

**Housing Authority of the City of Fort Myers (HACFM)
Board Meeting
May 11, 2018**

A meeting of the Housing Authority of the City of Fort Myers (HACFM) was held on May 11, 2018 at 12:00 p.m. in the boardroom of the Housing Authority of the City of Fort Myers, 4224 Renaissance Preserve Way, Fort Myers, FL 33916. Notice of this meeting was duly posted.

ATTENDANCE: Chairman Bruce Strayhorn
Vice Chairwoman Mattie Young
Commissioner Lemuel Teal
Commissioner Israel Suarez
Commissioner Douglas Hogg
Commissioner Joseph D'Alessandro (Arrived late)
Marcus D. Goodson, Executive Director
Attorney Justin Stockman

ABSENT: Commissioner Peter Routsis Arroyo

Chairman Strayhorn called the meeting to order at 12:01 p.m. followed by the opening invocation and the pledge of allegiance.

APPROVAL OF MINUTES: Chairman Strayhorn brought before the board the minutes from the March 28, 2018 board meeting. Having reviewed the minutes, Chairman Strayhorn inquired if there were any corrections, additions or deletions required. Commissioner Suarez made a motion to accept the minutes, seconded by Commissioner D'Alessandro. The motion carries.

Sherri Campanale, Deputy Director of Operations

Chairman Strayhorn stated we will move on to the executive director's reports as there is no discussion to the consent agenda. Commissioner Suarez made a motion to approve the consent agenda, seconded by Commissioner Teal. The motion carries.

Police/Crime Reports

The police reports are not enclosed as this board meeting is so early in the month and the reports were not available. Ms. Campanale stated there is a rise in crime at Southward Village Apartments with car thefts. We have continued to trespass people who shouldn't be on the property. There are no violent crimes. We had a couple of people who committed a crime in south Fort Myers who live at Southward Village Apartments. They are catching the people that are committing these crimes, it is a car theft ring.

Jeanne Dufresne, Procurement Officer stated the cameras have been replaced at Dr. Carrie Robinson Center and the new exterior cameras have been installed. These cameras will show the entrance on to the property with wider angles. The camera will catch the driver's photo. The electricians have installed the poles at the entry and exit area, we are waiting on the contractor to run the wiring to the Dr. Carrie Robinson Center to the police station. There will be a speed bump as you enter the development. The completion date should be within the month. The gate on the back of Dora Street is being powder coated and has not been installed yet. We've already closed off Willard and Franklin Street to Ford Street with bollards. The only exit out of the property onto

Ford Street is through a gate, this will allow entry only by e-vac emergency vehicles. There will be an opening on the sidewalk for pedestrians. The rear gate will be installed within the next two weeks.

Vicki Collins, CPA, Director of Finance & Human Resources

Included in each board packet are the Results of Operations, before depreciation, Statement of Assets and Liabilities as of February 28, 2018; and the Budget to Actual Statements for the year-to-date ended February 28, 2018.

SUMMARY

COCC

For the first eleven months of the FYE 3-31-18 the COCC has a negative variance of \$34,761. The negative variance is due to the fact that Asset Management Fees from the Public Housing developments is booked semiannually. \$44,100 of these fees had been earned as of February 28, 2018 but not booked.

Public Housing Program

Year to date for the fiscal year ended March 31, 2018, the 4 public housing developments managed by HACFM, plus the Palmetto Court AMP, incurred a NI of \$161,289; \$444,693 better than projected. The main areas responsible for the positive variance are the following:

Due to higher subsidy proration levels, subsidy is about \$120,000 more than projected for the period. Subsidy was budgeted at 89%, and it has been paid at 92.4%. Miscellaneous Income is about \$90,000 higher than projected; major items, Bonair Towers rented additional space on its roof which has provided an additional \$28,200, and an old generator on the roof was sold for \$4,500. Horizons received \$25,000 of Insurance proceeds for burn unit repairs. Dwelling rents are about \$24,000 higher than projected. Expenses are lower in all categories – creating \$210,000 of the positive variance.

Chairman Strayhorn asked if the generators at Bonair Tower and Royal Palm Tower (RPT) are working properly for the upcoming hurricane season? Ms. Dufresne stated the emergency generators are tested weekly by our staff. They run them once a week to see if they are running properly. We use Superior Power quarterly to check the generators. They were here a month or so ago. Mr. Goodson stated before he leaves in June, he will ensure that the generators are all in operating order. Chairman Strayhorn stated we should have Superior Power change the fuel filters and not wait until it breaks down. We should be ok with this generator as they replaced the water pump last year. The generator at Royal Palm Tower (RPT) is 2 years old and the generator at Bonair Tower is 6 years old.

Section 8 Program

YTD the HCV program has a NI of \$326,807; a positive variance of about \$320,207. The NI is broken down between HAP and Admin is as follows:

	Actual NI (Loss)	Budget NI (Loss)	(Over) Under
Admin	\$ 36,325	\$ (7,150)	\$ 43,475
HAP	<u>290,482</u>	<u>13,750</u>	<u>276,732</u>
Total	\$ 326,807	\$ 6,600	\$ 320,207

Reserves held in our bank accounts at February 28, 2018 were:

HAP	\$ 360,237
Admin	\$ 530,827

Results of Operations and Budget to Actual Variances by developments and programs
Results of Operations

	<u>February 2018</u>	<u>Eleven Months Ended 2-28-2018</u>
COCC	(22,572)	(34,541)
Renaissance Preserve Developers, LLC	0	130,653
Southward Village	(38,122)	104,650
Bonair Towers	13,954	55,481
Palmetto Court	(6,319)	(62,676)
Royal Palm Towers	(1,352)	60,530
Horizons	(56,203)	3,304
Flossie Riley	0	(48,636)
Tax Credit Developments	6,988	101,872
HCV Program	57,108	326,807
HOPE VI Program & CSS	(4,361)	743,163
TOTAL	(50,879)	1,380,607

Actual to Budget Variances

			<u>Actual</u>	<u>Budget</u>	<u>(Over) / Under</u>
COCC	(over) budget	under	(34,541)	220	(34,761)
Southward Village	(over) budget	under	104,650	(60,830)	165,480
Bonair Towers	(over) budget	under	55,481	(34,100)	89,581
Palmetto Court	(over) budget	under	(62,676)	(130,504)	67,828
Royal Palm Towers	(over) budget	under	60,530	(35,695)	96,225
Horizons	(over) budget	under	3,304	(22,275)	25,579

	(over)	under			
Flossie Riley	budget		(48,636)	(31,625)	(17,011)
	(over)	under			
Tax Credits	budget		101,872	231	101,641
	(over)	under			
HCV Program	budget		326,807	6,600	320,207
HACFM Total			506,791	(307,978)	814,769

Real Estate Development-Marcus D. Goodson, Executive Director

Mr. Goodson stated we are working on the transition of the managing general partner from the last couple of phases at Renaissance Preserve. We are waiting for a response from Saxon Gilmore & Carraway, P.A. Chairman Strayhorn asked how many low-income tax credit developments does Norstar still develop? Ms. Collins stated they still manage the four at Renaissance Preserve although we are the managing general partner of two of them. Once we are the managing general partner of the other two then we can transition Norstar out of the management. We think 30-60 days. We will have Stephenson & Moore, Inc. address the brown grass as Norstar has not been taking very good care of the property. They finally got rid of two trees that had fallen during the last hurricane. The fountain in the lake was not working and their response was that they were waiting for a part, but the next day it was back on.

Marcus D. Goodson, Executive Director

- **Fourth Quarter Collection Write Offs**

Mr. Goodson stated the collection write offs are in the amount of \$29,694.53. Commissioner Teal made a motion to approve the fourth quarter collection write offs, seconded by Vice Chairwoman Young. The motion carries.

- **Mr. Goodson’s employment contract**

Mr. Goodson will be leaving the agency to do mixed-finance consulting work in Puerto Rico. The Puerto Rico government does not permit Mr. Goodson to sign a contract to help them while working at the Housing Authority of the City of Fort Myers (HACFM). Mr. Goodson has an employment contract with the HACFM which states he must give a 6-month notice, however Mr. Goodson would like to give a 3-month notice. Chairman Strayhorn would like the board to waive formally the requirement that Mr. Goodson give us a 6-month notice. This way he will not be forced to give up an opportunity to help re-build Puerto Rico. Chairwoman Young made a motion to approve this request, seconded by Commissioner Suarez. The motion carries.

Chairman Strayhorn stated Mr. Goodson has appointed Sherri Campanale as deputy director of the housing authority. Mr. Goodson’s last day will be June 29, 2018. We would like the deputy director to be the interim executive director until we have finished our executive director search. Mr. Goodson stated Ms. Campanale has already gotten her rubber signature stamp and will be able to sign checks once Mr. Goodson leaves.

Executive Director Search

Chairman Strayhorn stated when we began our search 16 years ago for the executive director's position we used Abbie Weist, grant writer and would like to use her again to conduct the search for the new executive director. Chairman Strayhorn would like authority to go up to \$10,000 to conduct a search for the executive director's position. We will come back to this board with results to keep this momentum going. Commissioner Suarez made a motion to approve Abbie Weist to conduct a search for a new executive director up to \$10,000, seconded by Commissioner Teal. The motion carries.

Chairman Strayhorn would like to see every resume from candidates responds to the advertisement for executive director. We will review them and cut it down to a few applicants. Commissioner D'Alessandro asked how do we train someone to take over the various positions, we want to make sure we are not in a bind once Mr. Goodson leaves? There will be a lot of personnel changes and we want the timeframe we need to do all of this. Chairman Strayhorn stated Sherri Campanale, is the new Deputy Director of Operations and we've agreed should Mr. Goodson leave and we have not hired someone new, Ms. Campanale will be the Interim Executive Director pending the result of the search.

Assisted Living Facility (ALF)

Chairman Strayhorn stated it is very hard to get a low-income assisted living facility built. Integral has filed 2 applications already and has not succeeded. We are highly hopeful that the third application will be successful as Mr. Goodson has had many meetings regarding this. Chairman Strayhorn would like to use non-HUD funds from the non-profit and Attorney Syme's supervision to negotiate with Mr. Goodson as a private citizen what we can pay him to help submit this application and pay him a success fee assuming we get the approval. The non-profit would be the co-developer of this development and the reason we need Mr. Goodson is because he dreamed it and he's the driving force and we would hate to not have him to see it through to fruition. Mr. Goodson stated he will be interested in helping with this deal but would like the board to reimburse him for any travel expenses and a success fee that the board and Mr. Goodson agrees upon. Mr. Goodson will accept \$150,000.00. This will be a \$25 million project. The \$25 million will be funded through 9% tax credits and other funding sources, we would use these tax credits and sell them on the open market. We should know by September 2018 if we receive an ALF set-aside, and we will know January-February 2019 at the latest if the project will be funded. If funded, we should close by the end of 2019 and break ground in January-February 2020. It will take approximately 18 months to 2 years to build the ALF with a ribbon cutting in 2022. Vice Chairwoman Young stated she did not know what qualification the new executive director would need to have to operate this housing authority, will Mr. Goodson leave the board a list of qualifications that we should look for knowing all of the various projects that we've been involved in? Chairman Strayhorn stated in the next 10 days we will have a job description that encompasses what Vice Chairwoman Young said. Mr. Goodson stated he will be involved as much as the board wants him to be involved.

Mr. Goodson stated he would think the agency would submit a tax-credit application for Southward Village Apartments and Phase II of East Pointe Place. All of these tax-credit applications will be being managed by TAG Associates, our consultant and the developer that we will work with unless we apply as self-developer. Chairman Strayhorn will bring back more information on this subject but is looking for approval to move forward. We believe we may self-develop. Commissioner Suarez made a motion to have Mr. Goodson work on the ALF application and pay Mr. Goodson the success fee agreed upon at closing, seconded by Vice Chairwoman Young. The motion carries.

Amendment to Bylaws

Mr. Goodson stated he asked our legal counsel to research what it entails to change the Bylaws of the housing authority in particular the limitation on the terms of the chair and vice chair. They can only serve for 2 consecutive years. Chairman Strayhorn's term is coming up in October 2018. We have some transitioning board members and because we are in search for a new executive director we think it prudent to keep the current chair and vice chair in their positions. We need to amend the Bylaws to do this. We still want them to rotate out and not have them in these positions for long periods of time. Attorney Justin Stockman stated the amendment of Bylaws has been done since the inception of housing authorities. Included in each board packet are the current Bylaws and Resolutions and amendments. As long as you have the four vote and the language of the written amendment(s) it has to be provided to the board as least 7 days prior to the vote. It will be up to the staff as to what counsel they would like to write this. Commissioner D'Alessandro stated he would like the language limited, saying maybe the terms will be a maximum of 4 terms. Mr. Goodson stated a new director should be here by the end of the year, couldn't we just extend the terms and have it reverted back to the way it is now? Chairman Strayhorn stated it will take a while to get the new director up to speed so what counsel had said if we could permit a couple of additional 2-year terms and then have it revert back. Chairman Strayhorn stated for the next 2-year period it is suspended, then it would give 24 months and we could come back and discuss it again. Chairman Strayhorn asked that attorney Justin Stockman come back to the board with the changes.

Renaissance Preserve Reports

These reports are enclosed in each board packet. Occupancy is strong and we have a healthy wait list.

Capital Improvements

There was no discussion.

Section 3 Reports

There were no reports.

Other Business

Chairman Strayhorn asked if we completed the project-based vouchers for the Neighborhood Stabilization Program (NSP) properties? Ms. Campanale stated this process is going to take time. We have HUD approval already. We've almost completed 100% of Coconut Cove, of the 12 units 9 have been converted. We have to get the residents qualified and schedule the inspections. We are in the process of converting Covington Meadows, Stella Apartments and Broadway Apartments. The rent at Coconut Cove Apartments went from an average of \$436.00 a month to \$725.00 a month.

Commissioner D'Alessandro stated he's been reading that Secretary Carson is decreasing funding for housing authorities, is this true? Mr. Goodson stated what Secretary Carson and HUD are proposing is the way that rent is structured from 30% of a person's gross income to 35%. This equates to approximately \$75.00 increase in rent per month for public housing and Section 8 residents. This has to be approved by Congress. HUD is now on a promotional tour with Congress to see if they can get this done.

Mr. Goodson stated we tentatively have the annual Board of Commissioners Retreat scheduled for July 20, 2018, maybe we should cancel this year's Retreat? Chairman Strayhorn stated we can cancel this Retreat for now.

Mr. Goodson stated enclosed in the board packets is the new organizational chart which reflects Ms. Campanale's new promotion and the four division heads under Ms. Campanale. This position will leave more time for Ms. Campanale to do more administrative work. She will not directly oversee 45 employees. She will only oversee four employees. Jessie Dortch, Information Technology Coordinator will be under the Finance Department. After June 29, 2018 Ms. Campanale will be the interim executive director.

Commissioner Suarez stated he will have a big problem if someone new comes in as executive director and decides to remove employees from their positions. Chairman Strayhorn stated no one ever comes to an organization and cleans house, if it's working they leave it alone.

Commissioner Hogg stated that the maintenance staff is doing a great job at Royal Palm Tower (RPT). He also appreciates Mr. Goodson asking him to be a member of the board.

Chairman Strayhorn reminded the board of Mr. Goodson's farewell party at the Dr. Carrie Robinson Center on June 20, 2018 at 5:00 p.m. Everyone is welcome.

Commissioner D'Alessandro stated he has no idea what Mr. Goodson's "severance package" is? Chairman Strayhorn stated Ms. Collins can easily put this together send to the commissioners, but it is not called a severance package. Mr. Goodson has a base salary, 401K, car allowance, annuity and vacation and sick leave.

Commissioner D'Alessandro stated it is important that you have skilled people and a happy place for people to work.

Public Input/Comments

Chairman Strayhorn apologized to the residents of Royal Palm Tower (RPT) because he told the residents we would be complete with the elevators by the end of July 2018, but this will be completed by the end of 2018 for the beginning of 2019.

John Hill resident of Royal Palm Tower (RPT) and President of the resident council stated that Ms. Watkins and Ms. Collins told the resident council that they would not be getting their HUD allotment check this month. There have been problems at RPT with previous boards and there is no accountability with the funds. Ms. Campanale stated RPT receives \$1500.00 per year. We are not denying them their money, but we need to educate them on the money and what it is used for. We report to HUD that we give them \$1500.00 but we ensure they handle their money properly. We still cannot balance their account; the receipts don't match the expenses. Vivian Watkins, Elderly Services Coordinator will educate the resident council and audit their expenses. Mr. Hill stated that he has met with the treasurer and will ensure that the account is always accurate. In previous management the supervisor did not allow Ms. Watkins to perform the audit. Ms. Collins stated we receive resident participation fees which is \$25.00 per occupied unit. The housing authority keeps \$10.00 of this and \$15.00 goes to an organized resident council to spend on resident activities, if they don't have an organized resident council they don't get this, the housing authority gets to keep it and we can spend it on the resident activities, but if they have one, they have to prepare a budget. In this particular case, we can't tell for at least 2-3 years if this money was even spent for resident participation or personal items for the resident board. This year we will have the resident council come to us and we'll pay for what they need and see how this goes for 3-6 months.

ADJOURNMENT: Having no further business to discuss, the meeting was adjourned at 1:46 p.m.

ATTEST Cheryl L. LaBelle, Executive Assistant Date