,202 at 9-30-21 to fund future development costs.

FYE 9-30-22

Enclosed for your review are financials, i.e., Balance Sheet, Income Statements, as well as other summary reports, for October, November and December 2021, as well as January 2022.

PUBLIC HOUSING PROGRAM

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

| | Budget | Actual | Variance |
|--------------|---------------|-----------------|-----------------|
| Pine Echo | 0 | (45,858) | (45,858) |
| Barrett Park | 0 | (5,239) | (5,239) |
| Total PHA | <u>0</u> | <u>(51,096)</u> | <u>(51,096)</u> |

Four months into the new fiscal year the Public Housing Program is \$51,096 over budget. This occurred because the budget includes a line item for Capital Fund Operations of \$48,000, none of which has been drawn.

At January 31, 2022, Public Housing had operating cash of \$430,708.

SECTION 8 PROGRAM

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

| | Budget | Actual | Variance |
|-----------------|-----------------|-----------------|-------------------|
| Administration | \$23,283 | \$35,824 | \$12,541 |
| HAP | 0 | (\$23,836) | (\$23,836) |
| Total Section 8 | <u>\$23,283</u> | <u>\$11,988</u> | <u>(\$11,295)</u> |

As of January 31, 2022 Admin Fee Reserves were \$ 233,212.

HAP (Housing Assistance Payments) Reserves at January 31, 2022 were \$66,629.

NOT-FOR-PROFIT ENTITIES

The Not-for-Profit are calendar year entities, while LCHA is a fiscal year entity ending 9-30.

For Year End Reporting to HUD, the Not-for-Profits are converted to a 9-30 FYE.

| | <u>CORAL</u> <u>VILLAGE</u> | <u>CORAL</u> <u>VILLAGE</u> | <u>RIVER</u> <u>NORTH</u> <u>INC</u> | <u>CONSOLIDATED</u> |
|---|--------------------------------|--------------------------------|--|---------------------|
| REVENUES | 0 | \$10,000 | 0 | \$10,000 |
| <hr/> | | | | |
| EXPENSES | | | | |
| LEGAL | (\$6,493) | 0 | \$45,622 | \$39,129 |
| PROFESSIONAL | \$49,778 | 0 | 0 | \$49,778 |
| SUNDRY | \$21,811 | 0 | 0 | \$21,811 |
| TOTAL EXPENSE | \$65,096 | 0 | \$45,622 | \$110,718 |
| <hr/> | | | | |
| INCOME IN EXCESS OF REVENUES | (\$65,096) | \$10,000 | (\$45,622) | (\$100,718) |

At January 31, 2022 the Not-for-Profits had cash of \$388,754.

Department Head Reports-Diana Jones, PH/HCV Supervisor

- **Housing and Maintenance Reports**
- **Section 8 Reports**
- **Family Self-Sufficiency Program (FSS)**
- **Housing Choice Voucher Program (HCV) (FSS)**
- **Resident Services-Elizabeth Jackson, ROSS Service Coordinator**

- **Housing-Diana Jones**

Diana Jones, HCV/FSS Specialist reviewed the reports above as outlined in the board books. Ms. Jones stated that Pine Echo I and II ended the month of January 2022 with a balance of \$2,902.20 and \$3189.53 for Barrett Park. Ms. Jones stated the average rent at Pine Echo I & II is \$221.36 and \$323.68 at Barrett Park. The occupancy rate for Pine Echo I & II and Barrett Park is 100%. The write off total for Pine Echo I & II is \$1,699.00 and \$2,005.00 for Barrett Park. There are 1,526 people on the wait list.

- **Maintenance Reports-Diana Jones**

Ms. Jones stated there were 62 work orders for Pine Echo I & II and 52 work orders for Barrett Park. There were no emergency work orders for Pine Echo I & II and Barrett Park. The amount charged to the tenant(s) for Pine Echo I & II is \$135.00 and \$257.08 for Barrett Park, this is for a total of 9 tenants. The turnaround time for Pine Echo I & II is 12 days and 8 days for Barrett Park. The turnaround time was 12 days which is unusual because it is usually shorter, however there was damage done in a unit which took longer time to repair and we take extra precaution to sanitize a unit due to COVID.

- **Section 8 Reports**

Ms. Jones stated we ended with 171 units leased for Housing Choice Voucher Program (HCV), out of this there were 51 port-in vouchers. We have 62 mainstream vouchers. We are slowly leasing up the VASH vouchers. The Mainstream Vouchers are at 68% leased up. The total reported to the Voucher Management System (VMS) was 256. We are not allowed to include the Port-In Vouchers and Mainstream Vouchers in our VMS total.

- **Public Housing Family Self-Sufficiency Program (FSS)**

Ms. Jones stated we have 22 people enrolled in the PH/FSS with 25 slots. There are 18 people with escrow balances. The escrow balance is \$91,499.33. Enclosed in each board book is the career development, needs and services reports. Ms. Jones stated she has had a couple of clients reach out for some credit counseling; it was provided to them. One client had a partial pay-out of her escrow balance to pay down her debts so she can become debt free. She has to close out all of the accounts that she has paid off.

- **Housing Choice Voucher Program (HCV) FSS Program**

Ms. Jones stated we had 1 termination for the HCV/FSS Program for the month of December 2021, this was a termination. There were 2 terminated in the month of January 2022. We have 37 available slots out of 47 which dropped us down below to what we need in order to maintain the score of 10 on the Section Eight Management Assessment Program (SEMAP). We do have applications out and waiting to enroll them. Some of the new Mainstream Voucher clients have indicated an interest in joining the program. Of the 37 people 27 of them are accruing escrow. Our escrow balance is \$121,139.02. It looks like the biggest issue with these clients is budgeting and finances.

- **Resident Services-Elizabeth Jackson, ROSS Coordinator**

Ms. Jackson introduced two ladies from Cross Point Church who were present in the audience. They stated they enjoy working with Elizabeth and she is a great help to them. They stated they have been involved with LCHA for 12 years now. The board thanked Cross Point Church for adopting their community.

Ms. Jackson stated on November 6, 2021 and December 4, 2021 Cross Point Church came out and did Breakfast Bingo. They provided a Christmas Luncheon and over the 2-month holidays 38 meals were provided to the residents. Cross Point Church also comes out and decorates the developments for Christmas. They involved the youth at Barrett Park to help them. We had a movie night in January 2022 where there were over 30 youth that participated.

For Thanksgiving Lamb of God Church provided the residents with 63 meals and Cornerstone provided over 100 meals for Thanksgiving and Christmas. The Salvation Army provided us with 92 meals for the Senior Christmas Cheer Baskets. We had the North Fort Myers Santa come out and gave toys to the children. The Dr. Ella Piper Center has resumed the computer class. They hold classes every Wednesday from 1:00 p.m. to 2:30 p.m. There are three participants.

New Life Ministries continues to donate fresh fruits and vegetables to the residents of LCHA every month. BJ's of Cape Coral continues to donate bread and pastry every Tuesday and Wednesday for the three developments. Cross Point Church will resume some activities outdoors for the seniors and youth.

Executive Director Reports, Marcus D. Goodson

A. Approve Score Sheet with Smith and Henzy as Rental Assistance Demonstration (RAD) co-developer

Mr. Goodson is requesting approval of the recommendation from the evaluation committee for the selection of co-developer partner to work with the housing authority on our Rental Assistance

Demonstration (RAD) project. We had discussed this at length at the Board Retreat on November 15, 2019. Due to COVID we haven't had a retreat since. We talked about the possibility of RAD. The major change would be the funding stream that we receive now with public housing would be a funding stream that would be through the Section 8 platform. One of the benefits of RAD is that through the program it allows housing authorities to mortgage their properties through a release of the Declaration of Trust (DOT). Without a release from HUD of the DOT you can't mortgage or sell public housing. Through the RAD conversion process, you are allowed to do that. Once we get accepted into the RAD Program and we get the proper approvals, we can then mortgage our property. You select a co-developer partner and go into any lending institution in America and borrow money to rehab your buildings. You also receive 9% and 4% tax credits and State Apartment Incentive Loan Program (SAIL) funding. Once you rehab your properties you can go market rate or affordable rents. We have 142 public housing units, which can translate to 142 Section 8 vouchers. The tenant can stay in the unit or take the Section 8 voucher and choose to go somewhere else to live. If we receive extra Section 8 vouchers, we could attach these vouchers to the units. We will still own each development and tenants will still have to follow our housing rules.

Mr. Goodson stated the committee selected Smith & Henzy as our co-developer partner. We will begin negotiating the terms of a Master Development Agreement (MDA) with this respondent. Commissioner Sardina made a motion to approve the Request for Qualifications (RFQ) that Smith & Henzy responded to as the co-developer for the RAD conversion, seconded by Vice Chairman Ortiz. The motion carries.

B. Update Board on new developer partner on Civatas Project and revised fee split

Mr. Goodson stated the Civatas project of Cape Coral located at 413 SW Pine Island Road has been slowed because Raymond James, the tax credit investor, has declined to accept the guarantee structure and the affiliates and principals of our developer partner and will not participate in this project if Catalyst Southwest Florida, LLC and its affiliates and/or principals (collectively, "Catalyst") are part of the ownership structure. Accordingly, it has become necessary to unwind their participation and replace the guarantors/owners for this project. As a result, we have asked Catalyst to step away from this project allowing us to replace them with a new developer partner and guarantors/owners for this project.

We reached out to several well-respected developers in Florida to see if they had interest in becoming part of this project. There are many reasons why a new developer would be excited to join this project, but there are also reasons why developers would not be interested in getting involved in a project so late in the process. However, we believe our reputation as a well-managed housing authority was one of the reasons three well respected Florida developers agreed to speak with us about stepping in to replace Catalyst. We, along with TAG Associates, who provides financial consulting services to the housing authority spoke with all three developers and decided the best fit for this project would be Birdsong Housing Partners (subject to Florida Housing Finance Corporation (FHFC) approval). This name may sound familiar because we procured them to partner with us to develop affordable housing on land owned by the Lee County School District. We are currently working with Birdsong to find funding to develop an affordable housing project on land currently owned by the School District located off Del Prado Boulevard in Cape Coral.

We are on the Lee County Board of County Commissioners meeting on March 15, 2022 where they will consider a \$1.5 MM loan to the Civatas project to be used to purchase the land for the Civatas project, which is currently owned by Catalyst. Since Catalyst is no longer part of this

project, we must purchase the land from them if the project is to move forward. Lee County senior level staff are in support of our request for funds to purchase this land and we anticipate County Commissioner approval during their March 15, 2022 meeting. We hope to close on the land by May 1, 2022.

We have negotiated a developer fee split with Birdsong receiving 51% of the developer fee, Revital receiving 14% and the LCHA and affiliate receiving 35% of the developer fee (subject to FHFC approval). Commissioner Sardina made a motion approving the update and presentation on the Civitas project given by Mr. Goodson, seconded by Vice Chairman Ortiz. The motion carries.

C. & D. Covid Waiver Memo & COVID 19 Waivers

On April 10, 2020, HUD issued PIH Notice 2020-5. This notice provided PHAs with waivers and alternative requirements to numerous statutory and regulatory requirements within the Public Housing and Housing Choice Voucher programs. Additional PIH Notices have been provided to extend the waivers until December 31, 2021. “With respect to the Public Housing and HCV programs, use of these waivers is at the discretion of the PHA; however, HUD strongly encourages PHAs to utilize any and all waivers and alternative requirements as necessary to keep public housing and HCV programs operational to the extent practicable.”

A list of waivers is enclosed in the board packet that LCHA utilized, in order to maintain the necessary level of service to our residents, while protecting residents and staff to the best of our ability.

While these waivers did not require Board approval to implement, we were still required to inform the Board, residents and the general public of the waivers that were utilized. To accomplish this requirement, LCHA staff added wording to emails, mailed notice, posted signage and added the list to our website.

As the waivers have concluded, we are now required to obtain Board approval of these waivers, to be formally adopted into our Admissions and Continued Occupancy Policy (ACOP) and Admin Plans. Vice Chairman Ortiz made a motion to approve the 2022 Public Housing and Housing Choice Voucher Program (HCV) Waivers and Alternative Requirements, seconded by Commissioner Sardina. The motion carries.

E. Letter to Chairman Norris Concerning Payment to Eagle Rock, LLC

(See enclosed letter in board packet)

Mr. Goodson stated the board had approved his development activities and recent sale of Coral Village Apartments. Attorney Thompson suggested that the board get something in writing from Attorney Ric Gilmore who drafted the agreement with Eagle Rock, LLC. We have included the letter drafted by Attorney Gilmore dated February 8, 2022 who stated that the board approved appropriate compensations for the successful closing of the Coral Village Apartments project to Eagle Rock, LLC, outside of the terms of the current Agreement.

Capital Improvements

There was no discussion.

Other Business/Board of Commissioners Comments

Mr. Goodson would like to plan a Retreat sometime in late Spring 2022. Commissioner Sardina would like to hold it on a Friday.

Commissioner Sardina stated we should keep up the good work. Vice Chairman Ortiz had no comments. Chairman Norris stated that he is serious about having a 5-member board. He is going to put his resignation in on June 30, 2022 unless there is some word from the Governor's office that he will appoint 1-2 new members. He would like some progress made by June 30, 2022 from the Governor's office.

Attorney Report(s)

Attorney Thompson brought to the board's attention two lawsuits that was brought to the LCHA regarding a foreclosure on property because a homeowner did not pay the homeowner's association. It appears the person borrowed money from the Secretary of Housing or HUD and the lawyer decided to serve it to the housing authority since they couldn't find the Secretary of Housing. We need to ensure that we respond to the lawsuit. Attorney Thompson will let the attorney know that we are not party to these two lawsuits.

Public Input/Comments

There was no one to be heard.

Next Meeting: March 24, 2022

ADJOURNMENT: Having no further business to discuss, Commissioner Ortiz made a motion to adjourn the meeting at 4:02 p.m., seconded by Commissioner Sardina. The motion carries.

ATTEST Cheryl L. LaBelle, Executive Assistant Date