

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

A Board of Commissioners Retreat meeting of the Lee County Housing Authority (LCHA) was held **July 15, 2022 at 9:30 a.m.** at the Fairfield by Marriott Inn and Suites located at 1701 Old Pondella Road, Cape Coral, Florida. Notice of this meeting was duly posted.

**ATTENDANCE:** Chairman Robert Norris  
Vice Chairman Robert Ortiz  
Commissioner Christine Sardina  
Attorney Ken Thompson

**ABSENT:**

**APPROVAL OF MINUTES:** Chairman Norris brought before the board the minutes from the November 15, 2019 Board Retreat Minutes, March 24, 2022 Regular Board Meeting, and April 27, 2022 Emergency 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 Vice Chairman Ortiz. The motion carries.

Mr. Goodson introduced Kim Hagan who will be replacing Cheryl L. LaBelle as Executive Assistant. Ms. LaBelle will be retiring on August 31, 2022.

Mr. Goodson introduced Vicki Collins, CPA for those who don't know her, and introduced the developers.

**2021 Audit – Dale Rector, Rector Reeder & Lofton P.C.**

Mr. Rector stated that the housing authority is well positioned for re-development. Lee County suffers from a lack of affordable housing. On page 33 is the schedule of expenditures of Federal Financial Awards for the year ended September 30, 2021. LCHA has received approximately \$4.5 million last year in financial assistance. We also had the CARES Act Money that was audited. We found no compliance errors or problems with the HCV, public housing files or Mainstream Vouchers. On page 27 is the prior audit report for the period ended September 30, 2020, which contained one formal audit finding. This finding is considered cleared. There are no audit findings in the current audit. There are three clean opinions in the audit report. We have \$1.6 million in the cash flow list. We improved our cash position last year by \$576,000. From a financial strength position, we are in really good shape. The public housing scoring and ratio is at the maximum that you can receive. The HCV Program is in good shape, the overall cash results are good. On page 3-8 is the Management Discussion & Analysis for Fiscal Year Ended September 30, 2021. Mr. Rector suggests reading these pages which is a summary from one year to the next. On page 4 you'll see the comparison of the current assets from one year to the next. The current assets increased by \$564,000. This is the result of positive operations. We did receive proceeds from the sale of Coral Village Apartments. On page 5 you'll see the increase in income from 2020 to 2021. We are facilitating more vouchers as the Housing Assistance Payments and HAP Portability-In have increased. As soon as we have the ability to absorb these vouchers the better off we'll be. We've had an increase in grant funding by \$927,329. We've had favorable change in the net position by \$812,970. The direction the housing authority is moving is a good sign for affordable housing. Commissioner Sardina made a motion to approve the 2020-2021 Audit presented by Dale Rector and for Mr. Goodson to file with the appropriate agencies, seconded by Vice Chairman Ortiz. The motion carries.

**Financial Reports – Vicki Collins, CPA**

Enclosed are financials, i.e., Balance Sheet, Income Statements, as well as other summary reports, through May 2022.

**PUBLIC HOUSING PROGRAM**

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Pine Echo	0	(92,899)	(92,899)
Barrett Park	0	(21,855)	(21,855)
<b>Total PHA</b>	<b>0</b>	<b>(114,754)</b>	<b>(114,754)</b>

Four months into the new fiscal year the Public Housing Program is \$114,754 over budget. This occurred predominately due to two items.

1. **REVENUES ARE \$96,000 UNDER BUDGET:** The budget includes a line item for **\$144,000** CFP Operations. Eight months into the fiscal year \$96,000 of the CFP Operations has been earned per the budget, but none of the CFP Operations funds have been drawn.
2. **MAINTENANCE & OPERATIONS EXPENSE IS OVER BUDGET:** During March, April and May the following items have increased normal maintenance costs
 

sidewalk replaced/repair tripping hazards	\$ 8,000
Bathrooms leaks – major repairs to 3 bathrooms	\$ 14,400
Gutter Preventative Maintenance and repairs	\$ 3,350
<b>Total</b>	<b><u>\$ 25,750</u></b>

At May 31, 2022, Public Housing had operating cash of \$382,080.

**SECTION 8 PROGRAM**

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Administration	\$46,566	\$71,731	\$25,165
HAP	0	(33,699)	(33,699)
<b>Total Section 8</b>	<b>46,566</b>	<b>38,032</b>	<b>(8,534)</b>

As of May 31, 2022 Admin Fee Reserves were \$ 269,357.

HAP (Housing Assistance Payments) Reserves at February 28, 2022 were \$88,510. The last month we have broken even with our HAP.

**CAPITAL FUND PROGRAM**

As of June 30, 2022 the agency had the following Capital Fund Grants available:

2020	\$ 510,059
2021	512,100
2022	<u>599,217</u>
	<u>1,621,376</u>

**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.

	<b><u>CORAL VILLAGE</u></b>	<b><u>CV RIVER NORTH</u></b>	<b><u>RIVER NORTH INC</u></b>	<b><u>CONSOLIDATED</u></b>
CASH	225,474	10,000	5,000	240,474
INTER-COMPANY AR	197,818	0	0	197,818
<b>TOTAL ASSETS</b>	<b>423,292</b>	<b>10,000</b>	<b>5,000</b>	<b>438,292</b>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	10669			10669
INTERCOMPANY AP	0	139	197,679	197,818
<b>TOTAL LIABILITIES</b>	<b>10,669</b>	<b>139</b>	<b>197,679</b>	<b>208,487</b>
<b>EQUITY</b>	<b>412,623</b>	<b>9,861</b>	<b>(192,679)</b>	<b>229,805</b>
<b>LIABILITIES AND EQUITY</b>	<b>423,292</b>	<b>10,000</b>	<b>5,000</b>	<b>438,292</b>
<b>REVENUES</b>				
	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>10,000</b>
<b>EXPENSES</b>				
LEGAL	(6,493)	0	104,342	97,849
PROFESSIONAL	49,778	0	0	49,778
SUNDRY	21,873	139	1,373	23,384
<b>TOTAL EXPENSE</b>	<b>65,157</b>	<b>139</b>	<b>105,715</b>	<b>120,532</b>

<b>INCOME IN EXCESS OF REVENUES</b>	<b>(65,157)</b>	<b>9,861</b>	<b>(105,715)</b>	<b>(110,532)</b>
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At May 31, 2022 the Not-for-Profits had cash of \$40,474.

**Executive Director Reports, Marcus D. Goodson**

- **A. Presentation on Rental Assistance Demonstration (RAD)**

**Rick Crogan, Vice President of Development – Smith & Henzy**

**Pine Echo I and II**

Mr. Crogan stated RAD was created to give public housing authorities (PHAs) a process to preserve and improve public housing properties and address any backlog in deferred maintenance. RAD also provides an opportunity for PHA's to enter into long-term Section 8 contracts that facilitate the financing of improvements and/or property renovations.

We have submitted Request for Proposals (RFP) to approximately five architects throughout the state that we have used previously. We are beginning to get some of these proposals back for the Pine Echo project. Once they are all returned, he will go over them with Mr. Goodson and make a selection. The construction company won't be selected for another 3 months or more after we get some Capital Needs Assessments.

Mr. Crogan reviewed the staff at Smith & Henzy as enclosed in each board packet.

Mr. Crogan stated that the conversion timeframe is 9–12-months. We will need written approval from HUD to complete a RAD conversion. We will hold multiple public/tenant meetings to provide information to the tenants about RAD. After a 45-day turnaround submission we will receive a Commitment to enter into a Housing Assistance Payment (CHAP) contract. We will need to amend the Annual-5-year plan. We will need to conduct another Capital Needs Assessment for HUD. We will need to complete an environmental site assessment. All financial plans must be submitted to HUD. We will enter a RAD Conversion Commitment which is an RCC and wait for approval to close. Mr. Crogan reviewed the tentative scope of renovations. All major appliances in the unit will be replaced along with kitchen cabinets, lighting, bath vanities, etc.

We anticipate the construction period to take approximately 12-15 months with the General Contractor. Residents will need to move out of their existing units and relocate to another unit within the Pine Echo I and Pine Echo II developments. If there are not enough vacant units, we'll look at local apartments and extended stay hotels. There will be no costs to the tenant. We will have someone pack up their belongings, and/or store their belongings or the tenant can do it. The tenants are still responsible for paying their rent. They won't be responsible for the hotel fee. The tenant may be able to move back into their original unit. The hard cost development cost is estimated at \$100,000 a unit. The total development budget is \$23.3 million. We will be financing the development with \$11 million in tax-exempt bonds through Florida Housing Finance Corporation (FHFC). Once we close on the bonds, we'll be applying through FHFC for \$7.1 million in 4% low-income housing tax credits. These tax credits are called an as of right once you file for tax-exempt bonds, you are automatically eligible to receive 4% tax-credits; plan must be submitted and approved by to HUD. We will be looking at local government contributions to find additional capital. There will be a seller note for the Capital Lease

Payment. The Deferred Developer Fee is that if there is a gap in financing then the developer fee would be deferred to cover this gap.

Attorney Ken Thompson stated that the residents should attend the meetings. We will schedule the meetings and ensure the residents understand the importance of these meetings, we will conduct Spanish meetings also. If we follow the rules and process, treat everyone the same we will not have any repercussions. Mr. Crogan stated we will write a letter in English and Spanish explaining the process and give it to the residents in person, that way they will know what is going on. Myrian Fleming, property manager attended the last RAD meeting and translated for the Spanish speaking residents. We do try to accommodate the residents and we will follow all HUD guidelines. The meetings must be documented and sent to HUD.

### **Barrett Park**

Mr. Crogan stated we are going to do a Section 18 for Barrett Park. A Section 18 is the process by which PHA's can remove the public housing units from their inventory through demolition if it can be proved that the public housing units require too much rehabilitation to be a financially feasible project; or the units are obsolete. Demolition is permitted if the modification and/or rehabilitation necessary for the buildings to meet HUD's physical condition standards exceeds 57.14% of the HUD-determined Total Development Cost (TDC). The timeline for this process is similar to RAD. The Barrett Park property is 20 acres and is zoned for two units an acre. We are going to have to do a small land use amendment and rezoning. We've talked with the city already and we can increase the zoning up to 10 units an acre. Our plan is to allow up to 200 units on the development site. These buildings will be 2-3 stories, one will be a 100-unit elderly development and the other will be a 100-unit family development. The elderly site will have an elevator and the family units will have stairs.

The relocation strategy will minimize disruption to these residents. We will provide all residents with a full package of relocation services and assistance to cover the full cost of their relocation. The tenant will be provided a tenant protection voucher if they wish.

Mr. Crogan stated that we have hired Delisi, Inc. of West Palm Beach, FL for the land use planner and Delisi Fitzgerald, Inc. of Fort Myers, FL for the engineering services.

### **B. Update on St. Peter Claver**

#### **Rick Miller and Matt Miller– National Development of America, Inc.**

Mr. Rick Miller stated St. Peter Claver Place is a two-phase affordable housing community that will be located at the intersection of Michigan Avenue and Zapato Avenue in the City of Fort Myers. Phase one will feature 136-units and a community space with 2,600 square feet. We manage everything we build; we have an affiliated company that manages approximately 10,000 apartments. Good management is very important and we try to get the best tenants we can by law. We started on the Michigan site with the Diocese of Venice 7 years ago. These are long commitments. We are proceeding towards a closing.

Mr. Matt Miller stated there are 68 2-bedroom units and 67 3-bedroom units and this is a family development. The total project costs are \$41.5 million. The Diocese owns the land. We received a tax increment financing through the Fort Myers CRA, if it wasn't for that we probably wouldn't be at this stage of the project. The Fort Myers City Council also stepped up and provided \$700,000 American Rescue Plan Act (ARPA), funds to help bridge the gap because of the construction costs and with the interest rates rising. Florida Housing is providing a substantial amount of money. We have all of the permits ready to go. The rent ranges we are

looking at are between \$600.00 and \$1300.00. We are hoping for an October 2022 groundbreaking.

Mr. Goodson stated unlike the other projects we are involved in we have no management in this project. We are the co-developer, we'll get a nice fee for working with National Development of America, Inc. on this project. Having a housing authority on this team has been beneficial to National Development in some of their financing and interest rates.

### **C. Update on Civitas of Cape Coral Project**

#### **Michael Allen, President – Revital Development**

Mr. Allen stated we began this process in 2019. We were looking for an affordable housing site and came across this site on Pine Island. This is our first affordable housing tax-credit project. Mr. Allen heard a lot of good things about Marcus D. Goodson and presented the project idea to him.

The Civitas project will be 96 affordable and workforce housing units on 4.65 acres on Pine Island Road, east of Wal-Mart and west of Sam's Club. The projected start date is December 2022. The plan is to have a stand-alone 6,100 square foot club house. The amenities include; on-site management, fitness center, business center with free computers and internet, game room and swimming pool. There will be a mix of 1, 2, and 3-bedroom units. It will be a 3-story walk-up. It will be one-way in and one-way out. Mr. Allen showed an aerial view of the site. Mr. Allen stated there are three developer partners; Revital Development Group, Lee County Housing Authority, and Birdsong Housing Partners. River North Properties is a place holder, that will be replaced by Raymond James. Mr. Allen stated the site is currently zoned Commercial Corridor within the Pine Island Road District of the Future Land Use Code. The underlying zoning allows for a maximum density of 25 units per acre of 116 units for the 4.65-acre subject site. Through a highly competitive, state wide application process, Florida Housing Finance Corporation's Board of Directors unanimously selected and approved Civitas to receive funds through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program, in the amount of \$5.6 million, to be utilized in conjunction with Low-Income Housing Tax Credit and Tax-Exempt Bond financing. Upon completion, the Project will have a 99-year Land Use Restrictive Agreement (LURA) in efforts to maintain affordability in perpetuity.

Mr. Allen reviewed the slide of the Area Median Income (AMI) unit set aside levels which showed the 30% AMI, 60% AMI, and 80% AMI. The slide also showed the unit mix and rental rates. He showed slides of the buildings, the land, and clubhouse. Mr. Allen stated we have selected a private management company to manage this property.

Mr. Allen stated our funding sources are; Tax Exempt Bonds, Freddie Mac Tax-Exempt Loan, CDBG-Disaster Recover, FHFC HOME Viability, 4% Low-Income Housing Tax Credits, Neighborhood Stabilization Program, Community Development Block Grant, State Housing Initiatives Partnership Program, HOME Investment Partnership, Lee County Housing Trust Fund, and Deferred Developer Fee.

### **D. Election of Officers**

As per the Lee County Housing Authority (LCHA) Bylaws, Section 6 Election or Appointment, the Board of Commissioners are required to hold election of officers each year in July during the annual meeting. The Chairperson, Vice-Chairperson, and Treasurer shall be elected at the annual meeting of the Authority from among the commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified. Vice Chairman Ortiz made a

motion to keep the board as they are now which is; Chairman Norris, Vice Chairman Ortiz, Commissioner Sardina and the Executive Director/Secretary is Marcus D. Goodson, seconded by Commissioner Sardina. The motion carries.

### **E. Draft Annual Plan**

Enclosed for review and approval is the draft 2022 Annual Plan for the Lee County Housing Authority. The draft annual plan was posted on the website and made available to residents and the general public at both Pine Echo I & II, and Barrett Park developments. We have successfully met HUDs required 45-day advertisement period. Vice Chairman Ortiz made a motion to approve the draft 2022 Annual Plan, seconded by Commissioner Sardina. The motion carries.

### **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 Reports-Diana Jones**

Diana Jones, HCV/FSS Specialist reviewed the reports above as outlined in the board books. Ms. Jones stated the average rent for June 2022 at Pine Echo I & II is \$237.16 and \$346.52 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 \$2,296.00 and \$0 for Barrett Park. Myrian Fleming, property manager stated the write off amount is for a move out owing money to the housing authority for damages done in the unit. There are 1,503 people on the wait list.

### **Maintenance Reports-Diana Jones**

Ms. Jones stated there were 89 work orders for Pine Echo I & II and 32 work orders for Barrett Park. The turnaround time for Pine Echo I and II is five days and five days 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 \$13.00 and for Barrett Park it is \$23.50, this is for a total of 5 tenants.

- **Section 8 Reports**

Ms. Jones stated we ended up with 168 units leased, out of this there were 4 port-in vouchers. We are over our utilization for HCV, but because we have not maintained these numbers for the entire year it won't impact us. As we have people drop off the program, we won't lease them back up until our number gets down to 100%. We are still experiencing the same problem for the Family Unification Program (FUP), we sent out approximately 35 packets to people that had been referred by our partner agencies for the FUP vouchers and one person responded. It's the same problem we have with the Mainstream Vouchers and the Veterans Affairs Supportive Housing (HUD-VASH) Program. We have 42 port-ins and they still come in every week. We are at 39 units leased for project-based vouchers, although we do have one move in then we'll be back up to 100%. The Mainstream Vouchers are at 69 under-leased. We recently submitted an application to HUD for 20 additional Mainstream Vouchers, we may only get 10 because that is the cap, but if there is any funding left, they are willing to increase the cap. At the end of the month, we issued and had 19 outstanding vouchers. We reported 251 vouchers to the Voucher Management System (VMS) Program.

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

Ms. Jones stated we have 25 people enrolled in the PH/FSS with 25 slots. There are 17 people with escrow balances. The escrow balance is \$91,754.03. Enclosed in each board book is the

career development, needs and services reports. Ms. Jones stated she has not yet met with her clients in person due to COVID-19 but has spoken with them on the phone and email. HUD stated we can extend the FSS plans for the tenants by 1 year due to COVID. We use to have child care and bus vouchers for tenants, but we don't anymore. We refer them to other resources.

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

Ms. Jones stated that HUD have changed the FSS Program rules quite a bit and with these rules we are now required to re-write our FSS Action Plan and also update our Admissions and Continued Occupancy Policy (ACOP) and Administrative Plan. Under the new rules they are requiring new contracts and differences in allowable escrow disbursements when tenants can actually cash out their escrow. The current tenants have the option of being transitioned over to the new contract. In the past you complete your goals or you don't get any money. Now tenants can still receive their escrow even if they haven't completed their goals. Before we are allowed to enroll anyone else into the FSS program we must get the Action Plan completed and submitted to HUD and approved by HUD by September 14, 2022. Once this is approved by HUD, we can enroll tenants. This is for Public Housing and the Section 8 Program. HUD has also calculated the way we calculate the escrow, but we can't use the new calculation sheet for tenants who are still under the old contract. They must transition all the way over or not at all. They can quit the program all together if they wish. Commissioner Sardina stated if we had anyone who is job ready to please refer them to her program which is the Donna J. Beasley Tri-County Apprenticeship Academy.

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

Ms. Jackson stated the ROSS Program is a three-year grant to help residents become self-sufficient and reduce or eliminate the need for welfare assistance. For the elderly residents is to enable residents to age-in-place gracefully and if not to place them in nursing homes or other institutional facilities. Ms. Jackson stated we have approximately 5-6 elderly residents who are no longer able to live by themselves. It was discussed at length about an elderly resident who really can't live by himself and who is an organized hoarder, however all agencies have declined to help him because he meets all the criteria with reason, dates, time, etc. Ms. Jackson showed these agencies photos of his unit. He has turned down all agency assistance to help him clean his unit. It has all been documented in his file about the help we have tried to get for him. His hoarding is a violation of our policy and we've lost points on our Real Estate Assessment Center (REAC) score; however, our hands are tied. Maybe we can help him put his belongings in storage. Mr. Goodson stated he will talk with our attorney to see what can be done.

Ms. Jackson reviewed the community partners with the board and audience.

Ms. Jackson stated that HUD requires 50 participants in the ROSS Program. She has 29 participants now, but she will enroll others as she helps many tenants. Ms. Jackson stated she assists people who are not residents also as we are partners with the Department of Children and Family Services.

Ms. Jackson stated during the pandemic she contacted CDR Maguire one of the leading COVID 19-testing, vaccinations and monoclonal antibody therapy logistics providers in Florida. They came out and gave staff and residents vaccinations.

Cross Point Church comes out and does a variety of activities for the residents. They have breakfast Bingo every 1<sup>st</sup> Saturday of the month. They serve holiday dinners. They have Camp Go, during the summer, youth tutoring every Monday night and Go Saturdays every 1<sup>st</sup> Saturday of the month.



Recently they had vacation bible school, they played games and read the scripture or a bible story. They are always doing something educational. The children dressed in costume recently as a Super Hero.

The North Fort Myers Civic Association adopts a development every year at Christmas and bring gifts and held a Christmas parade thru Barrett Park and Pine Echo II and they played Santa.

We still continue the BJ's bread and pastries for every development twice a week. Calendars are posted at each development.

Cornerstone Ministries provides Thanksgiving and Christmas meals, we make sure every resident has a meal that needs it.

Every year the Salvation Army donates Christmas cheer baskets to the seniors at LCHA.

Lamb of God Church provides Thanksgiving and Christmas boxed dinners every year. It is called Feeding the 5000.

Commissioner Sardina asked Ms. Jackson if she does any work with Fort Myers Technical College, clinical program, they have medical assistance and CNA classes and they are always looking for somewhere to go to practice.

### **Capital Improvements**

There were no reports.

### **Other Business/Board of Commissioners Comments**

Mr. Goodson updated the board on our application for additional Section 8 Vouchers. Mr. Goodson stated that Congressman Donalds office reached out to us a few weeks ago for additional language for the request, Mr. Goodson provided it to them. Our initial request was for 6500 vouchers. The reason we made this request was that they look at our service area such as Lehigh Acres, Cape Coral, and unincorporated Lee County and we have a total of 362 Section 8 vouchers now and the City of Fort Myers Housing Authority has 2700. When you look at the two programs and compare our coverage areas we have been underfunded. We went back to 1998 and looked at the population growth in Lee County outside of Fort Myers. We compared the vouchers that we've been awarded over that same period of time with other housing authorities in Florida of comparable size that have been awarded vouchers and we determined that we were grossly underfunded. We received a response from Congressman Donalds that they will support our request for additional vouchers.

Mr. Goodson stated that he is waiting to hear back from Truist Bank about the old BB&T Bank branch building that is vacate now as Suntrust and BB&T merged. He approached Truist and asked for a donation of the building as all banks are required to contribute back to the community where they serve. Maybe they will sell the building to us for half the market value. They will receive Community Re-Development Agency (CRA) credits and community goodwill. This bank will serve nicely for the housing authority, especially as we grow.

Mr. Goodson stated we haven't heard any word from the Governor's office yet about appointing a board member. We will contact his office next week.

### **Attorney Report(s)**

There were no reports.

**Public Input/Comments**

There was no one to be heard.

**Next meeting will be September 22, 2022**

**ADJOURNMENT:** Having no further business to discuss, Vice Chairman Ortiz made a motion to adjourn the meeting at 4:09 p.m., seconded by Commissioner Sardina. The motion carries.

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**ATTEST**

Date

Mr. Crogan stated that the conversion timeline is a 9–12-month timeframe. They will need written approval to complete a RAD conversion. We will hold multiple public/tenant meetings to provide information to the tenants about RAD. After a 45-day turnaround submission we will receive a Commitment to enter into a Housing Assistance Payment (CHAP) contract. We will need to amend the Annual-5-year plan. We will need to conduct another Capital Needs Assessment for HUD. We will need to complete an environmental site assessment. All financial plan must be submitted to HUD. We will enter a RAD Conversion Commitment which is an RCC and wait for approval to close. Mr. Crogan reviewed the tentative scope of renovations. It is not set in stone. All major appliances in the unit will be replaced along with kitchen cabinets, lighting, bath vanities, etc.

We anticipate the construction period to take approximately 12-15 months with the General Contractor. Residents will need to move out of their existing units and relocate to another unit within the Pine Echo I and Pine Echo II developments. If there are not enough vacant units, we'll look at local apartments and extended stay hotels. There will be no costs to the tenant. We will have someone pack up their belongings, and/or store their belongings or the tenant can do it. The tenants are still responsible for paying their rent. They won't be responsible for the hotel fee. The tenant may be able to move back into their original unit. The hard cost development cost is estimated at \$100,000 a unit. The total development budget is \$23.3 million. We will be financing the development with \$11 million in tax-exempt bonds through Florida Housing Finance Corporation (FHFC). Once we close on the bonds, we'll be applying through FHFC for \$7.1 million in 4% low-income housing tax credits. These tax credits are called an as of right once you file for tax-exempt bonds, you are automatically eligible to receive 4% tax-credits