



## DELRAY BEACH HOUSING AUTHORITY

### **SPECIAL BOARD MEETING OCTOBER 2, 2008 MINUTES**

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

Meeting called to order at 8:50 a.m.

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

Angela Randolph - Present  
Sylvia Morris - Present  
Thuy Shutt - Present  
Christel Silver - Present  
Morris Weinman - Present  
Russell Yeager - Present

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

Motion to approve Agenda made by Commissioner Weinman. Motion seconded by Commissioner Shutt. All in favor. Motion passed.

#### **IV. RECOMMENDATION FOR RESPONSE TO AUBURN GROUP'S CORRESPONDENCE –**

Note was made that the Board had been furnished with relevant information relating to the motion made at the previous meeting on September 12, 2008. This motion was to suspend dealings with third parties relating to the redevelopment project of Carver Estates, until certain requested information made to Auburn Development was received. As a result of this motion, a Notice of Default was received by the Delray Beach Housing Authority from Auburn.

At this point in the meeting, Gilberto Pastoriza, legal counsel for the DBHA, explained the procedure necessary to respond to the Notice of Default. He noted that the two items in the Notice could be cured and responded to by a motion from the Board. The two items were:

◆The actions that the Board of Commissioners took were contrary to the provisions in the Master Development Agreement, which requires that the DBHA assist and cooperate with Auburn in obtaining approvals, fundings, etc.

◆There shall be no bad-mouthing or making negative comments about Auburn Development to other governmental agencies and other people. It was noted that there were no specific examples noted by Auburn in the Notice of Default.

It was recommended by Mr. Pastoriza that the Board pass a motion at today's meeting stating that the prior motion, made at the September 12, 2008 meeting to suspend dealings with third parties be rescinded and to also instruct Housing Authority staff to go forward and assist the joint venture partner in their approval processes. Also, staff should be instructed on how they should conduct themselves and look at this project as a positive item. By doing this the Notice of Default would be cured. He also noted that once the DBHA is no longer in default and that when the Master Development Agreement is

reviewed there will be evidence that the Auburn Group is in default. Mr. Pastoriza suggested passing the above noted motion to cure the DBHA of being in default. He will amend his letter to Auburn, which was included in today's meeting information packet, to include this motion as an answer to the Notice of Default by the DBHA. The letter will also place Auburn on notice of what the DBHA feels they are in default of under the Master Development Agreement. A request will also be made that certain information, requested numerous times, be provided to the Housing Authority. At this time a motion was made by Commissioner Weinman to withdraw the motion to suspend dealings with any third parties made at the September 12 Board Meeting and to agree to legal councils recommendation to cooperate with Auburn and that there will be no ill-will fostered by the DBHA staff. Motion seconded by Commissioner Yeager. All in favor. Motion passed.

At this time, a discussion relating to defaults on the part of the Auburn Group took place. Mr. Pastoriza noted that, as stated in the MDA, there is a 30-day period for curing. If items under default are not cured by that time the Board should be aware that there are actions to be taken which could lead to litigation. He also recommended that Auburn be put on notice that certain provisions contained in the MDA have not been adhered to and that they must be complied with. A motion was made by Commissioner Weinman to send a letter to Auburn, by the attorney, on behalf of the Housing Authority noting that Auburn needs to address defaults on their part as noted in the MDA. Motion seconded by Commissioner Silver. All in favor. Motion passed. The DBHA will comply with the terms noted in the MDA as it relates to delivery of the notice.

V. **ADJOURNMENT**

Meeting adjourned at 9:40 a.m.