



## Delray Beach Housing Authority

### JANUARY 15, 2015 BOARD MEETING MINUTES

#### **I. CALL TO ORDER**

Meeting called to order at 8:53 a.m.

#### **II. ROLL CALL**

Joseph Hepp – Present

Guarn Sims - Present

Christel Silver – Present

Choli Aronson – Present

Sylvia Morris – Absent

Marcia Beam – Present

Gaston Joseph – Present

#### **III. APPROVAL OF AGENDA**

A motion to approve the Agenda was made by Commissioner Silver. Motion seconded by Vice Chairman Sims. All in favor. Motion passed.

#### **IV. APPROVAL OF THE MINUTES OF DECEMBER 18, 2014**

A motion to approve the minutes of December 18, 2014 was made Vice Chairman Sims. Motion seconded by Commissioner Silver. All in favor. Motion passed.

#### **V. RECOGNITION OF VISITORS**

- Isaac Kovner, City of Delray
- Larry Zabik, Zabik & Associates
- Clifton Phillips, Roundstone Development
- Mary Jones, Sunchase America
- Earl Rollins, Sunchase America

#### **VI. PUBLIC COMMENTARY**

None

#### **VII. CONSENT**

A motion to approve consent agenda was made by Commissioner Gaston. Motion seconded by Commissioner Silver. All in favor. Motion passed.

#### **VIII. CORRESPONDENCE**

None

## **IX. OLD BUSINESS**

### **A. Chief Operations Officer's Report**

#### Resolution 2015-01 Approval of DBHA's Annual Plan for 2015-16

The COO noted that as reported last month, the Annual Plan was due to HUD on January 15, 2015 and Board approval was needed. The COO reported that public comments had been solicited as required by HUD.

Following are the Goals and Objectives under the Annual Plan to be accomplished for the annual period 2015-2016.

- Increase the availability of decent, safe, and affordable housing by conducting outreach to unit owners throughout Palm Beach County for its Housing Choice Voucher Section 8 Program.
- DBHA will acquire additional units with Replacement Housing Factor Funds to increase its low Income Public Housing Inventory.
- DBHA will maintain waiting list open for Project-Based Section 8 for the Elderly phase of Village Square and Lake Delray Apartments.
- DBHA expects to finalize construction of Phase II Village Square Elderly that will consist of (84) Elderly set aside Project-Based Housing Assistance units as approved by HUD through Subsidy Layering Review.
- Finalize the occupancy of Village Square Family phase I that consist of (144) Multifamily Low Income Tax Credit units.
- DBHA will continue to promote affordable housing opportunities for Families and the Elderly in the Community.
- DBHA will strengthen the Section 8 Family Self-Sufficiency Program by network practices with Private Businesses, Corporations, Financial Institutions and Local Agencies to promote homeownership and employment opportunities.
- DBHA will continue to seek and apply for competitive funding opportunities.
- DBHA will continue to make all efforts to acquire Management opportunities for its Non-Profit Instrumentality.
- DBHA will continue to maintain its High Performance status in the Section 8 Housing Choice Voucher Program (SEMAP) and the Public Housing Program.
- DBHA will partner with local housing authorities to enforce Program requirements throughout Palm Beach County, Utility allowance schedule revisions, rent reasonableness, Owner outreach and Program Fraud Prevention.
- Conduct workshops as needed to keep families informed.
- DBHA will continue to administer the Tenant Base Rental Assistance Program funded by Florida Housing Finance Corporation.
- DBHA will begin the construction of the mixed used Residential and Commercial Building known as the West Settlers Building that will house the administrative office of the DBHA and the Delray Housing Group as approved by HUD.

- DBHA will continue to work closely with all Local government office and the Department of HUD to enhance services to all families it serves.

The COO recommended approval of Resolution 2015-01.

A motion to approve Resolution 2015-01 was made by Commissioner Aronson. Motion seconded by Commissioner Sims. All in favor. Motion passed.

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

Resolution 2015-02 Authorizing Submission of a Corrective Action Plan

The CFO reminded the board that on December 10, 2014 the DBHA received the report from HUD's May 13, 2014 monitoring visit. The report contained two Findings and 3 Concerns, and gave a very detailed report of his intent to submit a Rebuttal Response. The CFO noted that an extension to respond to the report had been requested and granted and was due on February 10, 2015. At this time the CFO reported that he had completed the Response to HUD's QAD Review and a hard copy was provided to the Board.

The CEO reported the following as a summary of what was included in the DBHA's response that consisted of 25 pages upon completion.

The review was conducted at the request of the Financial Management Center (FMC) to ensure that outside funding was not being used to augment the HCV program. Although the report failed to issue an opinion as to the use of outside funding to augment the HCV program it is important to point out that the Delray Beach Housing Authority does not now nor has it ever used outside funding to augment the HCV program.

The CEO noted that The QAD team was provided with monthly detailed trial balances for four completed fiscal years (FY 2010 – FY 2013) and one incomplete year (FY 2014). At the end of the review on May 15, an exit conference was conducted with the CEO, accounting staff and members of the Miami Field Office who joined us via telephone.

The CEO noted that although staff was advised that they would receive back-up documentation supporting the QAD findings and concerns within 30 days of the exit, no such documentation was ever provided. The final report expressed opinions on many items not previously discussed either during the visit or during the exit conference, therefore backup documentation would have afforded staff the opportunity to clarify/correct inaccuracies contained therein.

The CEO noted that she did not believe the language in the report conveyed a balanced and fair representation of the Delray Beach Housing Authority. Following are some examples given by the CEO:

1. The QAD reported that the Financial Management Center (FMC) and the PHA agreed to a RNP balance at December 31, 2009. DBHA records indicate that FMC and DBHA agreed to a balance at 3/31/2009. This is a significant difference in time periods and could account for the variance in the DBHA reported RNP and that as reported by the QAD.
2. The QAD report alleged that the DBHA used HCV funds to cover demolition costs for Carver Estates. The demolition of Carver Estates was funded through a grant agreement between the City of Delray Beach and the DBHA. The CEO noted that no Housing Authority funds were used for this purpose as the actual contract was between the City and a private demolition contractor.
3. The QAD report stated that the FSS balances were not reconciled to the financial records. The CEO noted that this simply was not true. The Independent Auditor had never issued a concern or finding in this regard because the reconciliation of all bank statements was a vital step in producing the DBHA's financial statements for presentation to the Board on a monthly basis.
4. The QAD report recommended that the DBHA collaborate with the City of Delray Beach to implement improvements to the accounting system. The CEO reported that staff was unsure as to why this is a recommendation since the DBHA is an independent entity from the City with competent and well qualified staff. The CEO reminded the Board that the CFO had a Bachelor's Degree in accounting, served at one time as a Certified Internal Auditor and possessed more than 20 years of accounting experience. The CEO noted that the DBHA's accounting system was created over 17 years ago with the help of consultants hired by HUD and the DBHA's audits had never contained serious findings since that time and therefore staff disagreed with this recommendation.

The CEO recommended approval.

A motion approving Resolution 2015-02, authorizing the submittal of a response to HUD's Quality Assurance Division report was made by Commissioner Beam. Motion seconded by Commissioner Joseph. All in favor. Motion passed.

**C. Roundstone Development Update**

Mr. Phillips reported that on December 29, 2014 the Certificate of Occupancy had been granted for the entire site allowing staff to proceed with lease ups for buildings 3 & 4, the remaining buildings will follow shortly after. At this time as requested by the Board at the last Board meeting Mary Jones, Property Manager for Village Square gave a detailed update report regarding tenant screening and processing.

Vice Chairman Sims asked Mr. Earl Rollins if the Property Manager had been addressed regarding a complaint that a prospective tenant made against management regarding the rude manner that she had been treated by the property manager. Mr. Rollins notified the Board that the property manager had been addressed and had been issued a written reprimand.

**Zabik & Associates Update**

Mr. Zabik reported that the Elderly building was underway and currently all was moving accordingly.

**X. New Business**

None

**XI. COMMENTS**

The CEO reminded the Board that the Ribbon Cutting Ceremony will be held on February 7, 2015 at 10:00 a.m.

**XII. ADJOURNMENT**

10:00a.m.