

# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

August 23, 2010

## Via Electronic Transmission

The Honorable Shaun L.S. Donovan  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street S.W.  
Washington, DC 20410

Dear Secretary Donovan:

Thank you for your most recent response regarding the Department of Housing and Urban Development's (HUD) distribution of American Recovery and Reinvestment Act (Stimulus) funding to troubled Public Housing Authorities (PHA) across the United States. I write to you today because I remain concerned about waste, fraud and abuse of taxpayer dollars being given to PHAs that have a track record of these problems, and I am therefore contacting you with additional questions regarding the program funding.

A recent article in the *Philadelphia Inquirer* (Attachment A) described one situation where the Philadelphia PHA Executive Director is receiving an annual compensation of over \$350,000, more than the Philadelphia mayor and Pennsylvania Governor combined. This includes an annual salary of \$306,370, as well as a bonus, which totaled more than \$44,000. Additionally, the *Philadelphia Daily News* (Attachment B) reported that the Executive Director established a fund which he "dubbed the "Pennsylvania Institute of Affordable Housing." According to the report, "Roughly 300 PHA staffers pa[id] \$2.12 each week to the fund" and "[T]he \$2.12 fee, automatically deducted from paychecks of nonunion PHA staffers, does not include an additional \$300 to \$600 that senior staffers say they're expected to kick in each year for gifts and events...."

Even more alarming, this Executive Director is responsible for spending \$127 million in Stimulus funds for 1,200 housing units. As Secretary of HUD, discretion for awarding Stimulus funds has been left to you. I am concerned, especially given the financial issues I raised regarding distribution of Stimulus funds to troubled PHAs, that fraud, waste, and abuse of these funds may extend beyond just troubled PHAs. (Attachment C) Therefore, please provide the following information:

- 1) To what extent was HUD aware of the questionable financial activities at the Philadelphia PHA?

- 2) Was HUD aware of the Pennsylvania Institute of Affordable Housing and the nature of the PHA Executive Director's relationship to that fund? If so, is HUD taking any action to address the situation? Please explain in detail.
- 3) What oversight has HUD conducted on the Philadelphia PHA expenditure of Stimulus funds? Please explain in detail and provide copies of any evaluations, reviews, reports or other materials prepared by HUD or a third party contractor.
- 4) What, if any, complaints were filed by employees regarding problems at the Philadelphia PHA for the period of FY 2008 to the present? For each complaint please provide a summary and the actions taken by HUD to address the complaint.

Further, in a recent article appearing in the Florida newspaper *The Ledger* (Attachment D), it was reported that the Executive Director of the Lakeland PHA enjoys an annual salary of over \$182,000, as well as a benefits package including an \$18,000 car allowance and a generous eight weeks of paid vacation. *The Ledger* article states that the "housing authority executive pay is based on the number of public housing and Section 8 units they oversee." However, according to the article, other PHA directors in the area oversee far more housing units but have lower salaries without an exorbitant car allowance.

While I appreciate that cities want to pay competitive salaries to ensure that they get top quality personnel, I am much more concerned that Stimulus dollars appear to be spent on exorbitant salaries. Therefore, I am requesting the following information:

- 1) The annual salaries, allowances and bonuses paid to the executive directors at all troubled PHAs based on the 2009 and 2010 lists of troubled PHAs.
- 2) The annual salaries, allowances, and bonuses for the executive directors of the top 20 largest PHAs, if that information is not included in the information provided in the response to question 1.
- 3) A detailed explanation of who determines PHA director salaries and compensation, as well as the criteria for determining the levels of salaries and compensation when federal funds are involved.
- 4) Justification for any and all annual bonuses paid to the executive directors and provided in the responses to questions 1 and 2.

Thank you in advance for your prompt attention to this matter. I would appreciate receiving your response to this matter by September 10, 2010. Should you have any questions regarding this matter, please do not hesitate to contact Janet Drew or Brian Downey of my staff at (202) 224-4515. All documents responsive to this request should be sent electronically in PDF format to [Brian\\_Downey@finance-rep.senate.gov](mailto:Brian_Downey@finance-rep.senate.gov).

Sincerely,



Charles E. Grassley  
Ranking Member

cc: The Honorable Kenneth M. Donohue, Sr.  
Inspector General  
U.S. Department of Housing and Urban Development

Attachments

# Attachment A

Posted on Fri, Aug. 13, 2010

## **Philadelphia Housing Authority chief Carl Greene facing foreclosure**

By Jennifer Lin

Inquirer Staff Writer

The mortgage foreclosure crisis has claimed an unlikely victim: Carl R. Greene, executive director of the Philadelphia Housing Authority (PHA).

Wells Fargo Bank has foreclosed on Greene's \$615,035 condominium in the upscale Naval Square development in the city's Schuylkill section.

In a lawsuit filed July 27, Wells Fargo said the amount in dispute was \$386,685.22.

Greene, 53, runs the nation's fourth-largest public housing agency and is one of the highest-paid public officials in the city. His salary is \$306,370, and last year he got a \$44,188 bonus.

Kirk Dorn, a spokesman for Greene, confirmed Thursday that the housing chief was "involved in a dispute with his mortgage company."

"It's unfortunate that the dispute is now public, but he plans to deal with the matter in private," Dorn said.

Dorn added that Greene "knows people will find it hard to understand how he could be involved in a possible foreclosure proceeding on his home, but he would prefer not to say more about it at this time."

Greene bought his three-bedroom, 2,100-square-foot condo in 2007.

Wells Fargo is not seeking to evict him.

Like any other Philadelphia homeowner threatened with losing a house, Greene will have to participate in the city's mortgage-foreclosure program. He is scheduled to appear Sept. 16 in the courtroom of Judge Annette Rizzo.

PHA, a state authority, is funded mostly by the U.S. Department of Housing and Urban Development and is responsible for providing housing for Philadelphia's poor. It maintains rowhouses and apartments for low-income residents and develops affordable housing for purchase.

Greene took over PHA in 1998, after serving as executive director of the Detroit Housing Commission. He also worked for housing authorities in Atlanta and Washington.

Under Greene, PHA has aggressively eliminated outdated public-housing projects that concentrated families in fortresslike structures. Instead, the agency has developed low-rise communities with a mix of rental units and affordable homes for purchase. The developments often helped transform neighborhoods, such as the Hawthorne section of South Philadelphia.

Greene has drawn praise for his results in building housing and reviving neighborhoods and criticism for his sometimes combative, forceful style. During the administration of President George W. Bush, Greene sued HUD and accused the agency of punishing PHA for not giving land to the politically connected Philadelphia music producer and developer Kenny Gamble. The case was resolved out of court.

With the Obama administration, Greene has drawn attention and accolades from HUD for quickly putting to use economic-recovery money. In the last two years, PHA has received an additional \$127 million in stimulus money that Greene has used to build or renovate 1,200 housing units.

# Attachment B

Posted on Fri, Aug. 20, 2010

## **Sources: PHA staff forced to join Greene party**

By WENDY RUDERMAN, CATHERINE LUCEY & BARBARA LAKER

Philadelphia Daily News

[rudermw@phillynews.com](mailto:rudermw@phillynews.com) 215-854-2860

On a fall afternoon, hundreds of Philadelphia Housing Authority employees piddled away the workday at a Bucks County fun zone where they played laser tag, shot pool and bowled, and grazed on fresh salmon and roast beef.

Money for the all-day field trip came from a fund established by PHA Executive Director Carl Greene. Roughly 300 PHA staffers pay \$2.12 each week to the fund, which Greene dubbed the "Pennsylvania Institute of Affordable Housing."

The \$2.12 fee, automatically deducted from paychecks of nonunion PHA staffers, does not include an additional \$300 to \$600 that senior staffers say they're expected to kick in each year for gifts and events celebrating Greene - his birthday, his employment anniversary and Christmas.

Staff gifts to Greene have included a regal oil painting of their boss, an expensive watch and a big-screen TV, at least eight former and current PHA employees told the *Daily News*.

In 2006, Greene created the "Pennsylvania Institute of Affordable Housing" and at the time, he named his spokesman, Kirk Dorn, as "president" and "tax responsible party," state records show.

Dorn, who now works for PHA on contract, said yesterday that he actually served as fund "secretary" and was no longer connected with it.

The fund's purpose is to "provide education to the community," according to a state corporate filing.

But four times a year, Greene taps into the fund to throw events that include excursions to the zoo, the Brunswick Zone XL in Feasterville, and barbecue cook-offs.

Former and current employees told the *Daily News* that they felt forced to pay into this fund and that Greene and PHA supervisors prodded them to play hooky on taxpayer time.

"We're compelled to join and you can't quit," said a PHA manager who requested anonymity. "You don't have a choice."

"There were no statements, no public accounting of the money," said a former PHA senior staffer.

Yesterday, Dorn described the fund as a "professional development" opportunity for staffers. He estimated that about 300 employees pay \$100 annually to the fund. As of last night, Dorn could not provide financial statements requested by the *Daily News*.

Dorn said the fund pays for social and educational events. He said that when staffers go on the outings, they are on company time.

"PHA feels it's a team-building day. It's a legitimate use of managers' time," Dorn said. "You get to know each other better."

"It's a very positive thing," he added. "People are voluntarily joining a group and paying \$2 a week to join something that is going to improve their careers."

Asked why the fund's name suggests a statewide organization, Dorn said: "Our plan was to reach out and form a network of similar entities. We really didn't get that far."

Greene is at the center of a growing firestorm that began last week, when news surfaced that he had stopped paying the mortgage on his upscale \$615,000 condo and had recently paid off a \$52,480 federal tax lien.

On Wednesday, Greene, who last year earned \$306,370, plus a \$44,188 bonus, announced that he was taking a leave from PHA.

The leave came amid allegations that he had sexually harassed a young, attractive PHA architect. In addition to the architect, Elizabeth Helm, at least five other female staffers have filed complaints with the U.S. Equal Employment Opportunity Commission since 2004. The women alleged that Greene had subjected them to sexual harassment, verbal abuse, retaliation and sex discrimination. Greene has denied those allegations.

In an April 21 letter to PHA, John M. Elliott, an attorney representing Helm, accused Greene of improperly using his position for "his personal benefit," including soliciting cash and personal gifts from PHA's employees, vendors and law firms." Elliott sent copies of the letter to Gov. Rendell, Mayor Nutter and former Mayor John Street, who is the chairman of the PHA Board of Commissioners.

At a news conference yesterday, reporters asked Rendell about the allegations against Greene.

"Mayor Street, who remains as [board] chair . . . and the board will take whatever appropriate action they feel is appropriate," Rendell said. "But, gosh, Carl Greene has improved the lives of poorer Philadelphians more than anybody I know."

Charles Gaskins, who worked as Greene's assistant general manager of operations in 2004, said he left PHA after he was expected to kick in \$100 for Greene's lavish Christmas bash.

"I wasn't going to pay for his party. That's the reason I left," he said.

Richard Zappile, the PHA chief of police, was responsible for collecting money for Greene's parties, PHA staffers told the *Daily News*. Zappile did not return a phone message last night.

A former senior PHA staffer who requested anonymity said Zappile collected \$125 from him for a party in 2008 to mark Greene's 10th anniversary as executive director.

At the party, held at the Greater Grays Ferry Estates, staffers presented Greene with an oil-painted portrait of himself, with a pensive, almost presidential expression. The roughly 3-foot-by-2-foot painting was framed in a dark, rich wood.

That night, staffers also presented college-scholarship money to a few teens who lived in PHA housing. The money came out of the \$2.12 weekly fund, according to the former senior staffer.

Last fall, busloads of PHA staffers flooded the Brunswick Zone XL on Street Road in Feasterville.

Jon Antonelli, Brunswick Zone general manager, said PHA staffers filled all 48 bowling lanes and lounged in the Brunswick Bar & Grill, where they enjoyed "a nice buffet spread" that included salmon and sliced roast beef.

Antonelli said PHA staffers competed in teams against each other. They played billiards and video games, and bowled to win prizes, he said.

They also played laser tag, which Brunswick Zone bills as "a heart-racing game of skill and strategy," where players have to "watch out around the next corner or you may get tagged. ZAP!"

"We should not have been getting paid while on a field trip," the former PHA staffer said. "We were still drawing our salaries for that.

"We bowled and played laser tag and games the entire day."

# Attachment C

# United States Senate

WASHINGTON, DC 20510

June 16, 2010

## Via Electronic Transmission

The Honorable Shaun L. S. Donovan  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410

Dear Secretary Donovan:

Thank you for your recent response to Senator Grassley's letter of March 15, 2010. In that letter, Senator Grassley asked the Department of Housing and Urban Development (HUD) about the distribution of American Recovery and Reinvestment Act (Recovery Act/Stimulus) funding to troubled Public Housing Authorities (PHA) across the United States. However, despite HUD's response, we remain concerned about the waste, fraud and abuse of taxpayer dollars being given to PHAs with less than stellar track records.

### A. Transparency and Accountability

First, thank you for agreeing to post the Public Housing Assessment System scores on the HUD website, as Senator Grassley suggested. In addition to posting all PHAs scores on the HUD website, we are interested in whether you will also be providing the following material information regarding troubled PHAs:

- Location of the PHA;
- Fiscal Year in which the PHA was designated as troubled;
- Categorization of the PHA problems (Troubled, Substandard Financial, Substandard Physical, and Substandard Management);
- The applicable narrative and corrective plan;
- Total number of units involved;
- Level of concern (high, medium, low);
- Stimulus funding risk level; and
- Amount of stimulus funding awarded to PHA.

As we are sure you will agree, it is important that HUD operate with the highest level of transparency possible with regard to the health of PHAs, as these organizations receive over \$4 billion per year in taxpayer dollars and have, thus far, received approximately \$4 billion in stimulus funds. However, according to the June 8, 2009 list of "Troubled PHAs," 13 PHAs, which have received over \$94 million in stimulus funds, have been designated by HUD as "high risk" (See chart below).

<b>HA Code</b>	<b>Housing Authority Name</b>	<b>Amount of Stimulus Funds Granted</b>	<b>Grant Number</b>	<b>PHA Low Rent Units</b>	<b>Risk Level According to HUD</b>
CA001	San Francisco, CA HA	\$17,876,716	CA39S00150109	6656	High
IL001	East St. Louis, IL	\$4,948,702	IL06S00150109	2073	High
IL026	Waukegan, IL HA	\$815,416	IL06S02650109	448	High
IN011	Gary, IL HA	\$5,874,358	IN36S01150109	2447	High
LA001	New Orleans, LA HA	\$34,576,051	LA48S00150109	8230	High
LA095	St. John the Baptist Parish, LA HA	\$697,601	LA48S09550109	312	High
MI001	Detroit Housing Commission, MI	\$17,275,908	MI28S00150109	4035	High
MI008	River Rouge HC, MI	\$939,153	MI28S00850109	300	High
MI010	Benton Harbor HC, MI	\$628,259	MI33S01050109	346	High
MI033	Royal Oak Township HC, MI	\$265,633	MI28S03350109	128	High
MI105	Highland Park HC, MI	\$323,034	MI28S10550109	198	High
MO138	Wellston, MO HA	\$408,192	MO36S13850109	201	High
VQ001	Virgin Islands HA	\$9,415,808	VQ46S00150109	3590	High
<b>Total</b>		<b>\$94,044,831</b>			

### **B. Responsiveness to March 15, 2010 Letter**

In Senator Grassley's initial letter of March 15, 2010, he listed specific instances of problems found at PHAs, which had been cited by the HUD Office of Inspector General (OIG). In particular, Senator Grassley highlighted problems plaguing the Puerto Rico Public Housing Authority, the New London Housing Authority (CT), the Miami-Dade Housing Authority (FL), the Housing Authority of New Orleans (LA), and the Syracuse Housing Authority (NY). In HUD's response, it stated that several of these findings were addressed and officially closed out by the OIG. However, we are concerned that the response Senator Grassley received from HUD failed to adequately address issues raised regarding these PHAs, and we question whether these problems have been properly resolved.

Specifically:

- HUD failed to respond to the concerns Senator Grassley raised regarding the Puerto Rico Public Housing Authority, including the inappropriate obligation of \$32.12 million of stimulus funds and the reason(s) why HUD is not seeking repayment from the PHA.

- HUD failed to respond to the concerns Senator Grassley raised regarding the Housing Authority of New Orleans. Though HUD stated that the Housing Authority of New Orleans has a new leadership team, including a set of “specialist consultants,” it is our understanding that this PHA is under an administrative receivership.
- HUD failed to respond to the concerns Senator Grassley raised regarding the Miami-Dade Housing Authority. We are specifically concerned with ensuring that the Miami-Dade Housing Authority properly prioritized its use of stimulus funds, and that it currently has the sufficient expertise to ensure accountability for the stimulus money it received from America’s taxpayers.

### **C. Accuracy of Troubled Housing Designations**

In Senator Grassley’s previous letter, he also raised concerns about PHAs that were reviewed by the OIG over the previous 12 months. The OIG found weaknesses that could significantly reduce the PHAs’ abilities to effectively administer millions of dollars in stimulus funding. While we understand that the reviews may have focused on the spending under the Public Housing Capital Fund program, these same weaknesses could have an equal or greater impact on the administration of stimulus funding. Therefore, we consider the OIG findings to be both germane and material to the implementation of the stimulus program by HUD.

Included in HUD’s letter to Senator Grassley was a February 2009 list of troubled PHAs, which was assembled prior to the distribution of stimulus funds. It is our understanding that an updated list of troubled PHAs, dated February 2010, is also available. Attached is a copy of that list for your review (Attachment 1). We note further that the February 2010 list differs from the February 2009 list. Accordingly, attached is a chart that identifies some of the major differences between the two troubled PHA lists (Attachment 2). You will see that some PHAs have been added and others were dropped. It is also our understanding that PHAs and their deficiencies are organized into several categories including: Troubled, Substandard Financial, Substandard Physical, and Substandard Management. This information was not included in HUD’s response to Senator Grassley. We would appreciate knowing which PHAs are associated with which deficiencies.

Additionally, during the course of the independent inquiry conducted by our offices, we noted that the Chicago, Kansas City and Virgin Islands Housing Authorities are either under an administrative or in judicial receivership.<sup>1</sup>

---

<sup>1</sup> “Administrative Receivership is a process whereby HUD declares a PHA in substantial default of its Annual Contributions Contract, and takes control of the PHA under the powers granted to the HUD Secretary under the Housing Act of 1937, as amended.... Judicial receiverships are established, monitored and supervised by federal courts. A District Court appoints a receiver to conduct the affairs of the PHA in a manner consistent with statutory, regulatory, and contractual obligations of the PHA and in accordance with such additional terms and conditions that the court may provide and with Section 6(j)(3)(c) of the Housing Act of 1937, as amended.” <http://www.nls.gov/offices/pih/oro/rec.cfm>; accessed on June 14, 2010.

However, these PHAs were not included in the list of troubled PHAs provided to Senator Grassley; however, New Orleans, East St. Louis, and Detroit, which are also in receivership, are on the list. We would appreciate any guidance that HUD can provide as to why some PHAs in receivership are on the troubled list and others are not.

#### **D. Abuse of Stimulus Funding and other PHA Concerns**

The stimulus money is, according to HUD's website, intended to "provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities." Despite this focus, it appears that there are several cases where this goal is far from being met.

For example, a recent article, published in the *Fort Myers Florida Weekly*, about the Ft. Myers Housing Authority, stated that this PHA, "received a \$2.2 million windfall injection of cash last year as part of President Obama's American Recovery and Reinvestment Act of 2009 — the celebrated "stimulus money" — they [the administrators and board members] ditched plans to use it to repair existing public housing units" (Attachment 3). The article then goes on to describe the cost of some of the plush new furnishings including, "\$30,000 of sleek virgin furniture, including a regally chic Aeron-styled executive chair so tall he can disappear into it..." and "a \$5,000 conference room table equipped with 14 chairs worth \$450 each." It should also be noted that the Fort Myers Housing Authority does not appear on either of the two PHA troubled lists and, according to the *Fort Myers Florida Weekly*, this PHA will ultimately get about \$5.8 million in taxpayer-funded stimulus money.

Furthermore, on September 23, 2009, the former Chief Financial Officer of the Housing Authority of New Orleans, which received \$34.5 million in stimulus funds, pled guilty to embezzling over \$900,000 from taxpayers.

Finally, in Sanford, Florida, local news reports stated that, "thousands of tax dollars meant for Sanford's troubled public housing were instead spent on cross-country trips, hotels and restaurant lunches. While the executive director of the Sanford Housing Authority and two co-workers were charging on corporate credit cards, big bills weren't getting paid." This PHA received over \$1 million in stimulus money, yet according to news reports, owes over \$700,000 to its creditors.

In light of these facts please:

- 1) Describe how a determination is made as to whether a PHA, which is in receivership, is or is not included on the troubled housing authority list;

- 2) Provide copies of all reports, reviews, evaluations or audits done by the Office of Public and Indian Housing<sup>2</sup> and/or a third party contractor regarding the use of stimulus funds by PHAs;
- 3) Provide all material provided to the OIG demonstrating that the Miami-Dade and Syracuse PHAs, as well as the other PHAs reviewed over the previous 12 months, have fully addressed the concerns earlier identified by the OIG;
- 4) Provide all material demonstrating that the Puerto Rico PHA has enhanced its internal controls, as well as documentation demonstrating that this PHA is no longer improperly utilizing program funds;
- 5) Provide documentation demonstrating the enhanced oversight being provided to the New London Housing Authority in Connecticut;
- 6) List the criteria used to:
  - a) place a PHA on the troubled housing list;
  - b) remove a PHA from the troubled housing list; and
  - c) place a PHA in or remove it from receivership.
- 7) In addition, it was reported that when a PHA is in receivership its duties and responsibilities can fall upon the federal government or others. In light of this:
  - a) identify each PHA currently in receivership;
  - b) the date the PHA was placed in receivership;
  - c) the reason the PHA was placed in receivership; and
  - d) the name of the receiver and, if the receiver is a non-federal entity, the name of the organization, including how much the receiver is being paid annually and the total paid to the receiver to date.
- 8) The Detroit PHA is functioning under a cooperative agreement. Please describe the differences between a receivership and a cooperative agreement. Also, provide an update on Detroit PHAs cooperative status.

---

<sup>2</sup> The Office of Public and Indian Housing is responsible for administering and managing a range of programs authorized and funded by Congress under the basic provisions of the U.S. Housing, Act of 1937. HUD administers Federal aid to local public housing agencies (PHAs) that manage the housing for low-income residents. [http://portal.hud.gov/portal/page/portal/HUD/program\\_offices/public\\_indian\\_housing](http://portal.hud.gov/portal/page/portal/HUD/program_offices/public_indian_housing); accessed June 15, 2010.

Thank you in advance for your prompt attention to this matter. We would appreciate receiving your response to this matter by June 30, 2010. Should you have any questions regarding this matter, please do not hesitate to contact Janet Drew or Brian Downey of Senator Grassley's staff at (202) 224-4515, or Jon Kamarck of Senator Bond's staff at (202) 224-0410. All documents responsive to this request should be sent electronically in PDF format to [Brian\\_Downey@finance-rep.senate.gov](mailto:Brian_Downey@finance-rep.senate.gov).

Sincerely,



Christopher S. Bond  
Ranking Member  
Subcommittee on Transportation, Housing  
and Urban Development  
Committee on Appropriations



Charles E. Grassley  
Ranking Member  
Committee on Finance

Attachments

cc: Senate and House Appropriations Committees

# Attachment 1

National PHAS Troubled Report  
as of  
February 28, 2010

PHA Code	PHA Name	Hub/PC Name	FYE	# of PHA LR Units	Troubled Notification Date	PHAS Designation	Score Year (Start)
AL002	MOBILE HOUSING BOARD	BIRMINGHAM	31-Dec	3,357	5/19/2009	Substandard Physical	2007
AL004	ANNISTON	BIRMINGHAM	31-Mar	748	11/8/2007	Substandard Physical	2007
AL010	Fairfield	BIRMINGHAM	31-Mar	302	8/23/2004	Substandard Financial	2004
AL077	TUSCALOOSA	BIRMINGHAM	31-Mar	1,013	7/28/2009	Substandard Financial	2008
AL103	Hartford	BIRMINGHAM	30-Sep	34	8/8/2007	Substandard Financial	2006
AL108	Ragland	BIRMINGHAM	30-Jun	60	12/28/2006	Substandard Financial	2005
AL132	Goodwater	BIRMINGHAM	30-Jun	40	12/28/2006	Substandard Financial	2005
AL133	Hobson City	BIRMINGHAM	31-Dec	60	11/15/2007	Troubled	2006
AL165	FOLEY	BIRMINGHAM	31-Dec	88	11/15/2008	Substandard Financial	2007
AL169	Prichard	BIRMINGHAM	30-Jun	399	7/22/2008	Substandard Financial	2007
AL175	Livingston	BIRMINGHAM	30-Jun	110	2/6/2008	Troubled / Capital Fund Troubled	2007
AR031	Hot Springs	LITTLE ROCK	30-Jun	375	5/24/2008	Troubled	2007
AR040	Des Arc	LITTLE ROCK	30-Jun	42	2/8/2008	Substandard Physical	2007
AR041	Lonoke	LITTLE ROCK	30-Jun	124	6/24/2008	Substandard Financial	2007
AR073	Sparkman	LITTLE ROCK	30-Sep	18	8/22/2007	Troubled	2006
AR122	Yellville	LITTLE ROCK	31-Mar	24	11/8/2007	Substandard Financial	2007
AZ010	Pinal	PHOENIX	30-Jun	169	5/23/2008	Troubled	2007
AZ021	Eloy	PHOENIX	30-Jun	50	3/6/2003	Troubled	2002
AZ025	South Tucson	PHOENIX	30-Jun	176	12/16/2003	Troubled	2002
CA001	the City & County of SF	SAN FRANCISCO	30-Sep	6,656	11/14/2003	Substandard Financial	2001
CA011	County of Contra Costa	SAN FRANCISCO	31-Mar	1,185	4/3/2009	Substandard Financial	2008
CA044	Yolo	SACRAMENTO	30-Jun	442	8/13/2007	Troubled	2006
CA050	Paso Robles	LOS ANGELES	30-Jun	148	5/23/2008	Substandard Financial	2007
CA058	CITY OF BERKELEY	SAN FRANCISCO	30-Jun	61	1/12/2008	Troubled	2007
CA059	THE COUNTY SANTA CLARA	SAN FRANCISCO	30-Jun	355	2/4/2008	Substandard Physical	2007
CO004	Alamosa	DENVER	31-Mar	199	2/22/2008	Substandard Financial	2007
CO030	Burlington	DENVER	30-Jun	31	5/22/2006	Troubled	2005
CO037	Costilla	DENVER	30-Sep	57	4/25/2005	Troubled	2004
CO044	Brush	DENVER	31-Dec	90	7/12/2005	Substandard Financial	2004
CT022	New London	HARTFORD	31-Dec	225	1/16/2004	Substandard Financial	2001
CT026	Manchester	HARTFORD	30-Sep	318	8/22/2008	Troubled	2007
CT029	West Haven	HARTFORD	31-Mar	617	6/11/2009	Substandard Financial	2008
FL016	Sanford	JACKSONVILLE	30-Jun	480	4/1/2004	Troubled	2003
FL019	COCOA	MIAMI	30-Jun	356	6/30/2006	Troubled / Capital Fund Troubled	2004
FL046	Crestview	JACKSONVILLE	31-Dec	273	10/28/2008	Substandard Physical	2007
FL056	MELBOURNE	MIAMI	31-Mar	150	10/15/2003	Substandard Financial	2003
FL064	VENICE	MIAMI	31-Mar	51	10/15/2003	Troubled / Capital Fund Troubled	2003
FL074	Brooksville	JACKSONVILLE	31-Dec	126	11/20/2007	Troubled	2006
FL076	RIVIERA BEACH	MIAMI	30-Sep	50	11/14/2003	Substandard Financial	2001
FL139	WINTER VEN	MIAMI	30-Sep	248	11/14/2003	Troubled	2001
GA063	Cordele	ATLANTA	30-Sep	439	4/10/2008	Substandard Financial	2007
GA065	West Point	ATLANTA	30-Jun	223	1/3/2008	Substandard Physical	2007
GA108	Manchester	ATLANTA	30-Jun	50	11/27/2007	Substandard Financial	2007
GA130	Cave Spring	ATLANTA	31-Dec	20	12/18/2007	Substandard Financial	2006
GA184	Conyers	ATLANTA	30-Jun	290	5/26/2007	Substandard Financial	2006
GA186	Abbeville	ATLANTA	30-Jun	14	12/28/2007	Substandard Physical	2007
GA197	Union City	ATLANTA	31-Dec	16	5/24/2008	Substandard Physical	2007
GA208	Vienna	ATLANTA	30-Jun	80	1/12/2008	Substandard Financial	2007
GA216	Ringgold	ATLANTA	30-Sep	30	9/16/2007	Substandard Financial	2006
GA243	Byron	ATLANTA	30-Jun	32	11/8/2007	Substandard Physical	2007
IA127	North Iowa	KANSAS CITY	30-Sep	121	9/22/2005	Substandard Financial	2004
IN005	Muncie	INDIANAPOLIS	31-Mar	361	11/8/2007	Substandard Physical	2007

## National PHAS Troubled Report

as of

February 28, 2010

PHA Code	PHA Name	Hub/PC Name	FYE	# of PHA LR Units	Troubled Notification Date	PHAS Designation	Score Year (Start)
IN011	Gary	INDIANAPOLIS	31-Mar	2,447	8/20/2003	Troubled / Capital Fund Troubled	2003
IN021	Terre Haute	INDIANAPOLIS	30-Sep	868	9/27/2008	Substandard Financial	2007
IN089	Rome City	INDIANAPOLIS	30-Jun	50	5/15/2006	Troubled / Capital Fund Troubled	2005
KY044	Whitesburg	LOUISVILLE	31-Mar	104	2/22/2008	Substandard Financial	2007
KY098	Owenton	LOUISVILLE	30-Jun	32	1/3/2008	Substandard Financial	2007
KY101	Irvington	LOUISVILLE	31-Mar	36	11/8/2007	Substandard Financial	2007
KY104	Scottsville	LOUISVILLE	31-Mar	57	3/16/2008	Substandard Financial	2007
LA001	New Orleans	NEW ORLEANS	30-Sep	4,604	11/14/2003	Troubled / Capital Fund Troubled	2001
LA024	Bogalusa	NEW ORLEANS	30-Sep	340	4/14/2005	Substandard Physical	2004
LA058	Basile	NEW ORLEANS	31-Dec	22	7/10/2005	Substandard Physical	2004
LA076	Ferriday	NEW ORLEANS	31-Mar	68	11/17/2008	Troubled / Capital Fund Troubled	2008
LA077	Logansport	NEW ORLEANS	30-Jun	26	3/16/2004	Troubled / Capital Fund Troubled	2003
LA084	Parks	NEW ORLEANS	30-Jun	16	4/6/2007	Troubled / Capital Fund Troubled	2006
LA094	St. Charles Parish	NEW ORLEANS	30-Sep	129	6/12/2005	Substandard Physical	2004
LA095	St. John the Baptist Parish	NEW ORLEANS	30-Sep	302	11/14/2003	Troubled / Capital Fund Troubled	2001
LA096	Haynesville	NEW ORLEANS	30-Sep	120	6/27/2003	Substandard Financial	2002
LA100	Youngsville	NEW ORLEANS	30-Sep	20	8/22/2007	Substandard Financial	2006
LA103	City of Slidell	NEW ORLEANS	31-Mar	124	12/19/2008	Troubled	2008
LA122	COLFAX	NEW ORLEANS	31-Mar	90	3/31/2004	Troubled	2003
LA130	Duson	NEW ORLEANS	31-Mar	30	2/22/2008	Substandard Financial	2007
LA238	City of Covington	NEW ORLEANS	31-Mar	50	6/11/2009	Troubled	2008
MA101	Wayland	BOSTON	31-Dec	80	6/6/2008	Substandard Physical	2007
MD001	ANNAPOLIS	BALTIMORE	30-Jun	1,104	2/28/2005	Troubled / Capital Fund Troubled	2004
MD010	Cambridge	BALTIMORE	31-Dec	190	2/8/2008	Troubled	2006
MD011	Glenarden	WASHINGTON, DC	31-Dec	60	7/30/2003	Substandard Financial	2002
MD013	ST. Michaels	BALTIMORE	30-Sep	61	3/23/2005	Substandard Financial	2004
MI001	Detroit	DETROIT	30-Jun	4,249	5/22/2004	Troubled	2003
MI005	Pontiac	DETROIT	31-Mar	452	9/15/2008	Substandard Physical	2008
MI007	Ecorse	DETROIT	30-Jun	200	11/14/2003	Troubled	2002
MI008	River Rouge	DETROIT	30-Jun	300	11/16/2004	Substandard Financial	2004
MI009	Flint	DETROIT	30-Jun	1,248	6/30/2006	Substandard Physical	2005
MI010	Benton Harbor	GRAND RAPIDS	30-Sep	362	2/18/2004	Substandard Financial	2003
MI015	Wakefield	GRAND RAPIDS	30-Jun	30	11/27/2007	Substandard Financial	2007
MI033	Royal Oak Township	DETROIT	31-Mar	128	11/8/2007	Troubled	2007
MI038	Jackson	GRAND RAPIDS	31-Mar	544	12/8/2008	Substandard Financial	2008
MI047	Grayling	GRAND RAPIDS	31-Mar	88	3/17/2008	Substandard Financial	2007
MI098	Luna Pier	DETROIT	30-Jun	103	3/12/2006	Substandard Financial	2005
MI105	Highland Park	DETROIT	30-Sep	198	4/19/2007	Troubled	2006
MI114	Algonac	DETROIT	31-Mar	70	1/3/2008	Substandard Financial	2007
MI187	Rapid River	GRAND RAPIDS	30-Jun	24	11/20/2007	Substandard Physical	2007
MN032	IN AND FOR THE CITY OF BRAINERD, MINNE	MINNEAPOLIS	31-Dec	203	12/21/2007	Substandard Financial	2006
MN072	BRECKENRIDGE BRECKENRIDGE, Minnesota	MINNEAPOLIS	31-Mar	88	12/16/2009	Troubled	2007
MN083	HENNING, MINNESOTA	MINNEAPOLIS	31-Mar	20	2/22/2008	Substandard Financial	2007
MN192	DOUGLAS COUNTY	MINNEAPOLIS	31-Dec	28	12/28/2007	Substandard Financial	2006
MO027	Cardwell	ST. LOUIS	31-Dec	22	1/5/2003	Substandard Financial	2006
MO138	Wellston	ST. LOUIS	31-Dec	201	7/18/2008	Substandard Physical	2007
MS086	Vicksburg	JACKSON	30-Sep	430	4/25/2003	Substandard Financial	2007
NC022	Greenville	GREENSBORO	30-Sep	714	6/11/2009	Substandard Physical	2007
NC074	Lenoir	GREENSBORO	30-Sep	158	6/26/2005	Substandard Financial	2004
NE023	Schuyler	OMAHA	31-Mar	59	11/8/2007	Substandard Financial	2007
NE104	Columbus	OMAHA	30-Sep	100	2/24/2005	Troubled	2004
NE107	Gordon	OMAHA	31-Dec	26	7/10/2005	Troubled	2004

## National PHAS Troubled Report

as of

February 28, 2010

PHA Code	PHA Name	Hub/PC Name	FYE	# of PHA LR Units	Troubled Notification Date	PHAS Designation	Score Year (Start)
NJ025	Orange	NEWARK	31-Mar	390	11/8/2007	Substandard Physical	2007
NJ037	Irvington	NEWARK	31-Mar	662	2/4/2007	Substandard Financial	2005
NM006	Gallup	ALBUQUERQUE	30-Jun	267	5/22/2006	Troubled	2005
NM007	Las Vegas	ALBUQUERQUE	30-Jun	267	2/22/2006	Substandard Management	2004
NM010	Espanola	ALBUQUERQUE	30-Jun	178	11/14/2003	Troubled	2002
NM024	Bayard	ALBUQUERQUE	30-Jun	70	6/22/2008	Substandard Financial	2007
NM032	Wagon Mound	ALBUQUERQUE	30-Jun	19	3/12/2006	Substandard Financial	2005
NM033	Tucumcari	ALBUQUERQUE	30-Jun	90	11/11/2008	Troubled / Capital Fund Troubled	2007
NM035	Town of Bernalillo	ALBUQUERQUE	30-Jun	76	3/1/2006	Troubled / Capital Fund Troubled	2005
NM054	Pecos	ALBUQUERQUE	30-Jun	32	5/22/2006	Substandard Financial	2005
NM071	Cuba	ALBUQUERQUE	30-Jun	28	3/6/2003	Substandard Physical	2002
NV007	North Las Ve	SAN FRANCISCO	30-Jun	221	1/28/2005	Troubled	2004
NY029	Lackawanna	BUFFALO	30-Jun	491	6/25/2008	Substandard Physical	2007
NY035	Town of Huntington	NEW YORK CITY	30-Sep	80	7/4/2008	Substandard Financial	2007
NY046	Town of Hempstead	NEW YORK CITY	31-Dec	1,309	5/14/2004	Substandard Financial	2003
NY064	Woodridge	NEW YORK CITY	30-Sep	40	4/6/2007	Substandard Financial	2006
NY069	Glen Cove	NEW YORK CITY	31-Mar	250	1/21/2003	Troubled	2002
NY086	North Hempstead	NEW YORK CITY	31-Mar	190	10/8/2003	Troubled	2002
NY088	New Rochelle	NEW YORK CITY	30-Jun	543	3/17/2006	Substandard Physical	2005
OH024	Chillicothe Metropolitan	COLUMBUS	30-Sep	387	10/4/2008	Substandard Financial	2007
OH037	Coshocton Metropolitan	COLUMBUS	30-Jun	131	6/2/2006	Substandard Financial	2005
OH072	Logan County Metropolitan	COLUMBUS	31-Dec	100	12/28/2007	Substandard Financial	2006
OK120	Yale	OKLAHOMA CITY	31-Mar	30	2/14/2006	Substandard Financial	2005
PA061	JEFFERSON	PITTSBURGH	31-Mar	287	6/2/2009	Substandard Financial	2008
SC060	ATLANTIC BEACH	COLUMBIA	30-Sep	54	5/14/2002	Troubled / Capital Fund Troubled	2001
SD047	Meade County	DENVER	31-Mar	80	6/4/2009	Substandard Financial	2007
TN004	Chattanooga	KNOXVILLE	31-Dec	3,138	10/12/2009	Substandard Financial	2007
TX012	Baytown	HOUSTON	30-Jun	150	11/20/2006	Troubled	2005
TX027	McKinney	FORT WORTH	30-Jun	203	4/11/2007	Troubled	2005
TX052	Seymour	FORT WORTH	30-Jun	176	12/29/2006	Substandard Financial	2005
TX075	Quanah	FORT WORTH	30-Jun	93	1/9/2008	Substandard Financial	2007
TX128	Plano	FORT WORTH	30-Jun	50	11/8/2007	Substandard Physical	2007
TX175	Nixon	SAN ANTONIO	31-Mar	34	9/5/2008	Substandard Financial	2008
TX182	Rotan	FORT WORTH	31-Dec	86	12/28/2005	Substandard Financial	2004
TX187	Pineland	HOUSTON	31-Dec	100	1/8/2008	Substandard Financial	2006
TX189	Floydada	FORT WORTH	31-Dec	58	12/4/2007	Substandard Financial	2006
TX233	Garrison	HOUSTON	31-Mar	24	2/14/2006	Troubled	2005
TX245	Madisonville	HOUSTON	30-Sep	56	9/24/2007	Substandard Financial	2006
TX280	Karnes	SAN ANTONIO	30-Jun	32	1/2/2007	Troubled / Capital Fund Troubled	2005
TX302	Gregory	SAN ANTONIO	31-Mar	58	2/22/2008	Troubled	2007
TX357	Buffalo	HOUSTON	30-Jun	22	12/28/2006	Substandard Financial	2005
TX377	Elgin	SAN ANTONIO	30-Jun	28	4/16/2007	Substandard Financial	2005
TX480	Travis	SAN ANTONIO	30-Jun	105	10/16/2008	Substandard Financial	2007
VA016	Charlottesville Redevelopment	RICHMOND	31-Mar	376	7/17/2006	Substandard Physical	2005
VA020	Petersburg	RICHMOND	31-Dec	484	9/20/2008	Troubled	2007
VA032	Abingdon	RICHMOND	31-Mar	28	10/27/2006	Substandard Financial	2006
VQ001	VIRGIN ISLANDS	SAN JUAN	31-Dec	3,284	7/30/2003	Troubled	2001

151

# Attachment 2

DIFFERENCES

There was a total of 11 PHAs on the February 2010 list that were not on the February 2009 list.

A total of 31 PHAs on the February 2009 list that were not on the February 2010 list.

<b>February 25, 2009 PHA List</b>	<b>February 28, 2010 PHA List</b>
<b>31 PHAs not listed on Feb. 28, 2010 list</b>	<b>11 PHAs not listed on Feb. 25, 2009 list</b>
MA- Lynn Housing Authority	AL- Mobile Housing Board
CT- Bloomfield Housing Authority	AL- Tuscaloosa
CT- Housing Authority of the Town of West Hartford	AZ- Pinal
NY- Rockville Centre HA	CA- County of Contra Costa
NY- Tuckahoe Housing Authority	CT- West Haven
NY- Housing Authority of Newburgh	FL- Winter Haven
VA- Hopewell Redevelopment and Housing Authority	LA- City of Covington
VA- Newport News Redevelopment Housing Authority	MN- Breckenridge
GA- Housing Authority of the City of Jonesboro	NC- Greenville
NJ- Princeton Housing Authority	PA- Jefferson
NJ- Newark Housing Authority	SD- Meade County
AL- Housing Authority of the Town of Parrish	TN- Chattanooga
AL- Housing Authority of the City of Dadeville	
AL- Housing Authority City of Montgomery	
FL- Housing Authority of the City of Stuart	
SC- Housing Authority of Laurens	
KY- Housing Authority of Falmouth	
KY- Housing Authority of Williamsburg	
TN- Shelby County Housing Authority	
IL- Housing Authority of the City of Waukegan	
IL- The Housing Authority of City of East St. Louis	
OH- Morgan Metropolitan Housing Authority	
OH- Fairfield Metropolitan Housing Authority	
MI- Iron County Housing Commission	
WI- Trempealeau County Housing Authority	
NM- Housing Authority of the County of Rio Arriba	
TX- Cotulla Housing Authority	
KS- Luray Housing Authority	
KS- Manhattan Housing Authority	
MT- Whitefish Housing Authority	
WY- Hanna Housing Authority	
CA- Housing Authority of the City of San Luis Obispo	

# Attachment 3

## sugar-sweet stimulus

How low-rent housing built a high-rent office building  
 BY ROGER WILLIAMS [rwilliams@floridaweekly.com](mailto:rwilliams@floridaweekly.com)



The Fort Myers Housing Authority's new 24,000-square-foot office building on Michigan Avenue. ERIC RADDATZ/FLORIDA WEEKLY When Marcus Goodson moves into his new office this week, he'll be surrounded by nearly \$30,000 of sleek virgin furniture, including a regally chic Aeronstyled executive chair so tall he can disappear into it, positioned behind a stylishly minimalist sable desk as long as a tall man.

Those appointments come courtesy of American taxpayers, who paid for them with stimulus money provided late last year by the Obama administration.

They paid for a lot more than that, too.

To reach his office and reception area in the new two-story administration building of the Fort Myers Housing Authority — the office of the executive director — Mr. Goodson will enter a palatial lobby and walk across dove-tawny tiles toward the double doors at the back.

He'll step past the long sweep of a marblesmooth black reception counter under ceilings almost 30 feet high — all thanks to taxpayer largesse.



Marcus Goodson, executive director of the Fort Myers Housing Authority, furnished his new office with nearly \$30,000 of stimulus money. COURTESY PHOTO Once through the doors, he'll stride down the tiled hallway past a conference room with a table that cost more than \$5,000, equipped with 14 chairs worth \$450 each — each seat and every inch charged to the taxpayer.

Then, if he chooses, he'll glide to the second floor in a silk-smooth elevator, passing other offices and another wellequipped conference room into his own office.

Or he could enter the building through a separate entrance. That one is locked to the roughly 5,000 poor people the Housing Authority serves by providing cheap rent.

Instead, it was designed for the suits — for the consultants, lawyers, private investors and anyone else who aims to do business with the Housing Authority, Mr. Goodson explained.



Section 8 Coordinator Lori Rosado polishes her desk in the Fort Myers Housing Authority's new administration building. FLORIDA WEEKLY PHOTO  
“We have conference meetings all the time,” he said. “There are developers coming in, and all kinds of meetings where we have to accommodate 10 to 12 people.

“The board rooms are also set up to accommodate community meetings after hours — there's the separate entrance and separate his-and-her bathroom areas and a separate kitchen area. So it's an interactive office. The community needed that kind of thing.”

And Mr. Goodson provided it.

When he and his board of commissioners received a \$2.2 million windfall injection of cash last year as part of President Obama's American Recovery and Reinvestment Act of 2009 — the celebrated “stimulus money” — they ditched plans to use it to repair existing public housing units. The housing authority will ultimately get about \$5.8 million in federal stimulus money.



The sweeping marble-smooth countertop in the grand lobby stands under ceilings almost 30 feet high. FLORIDA WEEKLY PHOTOS Instead, they poured it into the fancy new digs, all 24,000-square-feet worth. The building's total cost is \$3 million, officials say.

“This will have to be here and provide space for public housing for the next 50 or 75 years,” Mr. Goodson said.

A free hand with the free dollars

Whether or not his estimate of longevity is accurate, Mr. Goodson alone decided specifically how to spend the stimulus money.

After Florida Weekly broke down the costs and perused the Fort Myers Housing Authority's records in recent weeks, commissioners on the sevenmember board appointed by Fort Myers mayors to oversee the Housing Authority admitted they didn't know where all the money went.



STRAYHORN Nor did they appear to care.

Mr. Goodson, they insisted, is the best manager the Housing Authority has ever had, because he brings in money, change and growth.

“We’re a lean, mean growing machine (and) we have a good man in Marcus Goodson,” said Bill Barnwell, board chairman and longtime owner of the Farmer’s Market Restaurant on Edison Avenue.

“Should (the commissioners) have known and do we know that somebody’s office cost X?” asked Bruce Strayhorn, a downtown lawyer and the longest-serving member of the board, who first joined the Housing Authority in 1988.

“No, we don’t,” Mr. Strayhorn said, answering his own question. “We don’t know where every dollar goes.”



Top: The Fort Myers Housing Authority’s new 24,000-square-foot office building on Michigan Avenue. FLORIDA WEEKLY PHOTOS But the stimulus dollars were wellused, he added — in part because they provided many jobs, especially to minority-owned subcontracting businesses. In that regard, the \$2.2 million in Housing Authority stimulus money stimulated the local economy, he argued.

Others don’t see it that way.

“Spending all the money on an administrative headquarters in the most serious financial crisis since the Great Depression clearly appears to be — at a minimum — a misdirected sense of priorities. And at the extreme, it’s ridiculous. I don’t know how else to say it,” said Dominic Calabro, president and CEO of the nonprofit watchdog group, Florida Tax Watch.

“What the Fort Myers Housing Authority is thinking is, ‘Hey, we need a new headquarters. This is a great opportunity to get it, with little or no resistance from local taxpayers — because we’re getting federal largesse.’



Above: Marcia Davis, HOPE VI and real estate development director, joins an employee in the spacious new office she commands. “Well, that’s ridiculous. It’s a mistake in priorities. People should be absolutely outraged.

“That stimulus money should be spent on its primary purpose — affordable housing to improve the lives of poor people, not on protecting some very well-heeled, well-off bureaucrats.”

The total cost to furnish the sumptuous complex of offices and conference rooms for administrators upstairs and downstairs is about \$280,000, records show.

“I can’t say it’s a misuse of stimulus funding, but that money should have been put where the need is,” said Sandra Pavelka, director of the Institute for Youth and Justice Studies, and an associate professor of public affairs at Florida Gulf Coast University. “There isn’t a need in building an expensive new administration building.”



Left: Finance and Human Resource Director Vicki Collins stands in one of the long, highceilinged hallways of the new administration building. But, she added, fixing the homes of elderly and low-income people, helping foster children who age out of foster care, and boosting educational and youth programs all represent pressing needs that have not been well addressed with stimulus money, or any other.

## Other plums

In addition to the furniture investment taxpayers have made in Mr. Goodson's own second-floor office and reception area, with its burnished ochre paneled sectional (the precise tally is about \$27,300), other offices include the following, records show:

- \* More than \$12,200 in furniture for the finance director's office.
- \* About \$5,600 for furniture in a break room.
- \* About \$6,200 for furniture in the welcome and reception-area of the Section 8 program, including eight lounge chairs costing \$613.88 each.
- \* A nearly \$7,500 outfitting of the Section 8 coordinator's office, with a \$608 wardrobe cabinet and two \$855 club chairs. (In the single apparent concession to thrifty spending, the Section 8 waiting area offers 10 armless guest chairs at \$146 each, and another 27 guest chairs, with arms, at \$159 each.)
- \* The 16-foot by 6-foot conference table worth about \$5,200, along with the 14 chairs that cost \$450 each — that's for the HOPE VI office managed by Marcia Davis, director of HOPE VI and real estate development.

The acronym stands for Housing Opportunities for People Everywhere, a federal program designed to do two things: Dump dilapidated housing projects, and replace them by convincing private investors to help pay for it, by offering them a chance to make money in the process.

The Housing Authority won a \$20 million HOPE VI grant from the federal government to do just that in 2005, against stiff competition from other housing authorities.

"We surround ourselves with good attorneys (and consultants)," said Ms. Davis, describing what it takes to win such a grant.

For the future business of grant getting, now those lawyers and consultants will have a very comfortable place to sit — all thanks to taxpayers.

## Money man

As the executive director of the Housing Authority, Mr. Goodson earns \$198,000 a year, records show.

That's more than Lee County's manager, Karen Hawes (\$170,000), more than Lee Schools Superintendent James Browder (\$168,000), and more than any other local government official in the region.

A glance at several other housing authorities in the state (there are 94) suggests that Mr. Goodson's salary is unusually high.

In Orlando, for example, where the staff, the budget and the low-income housing units are roughly double those in Fort Myers, Executive Director Vivian Bryant earns \$173,368 — about \$25,000 less than Mr. Goodson.

And in Sarasota, where the housing authority is not quite as large, Executive Director William Russell earns \$157,000.

For Mr. Goodson's \$198,000 salary, determined by the Housing Authority's board of commissioners, he must direct about 62 employees, including the supervisors or managers of the Housing Authority's wide-ranging interests, who now command offices in the new administration building.

Mr. Goodson's veteran staff includes Vicki Collins, the finance and human resource director, who earns \$106,000; Sherri Campanale, director of housing management/maintenance, with a salary of \$75,000; and Ms. Davis, the HOPE VI and real estate development director — she also earns \$75,000. Mr. Goodson determines those salaries.

Together, they're responsible for more than 900 public housing units, about 1,800 Section 8 vouchers, and a couple of private rental complexes.

Traveling, getting and spending

It's a big job, and by all accounts Mr. Goodson is good at it.

One of his talents — a talent that ultimately benefits housing authority residents, officials say — is the ability to secure large sums of federal or state money.

“The more money we can generate, the more people we can serve and the better it gets,” explained Mr. Barnwell, the board chairman.

Mr. Goodson grew up in Raleigh, N.C. He earned a degree in urban planning, and arrived in Fort Myers in 2002 from a smaller Housing Authority in Sanford, N.C.

Then, commissioners admit, the Housing Authority was in trouble, unable to properly maintain either the extensive public records required by the U.S. Department of Housing and Urban Development, which oversees housing authorities everywhere, or the aged and decrepit housing units at Michigan Court, since torn down.

If money is the gold standard of growth, Mr. Goodson has grown the Fort Myers Housing Authority like a spring chicken, even in hard times.

Thus, unlike all previous Housing Authority directors, he does not merely manage apartments.

He travels, he lobbies, and he politics.

Records detailing the use of the Housing Authority credit cards (several are issued to senior staff) show that Mr. Goodson spent about \$6,000 between June and February, when he traveled to Tallahassee, Sandestin, Miami, Orlando, Washington, D.C., and Houston.

Ms. Collins spent almost \$28,000 for that period on her Housing Authority credit card — much of that was to train her staff by sending them to conferences or seminars, she says — and Ms. Davis spent more than \$8,000.

The trips were all work-related, those officials say.

And not uncomfortable. Mr. Goodson, for example, spent \$395 and change at a Sandestin resort hotel; \$786 at a Washington, D.C., Marriott; \$144 at a Miami Marriott; \$200 at the Renaissance, in Washington, D.C.; and \$310 at the Hotel Duval in Tallahassee, which bills itself as “Tallahassee’s first and only upscale, boutique hotel experience.”

Those represent some but not all of his travel costs for roughly half a year.

Records of Ms. Davis’s credit card show that she spent \$541 at a Rosen Hotel in Orlando; \$167 at Hotel Duval in Tallahassee (the “upscale, boutique hotel experience”); \$198 at a Miami Marriott; and \$341 at the Crowne Plaza, Fort Lauderdale, which is “modern and fresh but elegantly posh,” according to the hotel’s marketers.

The commissioners insist this travel is necessary for the sake of a Housing Authority now in better shape than ever.

“Goodson isn’t the guy who makes sure the plumbing is repaired,” said Mr. Strayhorn. “He ‘lives’ with the Florida Housing Finance Corp. (based in Tallahassee) that does the bonds.”

That wasn’t always the case.

“A few years ago all housing authorities had to go to asset management,” explained Mr. Barnwell. “The Feds cut the funding, so now we have to generate more of our operations stuff from within. We have to get money everywhere we can. It’s a big business.”

All that suggests that the label of the Housing Authority may be “nonprofit,” but the instincts are profiteering.

“We’re much more entrepreneurial now,” said Mr. Strayhorn. “There are fewer regulations than in the beginning, too, and more creativity is encouraged as far as supplementing the welfare dollar.”

Once upon a time, he explained, things were different.

“On the accounting side, you could not spend money then except for blank (a designated item). Now you can spend it for two or three things, if you show your operating notions. So they’re trickier regulations now, but a little looser than they were years ago.”

The new administrative offices appear to reflect that new, trickier flexibility. Mr. Goodson's giant steps

Mr. Goodson's personal workspace is much more luxurious than any previous accommodation for bureaucrats in the Housing Authority, or other local government offices — and so are the offices around him.

But roughly a year ago, establishing fancy offices with stimulus money was not Mr. Goodson's plan.

In the spring of 2009, a report in *The News-Press*, the daily newspaper in Fort Myers, cited his intention to use the money to repair tenant apartments here and there.

“He mentioned using stimulus dollars to replace doors and windows on housing authority properties, as well as drainage work at Palmetto Court Apartments and renovations at the (Carrie D.) Robinson facilities on Edison Avenue,” the newspaper story said.

His change of direction may have been inspired in part by his two most significant achievements as executive director, measured in money.

One of them was the winning of the \$20 million HOPE VI grant.

To get the money, the Fort Myers team had to demonstrate to federal officials that they could spin gold into a lot more gold, turning the \$20 million into \$80 million.

They also had to detail their project: the tearing down of more than 400 public housing units at Michigan Court erected for farm workers in the 1970s, and the building of new residences with private owners, a process now underway, and called Renaissance.

“If the money isn't spent by September 30, 2011, you turn into a pumpkin,” said Ms. Davis — you lose it, in other words.

The first phase of that project, built in partnership with Fifth Third Bank, the private investor, is now complete — the graceful, new multi-story confection of 120 pastel apartments for residents 62 or older, rising beside the new administration building and facing Michigan Avenue.

The total project, scheduled for completion in 2012, will include those 120 units for seniors, 272 units for families, and another 135 units off site.

Tax credit magic

To go hand in hand with that achievement, Mr. Goodson has also won tax credit status from the state of Florida, which allows investors to put their money into public housing units and write it off.

That in itself is an arduous process, says Jeff Kiss, an Orlando-based consultant and owner of Kiss & Company, hired by the Housing Authority to help them make money.

“Each state has a certain authority to issue tax credits based on population,” Mr. Kiss explains.

“What that does is allow for these tax credits to be sold to investors — companies or individuals. Here’s the advantage to them: they get a dollar for dollar reduction in income tax.”

And they get it 10 times, in effect, since “when you sell those credits to investors, you discount a 10-year stream up front, on the basis of price.”

In the case of the Fort Myers Housing Authority, they located a joint venture partner for the first phase (Fifth Third Bank) then won a tax credit of \$1.51 million, and not just once but three times. Over time, that’s worth about \$35 million for “sticks and bricks,” Mr. Kiss says.

Mr. Goodson described the achievement as “a home run, a grand slam.”

As a result, “it encourages private capital to be leveraged for public purposes,” said Mr. Kiss. “That’s a good thing because it takes the feds out of the very expensive process of building — whether it’s something like Renaissance Preserve or it could be senior or farm worker housing. Typically, it wouldn’t get built unless you had this tax credit leverage.”

Until four or five years ago, he added, the Housing Authority stood little chance in competing for tax credits against “the best developers in the country,” because nobody really cared what they did.

Now they do care, because now there’s money in it.

New money, new fancy digs

And with all the money and competition, Mr. Goodson says, the new fancy digs are necessary.

“It will last for many, many years,” he explained of his new furniture.

“Did we purchase the most expensive or the cheapest? No. We’re somewhere in the middle of the road. It’s a large building and we have to furnish it. So we went middle of the road.”

But middle of the road is not how he approaches the business of public housing.

Of necessity, he has to think of it in part as a money-making enterprise, officials say.

If that brings in the bucks, even though taxpayers may have to spend in order to get, that’s good for everybody, concludes Mr. Barnwell, the board chairman.

And well worth the nice office and fat salary.

“Marcus Goodson could go anywhere in this country and command well over \$200,000,” Mr. Barnwell said. “Don’t tell him that.”

But if he does, it’s unlikely he’ll find as pretty a place to sit.

# Attachment D



## Lakeland Director of Public Housing's Pay and Perks Stir Pot

Mayor, NAACP and commissioner question raise, car allowance, vacation.

By Eric Pera  
THE LEDGER

Published: Saturday, May 15, 2010 at 10:34 p.m.



MICHAEL WILSON | THE LEDGER

Lakeland Housing Authority Executive Director Herb Hernandez, right, welcomes visitors to take a tour of one of the completed homes during the ribbon cutting ceremony for the first phase of single family housing at LakeRidge Homes in Lakeland Thursday. August 3, 2006.

LAKELAND | A salary increase for Lakeland's longtime director of public housing is raising some high-profile eyebrows.

The mayor, a city commissioner, even the NAACP are questioning a decision made in January by the Lakeland Housing Authority's seven-member board that boosted Herb Hernandez's annual pay to \$182,070, up from \$178,500, a 2 percent increase.

It isn't the 2 percent that has people talking as much as the \$18,000 annual car allowance and eight weeks of vacation that go with it.

The package, worth more than \$200,000, becomes effective in June and tops that of Lakeland City Manager Doug Thomas, who makes \$185,994. His monthly car allowance is \$400 for a lease, a fraction of Hernandez's \$1,500 monthly allowance. The housing authority is independent of municipal government, and Thomas remains the highest-paid city employee.

Thomas oversees 2,007 employees and a \$500,000,000 budget, while Hernandez oversees 102 workers and a \$28 million budget.

Hernandez, housing authority director for nearly 15 years, earns more than his peers in the cities of Daytona Beach, Sarasota, St. Petersburg, and Brevard, Broward and Pinellas counties, according to a salary study conducted by LHA staff and a consultant.

### **vote of approval**

Lakeland City Commissioner Don Selvage and Reginald Ardis of the NAACP were among those protesting Hernandez's raise and benefits during an April 30 meeting at which housing commissioners voted 6-1 to approve the director's contract.

Even though Hernandez's pay raise and car allowance were approved in January, the director requested that his board OK a legal contract, detailing the duties and expectations of his job.

The vote was originally scheduled for an April 23 meeting, but was postponed at the request of housing commissioner Nita McGee, who wanted more time to study Hernandez's contract.

LHA Commission Chairman Bill Parry said the vote couldn't wait until the board's regularly scheduled monthly meeting May 10, though he wouldn't elaborate.

"Herb's been the greatest thing since canned beer," Parry said. "We've got money and we've got property. I'm stunned that all of a sudden there's a brouhaha over nothing."

McGee cast the only vote to deny Hernandez his contract. But the vote was taken before Selvage and others had a chance to speak. That didn't sit well with Lakeland Mayor Gow Fields, who sent Selvage to appeal for a more thoughtful study of how other housing authority executives around the state are compensated.

"What's the rush?" Fields said. If community representatives "can't speak on an issue where we're spending taxpayer money, that's a bigger concern."

Ardis, a vice president of the Lakeland NAACP, said, "It was pretty much a slam dunk without any discussion." He said he'll investigate what Hernandez's peers around the state earn, and, "If it appears out of line, the NAACP would like to sit with the (LHA) board and have them explain."

Community housing authorities are funded primarily by the U.S. Department of Housing and Urban Development and other federal and state programs. They are autonomous of city or county government, though members of housing authorities' governing boards often are appointed by city leaders.

That's the case with LHA, whose commissioners are limited to two consecutive, four-year terms, but only with approval of the mayor and city commissioners.

Fields is cracking down on term limits, and recently notified Parry that he must step down as soon as a replacement is named. That could happen any week now.

Fields said he thinks the LHA board rushed to approve Hernandez's contract while Parry was still in charge.

Parry denies the accusation. He said the salary package was voted on months ago and the contract voted on last month was just a formality.

"This wasn't something we were trying to pull over somebody's head," he said.

But McGee said she felt rushed from the beginning. The board had a cursory salary comparison in January but didn't receive the broader study until several hours before the April 30 meeting.

Even then, the second study does not go in depth as to the breadth and scope of individual housing authorities, something some experts and housing authority directors said should be considered to adequately compare salaries.

"It's not fair to look (only) at how many (housing) units you have," said Corey Matthews, director of the Florida Association of Housing and Redevelopment Officials, a trade group. "Whenever you're comparing salaries, it's an extremely difficult process to do."

### **Determining factors**

As a rule of thumb, housing authority executive pay is based on the number of public housing and Section 8 units they oversee. Hernandez has 1,860 units, far less than the 6,374 units under the authority of Kevin Cregan, executive director of the Broward County Housing Authority.

Cregan is paid just less than \$170,000 a year and has use of a company car, though he's not allowed to take it home. He would not comment on Hernandez's salary, except to say the Lakeland housing director "has a good reputation and he's done a lot of innovative things."

Darrell Irions, CEO of the St. Petersburg Housing Authority, is paid \$170,500 annually to manage 3,300 units. He also has a company car but pays \$350 a month for the privilege, said Audra Butler, a spokeswoman for the St. Petersburg agency.

Of the LHA director's pay, Butler said, "Wow. I'm jealous."

Winter Haven Housing Authority Executive Director Lisa Landers, who oversees 270 units with a staff of eight, including herself, is paid \$61,000 a year and has a \$4,700 annual car allowance.

Landers said she didn't know enough about LHA or its director to comment.

Landers and Al Kirkland Jr., executive director of Lake Wales Housing Authority, are paid the same salary, but Kirkland, who oversees 312 housing units, has no car allowance.

"At one time I had one," he said, "and they (my board) took it."

Kirkland said the LHA board's confidence in Hernandez speaks volumes, given his salary package. "The only thing I can say is they really must appreciate Herb."

Hernandez's contract spells out the duties and expectations of the LHA director. Full of legalese, Hernandez said it's the first formal contract he's had in 13 years, and includes only a 2 percent pay raise that won't kick in until June.

The pay raise and car allowance, which hasn't increased since January 2008, were approved back in January, Hernandez said, and all the commission did April 30 was to OK the legal contract.

McGee's motion to table the April 30 vote, seconded by commissioner Everette Taylor, died after the remaining five commissioners voted it down. Opposed were chairman Parry, Carrie Oldham, Daryl Johnson, Molly McHugh and Dr. Hank Jennings.

Taylor ultimately sided with the majority and the salary contract easily passed.

Only McGee, a public housing tenant, voiced outrage over an \$18,000 annual car allowance.

In every case presented in the salary study of nine other Florida housing authorities, the directors either have use of a company car or receive a mileage allowance for their own vehicles.

Matthews, of FAHRO, said the Lakeland authority is among the more aggressive agencies of its type in the state.

Hernandez is able to stretch an ever-shrinking budget, provide tenants with an array of social services and develop public housing projects through competitive grants and tax credits, Matthews said.

"It would be a fair assessment to say they do more of that than an average housing authority of their size," he said.

### **Achievements**

In defense of his compensation, Hernandez points to the \$15 million in construction contracts he's taken on this year alone.

LHA is among the few authorities statewide designated by HUD as a lead developer, meaning it can develop housing projects without having to solicit a partner.

The benefit of going solo, he said, is LHA keeps 100 percent of the development fee, which can be reinvested in serving the poor.

Also, under Hernandez's leadership, the agency razed two large-scale, aging public housing complexes and rebuilt them with a \$22 million federal HOPE VI grant.

The finished communities then were seeded with single-family homes for sale to people with a broad array of incomes.

The agency also has a grant to operate after-school programs and the YouthBuild program, which helps teenage dropouts earn a GED while learning a trade.

In a letter dated May 5 to The Ledger, Parry, the outgoing LHA board chair, said commotion over Hernandez's salary is "disgusting, embarrassing and totally counter-productive and has come from complainers and misinformed and/or uninformed individuals who can think of nothing better to do with their time."

Throughout his tenure, Hernandez has secured grants worth more than \$97 million, Parry said.

"Personally, I see this as added value not just to the tenants of LHA, but to our entire community."

[ Ledger Reporter Eric Pera can be reached at [eric.pera@theledger.com](mailto:eric.pera@theledger.com) or 863-802-7528. ]

This story appeared in print on page A1

Copyright © 2010 TheLedger.com — All rights reserved. Restricted use only.