



DELRAY BEACH HOUSING AUTHORITY

REGULAR BOARD MEETING **NOVEMBER 9, 2007** **MINUTES**

I. CALL TO ORDER

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

II. ROLL CALL

Joseph Bernadel - Present
Morris Weinman - Present
Alfred Etienne - Present
Sylvia Morris - Present
Angela Randolph - Present
Thuy Shutt - Present

III. ANNUAL ELECTION

At this time, Gilberto Pastoriza, DBHA legal counsel, noted that because this election was public information, there was no need for ballots.

Election of Chairman Vice Chairman Weinman nominated current Chairman Joseph Bernadel for the position of Chairman. By a unanimous vote Mr. Bernadel was re-elected as Chairman.

Election of Vice-Chairman – Chairman Bernadel nominated Vice-Chairman Weinman for the position of Vice-Chairman. Commissioner Shutt nominated Commissioner Angela Randolph. By a vote of 4 to 2 Commissioner Randolph was elected Vice-Chairman.

IV. APPROVAL OF AGENDA

With the addition of a discussion relating the appointment of a member of the Board to the Community Land Trust, under New Business, item C a motion to approve the Agenda was made by Vice-Chairman Randolph. Motion seconded by Commissioner Morris. All in favor. Motion passed.

V. APPROVAL OF MINUTES

A motion to approve the minutes of the October 13, 2007 Board Meeting was made by Commissioner Weinman. Motion seconded by Vice-Chairman Randolph. All in favor. Motion passed.

VI. RECOGNITION OF VISITORS

Kim Ajy – R2T, Inc.
Harold Davidson - HBR Developers
Mike Campbell – Habitat For Humanity
William Hatcher – Hatcher Construction
Chuck Ridley – Atlantic Palm Homeowners Association
Ron Davis – Hardie Industries
Cito Beguiristian – Auburn Development
Yusef S. Gray – Auburn Group
Mackenson Bernard – Bernard Title
Betty Goodman – Delray Heights Homeowners Association
Kathy Rainey-Holman – Families First
Sharon Taylor – Families First
Mason Brown, Sr. – Brown Construction

Mason Brown, Jr. – Brown Construction
Willie Williams
Joey Beguiristian – Auburn Development

VII. PUBLIC COMMENTARY

Chuck Ridley, Chairman of the Atlantic Palm Grove Homeowners Association, publicly praised the Delray Beach Housing Authority's staff and members of the Auburn Group for coming to the Atlantic Palm Grove Community and to make presentations and raising the awareness of the redevelopment project.

VIII. CONSENT

- a. Section 8 Coordinator's Report – Bridgette Huff
- b. Chief Financial Officer's Report – Naomi Durham
- c. Administrative/Grant Report – Nina Levine
- d. Development Officer's Report – Kelvin Crockett

IX. CORRESPONDENCE

X. OLD BUSINESS

- a. Chief Operating Officer's Report –
 1. Annual Plan – First Reading – The first reading of the 2008 Annual Plan is available.
Federal Regulations require a Streamlined Five Year Plan and Annual Plan be submitted to HUD by January 15, 2008.

Updating of the Delray Beach Housing Authority's Personnel Policy, Purchasing Policy and the Section 8 Administrative Plan is taking place. The updated policies will be presented to the Board for approval at the December Board Meeting.
 2. Disaster Housing Assistance Payment Agreement - HUD and FEMA have joined forces as a result of Hurricanes Katrina and Rita and have designed a Section 8 subsidy program to provide funds to local participating Housing Authorities through March of 2009. Eligibility of families is determined by FEMA who will process them according to their screening criteria. The DBHA has entered into an Agreement with HUD to administer such a program.
 3. Final Stage of Subsidy for Families on the Tenant Based Rental Assistance Program (TBRA). Participants are reaching the final stages of the program. As of October 31, 23 families will attain the 24 month time limit.
 4. Annual Staff Evaluations – Note was made that the Chief Operating Officer and the Section 8 Coordinator will be preparing Section 8 staff annual evaluations. It is anticipated that this will be completed in December.

Annual Utility Allowance Revision to the Section 8 Plan – This is an annual requirement of HUD and is conducted by analyzing the utility consumption according to bedroom size. Previously, Management Resources, Inc. provided results to the Boca Raton Housing Authority and the DBHA adopted those

findings. This year, the Delray Beach Housing Authority will be sponsoring the study.

b. President/CEO's Report –

1. Demolition Update – Note was made that the bids had been approved by the State and County. The actual contract will be awarded at the November 20 City Commission Meeting. The Notice To Proceed is anticipated to be issued at that time. By the end of January demolition of Carver Estates should have taken place.
2. Northwest 5th Avenue Update – The Development Officer's report covered this item.
A meeting was held on November 8 with the CRA. The issue of the alleyway remains. The CRA's Board has directed Diane Colonna to continue negotiations with the owner. She will be making an offer of \$60,000. If the offer is not accepted by the first of the new year, an alternative of submitting a letter to the Mt. Olive Church, which is across the street from the 5th Avenue property, requesting the use of 35 parking spaces will be made. A discussion followed and the Chairman requested that a recommendation be made to the Board at the next meeting. This recommendation would include:
 - ◆status of negotiations
 - ◆alternatives to the 5th Avenue site
 - ◆access and parking issues
 - ◆DBHA contribution to acquisition of alleyway at \$25,000
 - ◆leasing of Mt. Olive parking spaces
3. Market Study Update – Discussions with Knox LaSister, of Smart, Inc., the President/CEO and ERA (the firm conducting the market study) were conducted.

Mr. LaSister noted that the HOPE VI Grant Application had been submitted on November 6. Confirmation of receipt of the application was received on the following day. One hard copy has been furnished to the DBHA. Preparation will now begin for public distribution of the document. It appears that the DBHA is the only Housing Authority in the state of Florida who applied for HOPE VI funding. Note was made that support letters were received from the Governor, two U. S. Senators, Congressional Representatives, as well as county and local leaders. Information relating to the application will be made available on the Delray Beach Housing Authority website.

Mr. LaSister also noted that approval has been received from HUD on the disposition application for Carver Estates.

4. Condominium Offer – A local owner has contacted the DBHA regarding his desire to sell 167 units. Information from the owner will be furnished to the President/CEO and Housing Authority Counsel and an update will be supplied to the Board at the next meeting.
5. Families First Award – Although the President/CEO was not one of the awardees, she expressed her appreciation at being nominated and thanked Commissioners Shutt and Etienne for attending the presentation luncheon.
6. NAHRO Conference – Commissioners Etienne, Shutt, Randolph, Morris and Weinman along with the President/CEO and Development Officer attended. It was informative and useful. A recommendation was made by the

President/CEO that next year, rather than attending the Conference, members of the Board and staff attend the Annual Housing Symposium.

- c. Discussion on Minority Business Contractors –
This item was placed on the Agenda at the request of the Vice-Chairman for a formal discussion on minority participation on the redevelopment project. Several contractors were invited to this meeting and most were present. The item is of concern to the entire Board. Included in the Board packets was a list of qualified contractors. They were categorized according to trade. The list was shared with the Developer and they have committed to using some of the listed contractors.

Gilberto Pastoriza noted that he would like to review what the Master Development Agreement states with regard to various groups as well as what are the obligations of the Developer. This is in an effort to satisfy some concerns of the Delray Beach Housing Authority. Mr. Pastoriza noted that there were a lot of opportunities available and that it was necessary to be certain that monitoring be on a continuous basis at every stage of the redevelopment to ensure that available opportunities are made a reality. He stated that the Developer had the sole right to pick the General Contractor for the for sale and rental portions of the project. The Developer had committed under Sec 8.1 of the MDA that the General Contractor for the mixed use development as well as a small portion of the Community Center would be a General Contractor from the list furnished by the DBHA. It was further noted that the DBHA does not have the right to select a contractor, but does have the right to approve the contractor. Mr. Pastoriza felt that language stating “to the maximum extent possible, to hire persons that fit under the minority contractor categories” should be included in the General Contractor’s agreement. The specific commitment by the Developer stating that he will spend \$75,000 in connection with providing support services to the various organizations to become aware of the process and how they can fit into the redevelopment process should also be included.

Vice-Chairman Randolph noted that there have been several minority firms that have come before the Board, but nothing had been solidified. At last month’s meeting, Ms. Randolph had asked the Developer when a contract would be solidified and was told it would be by the first of the new year. She is of the feeling that it should not be delayed another month. Mr. Pastoriza made special note that the Developer cannot enter into a contract with a General Contractor without the Delray Beach Housing Authority first reviewing the agreement. He also cautioned about “set-asides” which are not looked upon favorably.

Commissioner Shutt recommended that prior to any Board approval relating to the General Contractor, brief marketing packets from all firms being considered, should be received. These packets should include:

- ◆ at least 3 known local experiences within the last 5 years (so they can be visited)
- ◆ a statement that the Bonding qualifications can be met
- ◆ that they are minority business certified by the County or City Agencies
- ◆ the key person in the organization and who would be dealt with on a day to day basis.

Mr. Pastoriza noted that the minutes should reflect that once the Developer selects a contractor, all items discussed above should be made part of the backup for the selected firm.

Commissioner Shutt stated that in an effort to select a contractor, all pertinent information should be included in the submission packet, to further minority involvement and also make enough information available to ensure that whoever is selected can carry the project to completion in a timely manner and also within budget. She requested that a

minimum of 3 candidates be proposed and that the majority of these candidates be qualified as minority participants.

Cito Beguiristian noted that the selected General Contractor would have to bid out at least 3 sub-contractor portions. Records of this will be kept by Auburn Development and will be made available for review by the Delray Beach Housing Authority upon request. The contract should be a document that guarantees that the Community Center and the Commercial Development portion will be built by a minority firm. Mr. Beguiristian agreed that this would be done.

Kim Agy, of R2T, Inc. was introduced. Her firm, which is a woman owned minority company is certified. The company does construction management, construction quality control, utility design, permitting, and civil site layout design. Mr. Beguiristian stated that Auburn is working with this firm in terms of construction documents, quality control, value engineering, etc. He also introduced Machenson Bernard, of Bernard Title, who is doing the title work relating to the project. There is a contract in effect with Bernard Title and contract negotiations are currently taking place with R2T. The contract is scheduled to be solidified after this Board Meeting. Vice-Chairman Randolph reminded Mr. Beruiristian that at the last meeting she had asked when a contract would be available (as noted in last months minutes). She again requested information relating to who Auburn Development had solidified contracts with.

At this point Mr. Mason Brown, Jr. described his company, noting that they are General Contractors located in West Palm Beach, specializing in construction management as well as new and renovation construction. He also noted that his firm created and is committed to a program that trains young people in the construction industry.

The Vice-Chairman asked Mr. Beguiristian what information would be brought to the December Board Meetings. He noted:

- ◆General Contractor's (for the minority portion)
- ◆A budget, provided by the Contractor showing how various parts of the project were bid out and who they will use as sub-contractors. This will verify that they have the minority contractors involved.

Commissioner Shutt reiterated that as she had noted previously, Auburn Development should have a document that references the MDA and that all contracts reference information relating to minority contracting and Sec 3 requirements. This should be supplied to all contractors and sub-contractors as well. Mr. Beguiristian gave assurances that the Contractor's agreement will have the same language that Auburn is obligated to as the Developer.

Vice-Chairman Randolph requested that there be a pre-qualification packet made available to all firms interested. This packet should outline, in detail, the Disadvantaged Business Enterprises (DBE's) and Woman Business Enterprises (WBE's) clauses, so that all parties receive the same information and know what is required. Also, this information should be shared with the Delray Beach Housing Authority, to ensure that all requirements have been included. Mr. Beguiristian also noted that the General Contractor will be furnished with all construction documents and will be required to produce a construction budget and will bring this budget back to Auburn Development prior to contract approval by the DBHA. Bids will have to be received from the sub-contractors. The DBHA will review all contractor documents as well as budgets. There will be at least 3 bids each for the various parts of the redevelopment project.

Knox LaSister noted that for the purpose of disclosure, clarification was requested regarding Auburn's ongoing negotiations with one particular contractor and Auburn's interest in buying that particular General Contracting firm and taking an ownership

interest in the firm. Mr. LaSister stated that to his understanding this particular contractor had never been brought to the Board, and that there has been no forum set up for the general contractor to have the opportunity to meet with minority contractors identified. Mr. LaSister also noted that representations made by Mr. Beguiristian relating to contractors were erroneous according to what had been said at previous meetings and that there had been only one contractor identified and that they have been negotiating with that firm as well as looking into buying the company, so that Auburn would have an ownership interest in the entity as well. For the purpose of disclosure it was requested that Mr. Beguiristian clarify these items. Mr. Beguiristian stated that there would be a specific General Contractor for the minority participation and a contractor for the general items. Vice-Chairman Randolph noted that Auburn had never brought this contractor, who it appears, Auburn intended to sign a contract with, to the Board of Commissioners. She, once again, asked that Mr. Beguiristian and Auburn Development be forthcoming with the Delray Beach Housing Authority and why had this particular contract not been brought before the Board. Mr. Beguiristian replied that Auburn was waiting until their understanding with the contractor was finalized and that this had not as yet taken place. He also stated that he felt that he had misunderstood what had been requested of him by the Board at previous meetings.

Mr. Pastoriza requested that Mr. Beguiristian furnish him with a copy of the formal contract to be used with the General Contractor, as soon as possible, for review and insertion of certain provisions that have been discussed at this meeting. This must be done prior to finalizing a contract with the General Contractor.

Mr. Beguiristian noted that Auburn Development had a contractor of preference, being Matt Montgomery of Archstone Construction, formerly Sterling Construction. He also reiterated that Auburn did not intend to buy this company. The President/CEO requested that Mr. Montgomery attend next months Board meeting.

XI. NEW BUSINESS

- a. Presentation by Habitat For Humanity –
Michael Campbell, CEO of the South County branch of Habitat For Humanity and noted that his organization had adopted new procedures since Hurricanes Katrina, Rita and Wilma. Their goals are to complete 10 homes per year with 4 homes closing every 3 months. He expressed his organization's desire to partner with the DBHA.
- b. Annual Evaluation of the President/CEO –
A committee consisting of Commissioners Etienne, Shutt and Weiman will meet with the President/CEO to conduct the annual evaluation. The meeting will be noticed. Enclosed in this month's packets were the President/CEO's goals and accomplishments.
- c. Community Land Trust Appointment –
Note was made that former Commissioner Gary Rosen had been appointed to the Land Trust Board, while he served on the Board of Commissioners of the Delray Beach Housing Authority. Mr. Rosen remains on the Land Trust Board. In an effort to regain a seat on the CLT, Chairman Bernadel selected Commissioner Weinman to represent the DBHA on the Land Trust's Board. The appropriate application will be completed and submitted noting Commissioner Weinman as the DBHA's choice. Mr. Pastoriza recommended obtaining a copy of the Community Land Trust's by-laws for review. An update will be presented at the next Board Meeting.

XII. COMMISSIONER COMMENTS

None

XIII. ADJOURNMENT

11:10 a.m.