

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

An emergency meeting of the Board of Commissioners of the Lee County Housing Authority (LCHA) was held **April 27, 2022 at 9:30 a.m.** at the Community Center, located at 14073 Whitebirch Way, North Fort Myers, Florida, 33901. Notice of this meeting was posted.

The meeting was re-opened at 10:39 a.m.

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

ABSENT:

Pledge of Allegiance and Silent Prayer

Executive Director Reports, Marcus D. Goodson

Mr. Goodson introduced on the telephone Bernice Saxon attorney and Jane Dixon from TAG Associates Inc. and stated the purpose of the meeting is to approve a loan from Coral Village Apartments, Inc. to facilitate the acquisition of the property located at 413 SW pine Island Road, Cape Coral, FL 33991 and to authorize proceeding with the transaction to ultimately develop the property by Revital RNP Civitas Land, LLC. Mr. Goodson stated the Civitas project is a 96-unit project in Cape Coral that we partnered with a group called Catalyst which was comprised of three principals. Raymond James the tax credit investors on this deal decided upon their review that two of the partners of Catalyst had some issues with their backgrounds, reputational risk is the word for it. As a result of this we were forced to bring in a new developer partner. We are in the process of having a group approved by Florida Housing Finance Corporation called; Birdsong Housing Partners. We have to use \$250,000.00 of the funds that we have in the Coral Village Inc. to place in escrow to finalize the transaction of purchasing the land for the PLP Loan. After a certain amount of time, we will get this money back and will put it back into the Coral Village Inc. account. The items below A-H were sent to us from Saxon Gilmore attorneys. Jozette Chack-On, attorney stated we are working thru the removal of Catalyst. In order to remove them we must purchase the land at this time. They had a loan on that property that matured on Monday and so in order for us to develop the property we would have to purchase the land now. Michael Allen from Revital will be putting up \$1 million to be used to purchase the land.

Mr. Goodson stated Michael Allen with Revital is going to put in the bulk of the money for the purchase of the land. We were invited into this deal by Catalyst. We started out with 2 parties in the deal, we had Catalyst and the housing authority. We agreed on a 50/50 developer split. Catalyst approached us because they needed a housing authority to be part of the deal. They realized developing affordable housing was going to be a little more complicated than they thought, and as a result they asked us to renegotiate the developer split to 60/40, 60% for them and 40% for us. Raymond James said that Joe Bonora and Mike McGuire were a reputational risk and cannot be part of this deal. Michael Allen then left Catalyst and started his own company called Revital. They split their fee as we went from a 2-partner deal to a 3-partner deal. We have agreed verbally that our fee will go from 40% to 20% and Michael Allen will get an increase as he is putting up the bulk of the money to purchase the land for this project. We are now looking at approximately \$875,000 in developer fees. We are bringing in Birdsong to take

the place of Catalyst to provide all of the guarantees for the project. The percentages will be Birdsong 51% the housing authority 20% and Michael Allen gets 29%. Attorney Thompson asked if we stopped the deal today, would we be liable for the \$300,000? Attorney Jozette Chack-On stated no since technically we are not the borrower and we have not signed the documents. They know what our position is with Catalyst, they understand where we are in this project.

Attorney Thompson asked who would be signing all of these documents? Attorney Jozette Chack-On stated Mr. Goodson will be signing all of the documents.

Below is a list of the items that we need to approve:

- A. Approve a loan from Coral Village Apartments, Inc. to facilitate the acquisition of the property and to authorize proceeding with the transaction to ultimately develop the property by Revital RNP Civitas Land, LLC.
- B. Approve the formation of Revital RNP Civitas Land, LLC (“Buyer”), of which River North Properties, Inc. (“RNP”) would be a member and manager;
- C. Approve RNP entering into the Operating Agreement of Buyer;
- D. Approve \$1,500,000 Lee County Housing Trust Fund loan to RNP;
- E. Approve assignment and assumption from Catalyst Community Capital, Inc. (“CCC”) to RNP of the \$358,553 Lee County HOME loan;
- F. Approve assignment and assumption from CCC to RNP of the \$106,202 City of Cape Coral CDBG loan;
- G. Approve a loan from RNP to Buyer of up to \$1,500,000 Lee County Housing Trust Fund proceeds to reimburse Revital for its loan to Buyer for the acquisition of the Civitas land; and
- H. Approve any and all necessary actions to effectuate the Buyer’s purchase of the Civitas land, the assignment and assumptions, and the loans set forth above.

Commissioner Sardina made a motion for Mr. Goodson to sign all of the closing documents for this project, seconded by Vice Chairman Ortiz. The motion carries.

Chairman Norris entertained a motion for items B-H as listed above, Commissioner Sardina made a motion to approve items B-H as written above, seconded by Vice Chairman Ortiz. The motion carries.

Commissioner Sardina made a motion to approve the decrease of the developer fee from 40% to 20%, this reduction in developer fee was done to increase Revital's developer fee by 20% because their funds were used to purchase the land thus keeping the project from failing, seconded by Vice Chairman Ortiz. The motion carries.

Other Business/Board of Commissioners Comments

Chairman Norris stated our duty is to do what is best for this community and we do need affordable housing. Commissioner Sardina stated we have done a lot of work on this project and

feels we should move forward and see it thru. Mr. Goodson stated the County has committed \$1.5 million to the Civitas of Cape Coral project.

Attorney Report(s)

There were no reports.

Public Input/Comments

There was no one to be heard.

Next meeting will be: **July 15, 2022, Board of Commissioners Retreat at 9:30 a.m.**

ADJOURNMENT: Chairman Norris made a motion to recess the meeting at 10:30 a.m. until called to order by the Chairman, seconded by Commissioner Sardina. The motion carries.

ADJOURNMENT: There being no further business, it was moved by Chairman Norris to adjourn the meeting at 10:43 a.m., seconded by Commissioner Sardina.

ATTEST Cheryl L. LaBelle, Executive Assistant Date