



*Board of Commissioners*

*H. Lee Lindsey, Chairman*

*Leta Anthony*

*Brandii Peterson*

*Louis Jackson*

*Kerry Wright*

September 13, 2023

This document is being provided in response to the various attempts to shape the narrative in the Little Rock Community pertaining to the role of the Board of Commissioners, Finances, and the existence of Central Arkansas Housing Corporation and their structure. The expressions and actions are being done without the facts of the matter and a real history of who and what this is really about. We hope to provide additional factual information to Rep. French Hill and City Attorney Tom Carpenter that in the context of their letter and statements were not shared. There are various points we will address and in the trial that is required by the Board of Directors of the City of Little Rock, we are willing to provide additional documentation to support our position and our actions.

Some may question the timing of this document but it had been our hope that someone on the Board of Directors would recognize the flaws in the process that is being used and request more time and information. That of course has not been the case. Secondly, there is never a bad time to share the truth and facts.

- 1. MHA/CAHC are not operating illegal or structured outside the approval of the HUD Model.**
- 2. Roles and Responsibilities of the Board of Commissioners: Commissioners have addressed the issues of finance and new income stream since 2018. Provided methods of increasing funding and the liquidating of unuse assets as well as the restructuring of the agency. This has been met with accusations of bullying and being in the day to day operations of the business.**
- 3. Finance and Audits: MHA continues to control all federal resources for all managing partners. MHA controls all the documents required for the auditing process. The Board of Commissioners of MHA have repeatedly requested transparency in the financial process.**
- 4. Who and What is this REALLY about**

Metropolitan Housing Alliance (MHA)dba Little Rock Housing Authority began its engagement in the RAD process in 2010. Central Arkansas Housing Corporation

(CAHC) was established to support the Little Rock Community in the area of housing due to the changes that the RAD would create. All transactions in the RAD conversions are closely and clearly monitored by the Office of Recapitalization/Redevelopment. The current model is approved and acknowledged by HUD. (Please see attachments or visit the HUD website for a clearer understanding of the RAD Program. MHA engaged with the Development Company, Gorman and Company for the rehabbing of 900+ units in 2018. As a part of the structure of the RAD deal, Gorman became manager of the properties for the duration of the rehabbing process and for an additional 3-5 years after completion. All rental income was lost to MHA. CAHC received the debt of the deal and 50% of the developer fee for the purpose of assistance with the debt and additional development opportunities. Madison Heights and Granite Mountain was previously managed by McCormick Barron. CAHC purchased the property in the First Right of Refusal transaction and ITEX became the property management company as well as won the bid for the RAD deal. The contract for the property management and RAD deal expired June 2021. CAHC stepped in to manage in September 2021. The arrangement was the same for all three entities. Still, no new income streams for MHA with the changes due to the execution of RAD deals. Once a RAD deal is entered into for these properties, CAHC will no longer receive the income for the expenses of the property. In October 2022, Gorman took over the management of Sunset Terrace removing income from MHA. Still, no new income streams

Finance and Audits: MHA continues to be the center point of where federal funds referred to as subsidies are received. They are to be deposited to the property where the tenant lives to help cover the expenses. No matter who the managing entity might be. Audits can not be completed until all information is received from MHA Finance. The issue of the Finance Department at MHA has been a problem through several administrations with no real urgency to correct the issues. While fiduciary role of the Board of Commissioners, false documents provide false information when presented to the Board. Over the last year, the finance department is in the process of going through a complete overhaul at the urging of the Commissioners. In addition to a new finance director being hired, MHA had hired an additional part time with more experience than those that formerly held those positions. Kerrion was hired from Robert Half to assist with the sorting out accounts, bank statements, and correct billing. CAHC in the last 2 months has received subsidy reports that they have been requesting for 2 years. MHA and CAHC had a bookkeeping verbal agreement that did not work. Request for all financial information that is in their possession and assistance in identifying all accounts associated with CAHC.

Role and Responsibilities of the Commissioners: The present Commissioners are well aware of their role and responsibilities. Their financial, policy, hiring, and viability of the agency is taken seriously. Commissioners understand that the loss of income must be replaced with new streams and not from the account of a separate entity. MHA is not without resource to overcome the loss of income. The Commissioners work with staff to

create a Management Assessment Program, reconstruct the business to streamline the operations to make it more effective, held accountable those in position and provided information to secure our financial outcome. All the executive directors hired by the Board had the skills sets to adapt to the work to be done and lead the organization. From PHD's to Master Degrees, the only thing that was missing was their will to do this very important work. Each candidate for the position of executive director is briefed in very clear terms the needs and issues of the agency in the hiring process. When the Commissioners held Staff accountable, it was met with public critics', lawsuits (which they are not winning), and actions to remove the Board of Commissioners.

Who, What and Why: There seems to be something else at work when it comes to the present and some of the former members of the Board of Commissioners. In every case, we are not found to have violated any rules of HUD. We recognize the same three entities that choose to oppress the members of the Board after being served up unfounded information, lies and threats of the removal of housing services to the Little Rock Community. It looks as if Mayor Scott has seen the show often enough that he is standing clear of it. The Board of Directors has stepped up to the plate to continue the effort. A letter therefore had to be requested from a higher up to give the look of validity to the effort. You have to consider if this is really a HUD issue, why does the Board of the Directors need to take the lead? If the authority is really in the hands totally, then HUD should take the steps. The Commissioners earlier filed a complaint of no confidence in Anthony Landecker and did it the right way without fanfare without the media. Please examine the attachments.

Lee Lindsey, Chairman  
Board of Commissioners  
MHA