



## Delray Beach Housing Authority

**June 17<sup>th</sup>, 2020**  
**REGULAR BOARD MEETING**  
**MINUTES**

**The Meeting was held via Zoom**

**I. CALL TO ORDER**

Meeting called to order at 4:06p.m.

**II. ROLL CALL**

Dr. Jesse Saginor – Present

Ezra Krieg- Present

Krystina Buckley- Present

Marcus Metcalf - Present

James Hiler- Present

Ivan Gomez – Absent

Robert Townsend-Present

**III. APPROVAL OF AGENDA**

A Motion to approve the Agenda was made by Commissioner Krieg. The Motion was seconded by Commissioner Buckley. All in Favor. Motion passed.

**IV. APPROVAL OF THE MINUTES MAY 20<sup>TH</sup> 2020**

A Motion to approve the minutes of May 20<sup>th</sup>, 2020 was made by Commissioner Metcalf. Motion was seconded by Commissioner Buckley. All in favor. Motion Passed.

**V. RECOGNITION OF VISITORS**

Michael Henzy and Darren Smith from the Smith & Henzy Advisory Group were in attendance.

The CEO also introduced Ramon Navarrete the new Senior Accountant to the board of Commissioners.

**VI. PUBLIC COMMENTARY**

NONE

**VII. CONSENT**

A Motion to approve the consent agenda was made by Commissioner Krieg. Motion was seconded by Commissioner Buckley. All in favor. Motion Passed.

**VIII. CORRESPONDENCE**

NONE

**IX. OLD BUSINESS**

**A. DBHA Property Management Report**

**Village Square Family Property Management Application**

The VP of Operations DHG reported the application was in process she provided the following timeline:

On May 14, 2020 an email from Bill was received reporting that he was in the process of reviewing/comparing DHG's "draft" Management Agreement to the current agreement in place and that other than a review of Insurance in place, which would be done by Hunt Capital as we get closer to the proposed conversion, he had everything he needed to move forward for review by HCP's Investor Relations team. This means that we were now ready to move to Step 2 of the application process.

Step 2, of the Application process is submitting an application package to Berkadia Commercial Mortgage, LLC; who is the servicing agent for this loan. As part of the submittal package a non-refundable legal retainer in the amount of \$750.00 was to be made payable to Dilworth Paxson, LLP. For any legal expense incurred in excess of the legal retainer, DHG will be required to pay upon demand.

I completed this package on June 10, 2020 and met with the CEO for review, the application package was emailed to Berkadia on June, 11, 2020. Following are the items that were submitted.

- Acknowledged Notice Initialed by CEO
- Post-Closing Contact Info
- Freddie Mac Property Management Change Certification and Exhibits A & B.
- Delray Housing Group's Response and back up (Exhibits A-E)
- Wire Transfer Confirmation in the amount of \$750.00

Step 3, is for DHG to obtain approval from Florida Housing Finance Corp to manage Village Square Family. On June 9, 2020 an emailed was sent to Lisa Nickerson, Multifamily Programs Administrator who has referred me to the Compliance Team for further guidance. She noted that she was currently waiting to hear back as to what is needed to begin the process and would provide updates.

### **Public Housing Voluntary Conversion Application**

The VP of Operations reported that as a result of the COVID-19 Pandemic the public housing repositioning application was on hold, she stated that she was hopeful that it would be ready for submission no later than October 2020.

### **Status of the Property Management Agreement for 11/21 SW 6<sup>th</sup> Avenue and 105 NW 5<sup>th</sup> Avenue Discussion**

The DHG VP of Operations reported that On June 1, 2020 an email was received from Avram New, Representative of BH3 Management (Owners) requesting that all operationing revenues and security deposits for the SW 6<sup>th</sup> Ave project be wired immdiately.

As a result A conference call was held with Mr. New, Shirley, Erazo, CEO, Ada delos Rios, CFO and myself to discuss concerns about releasing the Security Deposits to the ownership at this time. We feel that releasing these funds to the ownership will forfeit the management agreement and put the DHG in a position of liability. Another liability was the number of maintenmce hours that the property has been requiring, as a result of the poor rehab that was done on the units.

After evaluation by the CEO the best decision would be to terminate the agreements as the DHG does not stand to benefit at this time from the partnership.

Commissioner Hiler stated that along with the percentage market rate of 6% there should have also been an agreement for maintenace and emergency fees.

Commisioner Krieg stated this is a good lesson going forward with other project management opportunities and inquired of any effects on the budget. The CFO responded that the revenue was not included in the current budget and would therefore have no effect.

The CEO's decision to terminate the contract was upheld.

## **B. Chief Financial Officer Report**

### **Accounting Department**

The Chief Account Officer reported that the Accounting Department continues to operate remotely and also in the office while following the health precautions due to COVID-19. She stated that they were working on closing the 2<sup>nd</sup> quarter and were preparing for the upcoming audit which was scheduled to begin the week of August 7<sup>th</sup>, 2020.

### **Financial Statements Summary:**

The Chief Financial Officer submitted the updated unaudited financial statements through April 2020 for the board review.

**Public Housing** ended with a negative balance of \$(6,563.01), which was mainly due to the depreciation expense for the public housing units including the West Settlers Office building in the amount of \$10,774.00. She noted that the expense was expected to change once an appraisal had been conducted.

**Section 8** ended with a positive balance in the amount of \$97,282.86 which was mainly due to additional HUD HAP funds in the amount of \$41,409.00 plus additional administrative fees in the amount of \$19,861.00 as a result of the 4<sup>th</sup> quarter 2019 reconciliation.

The chairman inquired whether there needed to be any special accounting done as a result of the pandemic, the CFO explained that no special accounting was needed everything would be reflected in the general ledger. She stated she would also be communicating with the auditors to see if this is required.

### **C. Section 8/ FSS Coordinator Report**

#### **Section 8 Program Utilization**

The FSS Coordinator submitted a chart which showed program utilization and reported that lease up was at 96% and that there were 1 terminations. She stated that the waiting list for Section 8 was closed however for project based 62 and older applications were being accepted. She reported that the Section 8 waiting list had 536 applications and the project based had 1275 applications.

The FSS Coordinator reported that the total HAP Housing Assistance Payment for the month of August was \$1,130,519.00.

#### **Housing Participants Update to the COVID -19 Pandemic**

The FSS Coordinator reported that in response to the COVID-19 crisis, the department continues to monitor the recommendations by the CDC guidelines, she stated that she attended virtual teleconferences and webinars hosted by HUD to address the CARES Act and waivers to housing programs.

The FSS coordinator reported that to her knowledge she was thankful that there was no loss of life due to COVID-19 virus. She said however, several families have been impacted financially, as of June 10,2020 approximately 128 families have either lost employment or are working reduced hours. She stated that the amounts for Utility Housing allowance payments to families have increased in an effort to keep assisted housing affordable for low income households.

The FSS Coordinator stated that as families continue to become unemployed they will continue to make immediate adjustments to their rental assistance. She noted

that the department continues to issue contract renewals and complete recertification of families.

**Housing Quality Standard (HQS) Inspection Abatement of Landlord Housing Assistance Payment (HAP)**

The FSS Coordinator reported that in accordance with HUD regulations the Housing Authority must abate HAP to owners who do not comply with notifications to correct HQS deficiencies within the specified time period: 24 hours or 30 days depending upon the reason for the deficiency. She stated that for the month of June there one payment being held until the owner has the unit ready and pass the HQS inspection.

**Family Self-sufficiency (FSS) Escrow Deposits**

The FSS Coordinator reported that the FSS deposit credit for the month of May was \$2781.00, which consists of the regular Section 8 Voucher FSS participant's escrow credit of \$2655.00 and former Carver Estates relocation Voucher FSS participant's escrow credit of \$116.00.

**SEMAP Indicators Report**

The FSS Coordinator reported that the SEMAP indicator report from the HUD was updated as of May 31<sup>th</sup>, 2020 and that it was attached to her report for review by the board.

**D. President CEO Report**

**DBHA/DHG STAFF**

The CEO reported that the staff continue to operate remotely from home with full access to their workstations. She stated that this is the new norm and that communication via zoom staff and managers meeting are a point of contact and updates from staff. The CEO stated that at this time she has no date for staff to return to the office however, she is focused on trying to make the office safe for staff and families when they return.

The CEO reported that she was in the process of putting together PPE bags to distribute to families, this she said was an effort possible through the funds that were given by HUD for COVID-19 related expenses. She noted that it was a good way to ensure that the funds were allocated as they will be returned to HUD if they are not used by the end of the year.

**Status of HUD –Voucher Management Systems Monthly Report**

The President reported that an estimated report was submitted to the VMS- Voucher Management System on May 22<sup>nd</sup>, 2020 for the month of April and approved by the financial Management Center. She stated that the report included all HAP

expenses, the voucher and Project Based Voucher utilization report, and all other HCV related expenditures for the month.

**Island Cove-Village Square Phase 3 Update**

Darren Smith expressed thanks for allocating the time for him to present on the item, he stated that a few months ago the board gave approval for him to apply for the 9% credits, however, it was not successful. He stated that this year the goals have changed to fund the highest lottery deal that has government contribution. He stated that \$640,000.00 not definitive was needed in loans or grants and must be able to show at the time of application.

He said that now would be the time to reach out to the City, CRA, county and agencies to seek this funding which will make the 9% deal more probable. At this time he was seeking the approval to start approaching the agencies in an effort to get funds committed to win the 9% credits by the November 2020 deadline.

At this time Commissioner Krieg made a Motion giving the approval to pursue funding in order to apply for the 9% low income tax credit for Island Cove. Motion was seconded by Commissioner Buckley. All in favor. Motion Passed

**X. NEW BUSINESS**  
**NONE**

**XI. COMMENTS**

The President expressed thanks to the board of commissioners for their continued support, she explained that her greatest challenge was the Phase III Island Cove Project which she continues to seek funding approvals and find ways to make the project affordable.

She also commended the staff for the continued hard work in the challenging time now and ahead.

**XII. ADJOURNMENT**

A Motion to adjourn the meeting was made by Commissioner Metcalf. Motion was seconded by Commissioner Buckley. The meeting was adjourned at 5:10 pm