



Delray Beach Housing Authority

REGULAR BOARD MEETING FEBRUARY 18, 2010 MINUTES

I. CALL TO ORDER

Meeting called to order at 8:46 a.m.

II. ROLL CALL

Morris Weinman - Absent
Choli Aronson - Present
Joseph Hepp - Present
Sylvia Morris - Present
Shelly Petrolia - Present
Christel Silver - Present
Shelly Weil - Present

III. APPROVAL OF THE AGENDA

A motion to approve the agenda was made by Commissioner Morris. Motion seconded by Commissioner Weil. All in favor. Motion passed.

IV. RECOGNITION OF VISITORS

Kathy Rainey-Holman – Families First
Lily – Wess Sorota

V. PUBLIC COMMENTARY

None

VI. CONSENT

- a. Section 8 Coordinators' Report – Bridgette Huff
 - b. Chief Financial Officer's Report – Naomi Durham
 - c. Administrative/Grant Report – Nina Levine
 - d. Quality Control Report – Jakeleen Fernandez
 - e. Property Management Report – Nguyen Tran
- Motion to approve Consent Agenda made by Commissioner Morris. Motion seconded by Commissioner Weil. All in favor. Motion passed.

VII. CORRESPONDENCE

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VIII. OLD BUSINESS

a. **Resolution 2009-16 Approving the General Depository Agreement between the DBHA and City National Bank**

The President/CEO explained that the General Depository Agreement is required to be executed between the DBHA and City National Bank because of the Federal Funding provided to the Agency by HUD. HUD is considered a third party beneficiary of the Agreement and may sue to enforce its provisions. This agreement has been executed and is ready for the Board's approval.

The President noted that this agenda was carried over from last month because there was not a quorum. Recommendation was made to approve Resolution 2009-16.

A motion to approve Resolution 2009-16 approving the General Depository Agreement between the DBHA and City National Bank was made by Commissioner Silver. Motion seconded by Commissioner Morris. All in favor. Motion passed.

The President/CEO informed the Board that Chairman Weinman was not reappointed because his term was up. The Delray Beach Housing Authority will be presenting Chairman Weinman with an award for his services at the next scheduled board meeting.

b. **Resolution 2009-17 Approving the Submission of the State of Florida Annual Local Government Financial Report Certification for FY 2008-2009**

The President explained that this document is an annual report that the Authority must submit to the State of Florida. The President reminded the Board of NCT's presentation in reference to the fiscal year's audit and recommended that the Board Approve Resolution 2009-17.

A motion to approve Resolution 2009-17 approving the submission of the State of Florida Annual Local Government Financial Report Certification for FY 2008-2009 was made by Commissioner Silver. Motion seconded by Commissioner Morris. All in favor. Motion passed.

c. **Resolution 2009-18 Approving the Revised Replacement Housing Plan and Authorizing the Submission of this Plan and Ancillary Documents to the U.S. Department of Housing and Urban Development**

The President/CEO stated that this document was approved July of 2008. The original plan consisted of replacing the 200 units of Carver Estates that included the plan to build 100 Public Housing units on the Auburn site. Since that partnership no longer exists, the Authority had to revise the plan. The new plan had to be consistent with the plan developed through the recent Strategic Planning Session which provides a mixed income community. The revised plan before the Board reflects those changes. The major purpose of the Replacement Housing Plan is for HUD to approve it, allowing the Authority to start using the Replacement Housing dollars. The Authority receives \$1.5 million dollars for a period of five years this amount totals \$300,000.00 annually. If Approval is granted by HUD, the Authority would be able to receive the money in one lump sum. Approval of the plan is recommended.

A motion to approve Resolution 2009-18 approving the Revised Replacement Housing Plan and Authorizing the Submission of this Plan and Ancillary Documents to the U.S. Department of Housing and Urban Development was made by Commissioner Silver. Motion seconded by Commissioner Weil. All in favor. Motion passed.

d. **Resolution 2009-19 Approving the Operating Budget for FY 2010/2011**

The Chief Operations Officer explained the measures the Agency has taken regarding this year's budget. Many items were either reduced or eliminated from this year's budget such as travel, training and office supplies. This budget also reflects a freeze on employee increases the second year in a row that to prevent the Agency from having to lay off a person, the Agency has been forced to freeze all increases.

The President/CEO clarified that it will be necessary for the Development Officer and herself to travel at times due to what is needed for the Redevelopment Project.

The Chief Operations Officer mentioned that there is a \$46,000.00 cushion available if needed. The Chief Operations Officer stresses the point that the projected Budget is a very conservative projection, and will inform the Board of any changes. A recommendation to approve the Budget as is was made.

A motion to approve Resolution 2009-19 approving the DBHA Operating Budget for FY 2010/2011 was made by Commissioner Silver. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

e. **Resolution 2009-20 Approving the Real Estate Closing with the Delray Beach Community Redevelopment Agency for the Property located at 82 NW 5th Avenue, Delray Beach, Florida; Providing Authorization and an Effective Date**

The Housing Authority Attorney explained that the Agency has a projected closing date of March 17, 2010, and the Board will not be meeting prior to closing. Therefore it would be in the Board's best interest to have this resolution approved allowing this transaction to go forward and allow closing and authorizing the President/CEO to execute all documents that need to be executed as part of the closing.

The President reported meeting with Jose Cintro Director, Miami Area Office of Public Housing (HUD) regarding the \$390,000.00 that was given to the Agency to acquire the land from the CRA. The President explained that these are ARRA dollars (American Recovery and Reinvestment Act) and as a result of a legal opinion it was determined that "obligation" for acquisition projects, means that the Agency has to close on the property, whereas all other definitions of "obligation" means that the Agency must have a contract. Up until December 2009 the Agency was under the impression that the DBHA was obligated because there is a contract with the CRA to purchase the property. While other PHA's are disputing the definition, the DBHA is not. The President stated she is confident that the Agency can close in the time given. The President further stated that there is a Declaration of Trust the Agency must record on the property, that HUD wants to be in first position which means HUD would give the Agency \$390,000.00. The Agency is borrowing \$2.3 million dollars from another source.

Mr. Citron suggested that the Agency close and he offered to request approval on the DBHA's behalf to headquarters (D.C.) to waive the requirement that the units be Public Housing, but instead be Project Based Section 8 units. The President recommends approval of Resolution 2009-20.

A motion to approve Resolution 2009-20 approving the Real Estate Closing with the Delray Beach Community Redevelopment Agency for the property located at 82 NW 5th Avenue, Delray Beach, Florida: Providing for Authorization and an Effective Date was made by Commissioner Aronson. Motion seconded by Commissioner

Commissioner Silver. All in favor. Motion passed.

f. **Chief Operating Officer's Report**

Refer to Resolution 2009-19

g. **Development Officer's Report**

The Development Officer reported that the CRA Board approved the DBHA's request for time extension and amended The Purchase and Sale Agreement at their regular scheduled Board meeting. The amended agreement granted 180 day extension to June 2010 for the DBHA to obtain all approvals, consents and permits necessary for the development and construction of the project. The President stated that this amended agreement will need Board approval. The President also stated that she is comfortable with the timeframe given and has asked the DBHA's Financial Consultant if the timeframe given is a realistic one, the answer was yes. The total of 210 days will allow the DBHA to obtain financing within the first 150 days and 60 days beyond that to begin construction, otherwise there is a revert clause that the CRA will purchase the land back. The Attorney added that this is part of the original contract and recommended that the Board make a motion allowing the President and the Attorney to approve the amendment and they will bring it back for ratification at the March Board Meeting.

A motion to allow the President and the Attorney to approve the amendment and they will bring it back for ratification at the March Board Meeting was made by Commissioner Morris. Motion seconded by Commissioner Silver. All in favor. Motion passed.

The President feels that construction is not a problem since the DBHA has already started the permitting process. The only concern is that the DBHA applied without a General Contractor and therefore a General Contractor will have to be assigned to this contract. The Development Officer reported that the bid for this project has been extended an additional 30 days, due to the financing package. He also reported that permitting is going well the DBHA has received approval from many departments and at this time its back in Engineering for some minor comments. One of the comments is a change in the Site Plan a driveway that they would want removed and replaced with concrete, stained to match the Terrazzo. Since the Site Plan has been certified the DBHA would have to come back with a Site Plan modification. The Development Officer sent an e-mail in reference to waiving the fee, because the Site Plan has been certified and feels that this additional fee should be waived since it was not brought up prior to certification.

Commissioner Morris asked if there are many local General Contractors, the Development Officer answered that the DBHA advertised in the Palm Beach Post. The DBHA also sent a copy to all the Approved Contractors that were listed on the Approved Contractor's list from the City and Minority groups and therefore the majority of contractors are local.

Commissioner Aronson asked if the DBHA is required to accept the lowest Bid or if the DBHA would be allowed to have additional qualifications, the Development Officer reported that he attended a Section 3 training (HUD Section 3 of the Housing Act of 1968) and found that since the DBHA is accepting HUD's money to build this project, HUD requires their residents to be taken care of first, therefore Section 3 is for

very low and low income persons that are eligible. As an example the Development Officer explained that a Bidder stating that he will hire 30% from this category will become a preferred contractor. Therefore the conclusion is that the DBHA does not have to accept the lowest Bid, but it should be the lowest bidder who is responsible.

The President reported that one of the steps the Agency has taken in regards to being pro-active is require that the Contractor submit their Section 3 Plan as part of the document. The President reminded the Board that the DBHA does have an Employment and Contracting Policy that was approved by the Board in anticipation of this project, the 30% is reflected in the policy.

h. **President/CEO's Report**

The President presented the Board with a copy of the financing packet and informed the Board that CBO Financial has sent this document to Bank of America, SunTrust, Community Loan Fund, Chase, and Wells Fargo. In addition the DBHA has sent the packet to City National Bank. The President reported that this document includes the new market tax credit \$2.2 million dollars in subsidy, \$390,000.00 ARRA dollars, and the private debt from the Bank about \$2.3 million dollars. This is a \$5 million dollar deal that also incorporates the CRA's contribution to the deal, which is the acquisition of the alleyway that is adjacent to the property and the improvements that they plan to do.

The Developments Officer reported that he and the President met with Terry Eichas who was hired by the CRA as their Listing Agent in hopes that there was a way that the DBHA could "piggy-back" the existing contract between the CRA and the Homes of Distinction Reality. It was discovered that it was not a possibility because the contract is strictly residential, while the DBHA's project is a mixed use. The Development Officer reported that Mr. Eichas was able to give valuable ideas as to which industries to target as potential tenants. These may include a small community oriented bank or similar organizations such as the DBHA's service the needs of the DBHA's residents. The Development Officer stated that the DBHA must first develop a marketing flyer for the available space and then proceed to obtaining signed letters of interest for financing purposes.

IX. NEW BUSINESS

None

X. COMMENTS

- a. President/CEO - The President informed the Board that at the City Commission meeting they postponed the appointment of the replacement person, because the person that was going to be appointed is unable to make the DBHA's meetings. At this time the President asked the Board if they would consider changing the time of day the Board meets since the reason the appointed person was not able to accept is that she is a teacher and is not able to make morning meetings. This Board is not able to change its hours of meeting due to their schedules.
- b. Attorney – none
- c. Commissioners – none

XI. ADJOURNMENT

Meeting adjourned at 9:40 a.m.