



DELRAY BEACH HOUSING AUTHORITY

REGULAR BOARD MEETING DECEMBER 18, 2008 MINUTES

I. CALL TO ORDER

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

II. ROLL CALL

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

III. APPROVAL OF AGENDA

Motion to approve Agenda made by Vice-Chairman Weinman. Motion seconded by Commissioner Silver. All in favor. Motion passed.

IV. APPROVAL OF MINUTES OF NOVEMBER 20, 2008

Motion to approve minutes of November 20, 2008 made by Vice-Chairman Weinman. Motion seconded by Commissioner Silver. All in favor. Motion passed.

V. RECOGNITION OF VISITORS

Sandra Rocher – R2T, Inc.
Elizabeth Colome´ - Colome´ & Associates

VI. PUBLIC COMMENTARY

None

VII. CONSENT

- a. Section 8 Coordinator’s Report – Bridgette Huff
- b. Chief Financial Officer’s Report – Naomi Durham
- c. Administrative/Grant Report – Nina Levine
- d. Quality Control Report – Jakeleen Fernandez
- e. Approval to Cash in One Week Annual Leave

VIII. CORRESPONDENCE

- a. Response from City of Boynton Beach regarding Neighborhood Stabilization Program Funding Request
- b. Auburn’s letter to Palm Beach County Attorney

- c. NAHRO Newsletter
- d. Letter from Weiss Serota, et al to Condo Association

IX. OLD BUSINESS

- a. President/CEO's Report
 - 1. 82 NW 5th Avenue – West Settlers Office Building Update – Note was made that the Purchase Agreement had been signed by the CRA's attorney. It should be received by the DBHA shortly. Once this is received, it will be presented to the Bank to complete the application process for financing. At this time in the meeting Elizabeth Colome', of Colome' & Associates (architects for the project) made a brief presentation of the planning and design progress. The Board was furnished with cost estimates in their packets. An updated project schedule and a Preliminary Estimate of Construction Costs totaling \$2,771,940.60 were distributed to the Board. Ms. Colome' presented updated conceptual drawings and noted changes to the third floor rental space. This new layout will consist of two 2 bedroom units and two 1 bedroom units. Special note was made relating to access to the different floors and it is planned that there will be access to the first and second floors during work hours. The residents on the third floor would have access to the third floor during that time, as well as exit stairs. The third floor would not be accessible to the public. After hours residents would be required to have either a card or code to use the elevators to get to the third floor. The elevators would not stop at the second floor after work hours without an access code or card. Colome' & Associates will be listed as the Agent/Developer with the CRA and DBHA noted as co-developers.
 - 2. Neighborhood Stabilization Program – With the City of Delray Beach being allocated \$1.9 million from the State Neighborhood Stabilization Program, note was made that it is believed that the Delray Beach Housing Authority could receive about \$500,000 to be used for the individuals at or below 50% of the Area Median Income (AMI). A portion of these requested funds will be used for rentals for families serviced by the DBHA.
 - 3. Chronology of Redevelopment – Preparations of a chronology which begins in 2001 and proceeds to the present is being prepared. It will include supportive documentation and will benefit the Board, especially new members.
 - 4. Board Orientation – On December 14 Gilberto Pastoriza, legal counsel for the DBHA, met with each Board Member individually. A review of such items as the Sunshine Law, Public Records Law, Gifts, Voting and Conflicts of Interest took place.
 - 5. Update on Donation of Condo Unit – It was noted that Mr. Pastoriza's firm had conducted the required due diligence and a letter to Wilson Management (the condo association) had been prepared. This letter was included in the monthly packets. The letter noted that the Housing Authority's intentions to lease the unit were in accordance with Housing Authority and Condo Association policies and procedures.
 - 6. Update on Redevelopment Partnership Activity – A meeting was held on December 5 with representatives of Auburn and the President/CEO. Auburn requested the DBHA's cooperation in attempts to obtain funding and also the President/CEO's presence at a meeting scheduled with Diane Colonna, Executive Director of the CRA. Auburn noted that an issue of importance was the protection of the Disaster Funds from the County. Also, private financing will not commit to the project until funding agreements are obtained from organizations such as the CRA and Community Workforce Housing Initiative Program (CWHIP). A letter from Brian Hinnert to Tammy Fields, Palm Beach County Attorney, was included in the packets which related to funding requests. An additional meeting is planned for December 19 with Ms. Colonna to discuss the \$3.5 million committed by the CRA for the rental portion of the project. The President/CEO expressed her and the Board's concerns relating to loan structure as it relates to the rental portion of the project. The Board had previously expressed its desire to not encumber itself with debt on this property. The President/CEO mentioned that it was planned to note that the current structure was not in agreement with the plans of the Delray Beach Housing Authority. It was also noted that the

Board was in opposition to Auburn's changing the scope of the project to a 100% low income community rather than the originally planned mixed income development.

It was noted by Auburn that they had challenged the Florida Housing Finance Corporation's CWHIP Grant awards and believed that eventually CWHIP funding, possibly from recaptured funds, would be awarded to them.

Auburn has proposed that the For Sale component move forward on the 3 acre portion of the site. It is planned to build 52 units on that part of the 18 acres. 10 units have been pre-sold and Auburn is of the belief that the buyers would not be opposed to a transfer to that portion of the site.

- b. Public Hearing – Annual Plan – This being a public hearing, it was requested that if there were anyone present from the public who wished to speak on this item. There being none, the public hearing was closed and this item was brought to the Board for discussion. The Chief Operating Officer noted that the Plan, a HUD requirement, was due for submission on or before January 15, 2009. A draft copy was made available at this Board Meeting. The Plan, concentrating on plans for the new DBHA administrative offices, replacement housing units and exploring new property management opportunities for the Delray Housing Group. It is planned for the DBHA to submit a grant application for Family Unification Program Vouchers funding. The final version of the Plan will be presented to the Board at the January 15, 2009 meeting. Once approved it will be transmitted to HUD.
- c. Response To Auburn Development Regarding Auburn's response to the Delray Beach Housing Authority's Default Notice – The Board had been furnished a copy of this letter prior to the meeting. Mr. Pastoriza requested Board approval to send the letter to Auburn. Noted in the letter was the Board's belief that responses contained in Michael Reardon's (Auburn's legal counsel) letter dated November 5, 2008 to the DBHA, did not cure the default previously noted by the DBHA relating to the Master Developer Agreement (MDA). Also, that the reference to the King Property was irrelevant because the King Property was not mentioned in the MDA. A motion to hand deliver the letter as written to Auburn and for the President/CEO to explore what remedies were available to the Delray Beach Housing Authority under the MDA and Florida Law was made by Vice-Chairman Weinman. Motion seconded by Commissioner Hepp. All in favor. Motion passed. At this point, the above motion was amended by Vic-Chairman Weinman to include that in the event of the need for any legal action to be taken, staff and legal counsel are directed to explore and file a legal action on this matter. Motion seconded by Commissioner Shutt. Motion was carried unanimously.

X. NEW BUSINESS

Resolution 2008-16 Approving the Operating Budget for the Fiscal Year Ending 3/31/2010 – After a brief discussion it was noted that the DBHA is no longer eligible to receive Capital Funds due to there not being any Public Housing and there was a need to conserve funds. The Agency is eligible to receive replacement housing funding for the 199 units lost, but these funds must be used only for replacement housing and not operational purposes.

In an attempt to cut back, it was planned that rather than 5% pay increases, as in the past, the maximum permitted would be 3%. With further discussion it was decided that as of April 1, 2009 all salaries would be frozen in an attempt to avoid any employee layoffs. It was also noted that the positions of Accountant, Development Officer and Property Manager would be frozen. Travel and Training expenditures were reduced, the program of Last Resort was eliminated, future purchases of office equipment, hardware and program upgrades were eliminated. Motion to approve Resolution 2008-16 with the addition to freeze salaries was made by Vice-Chairman Weinman. Motion seconded by Commissioner Silver. All in favor. Motion passed.

XI. COMMENTS

- a. President/CEO
- b. Attorney

c. Commissioners

X. ADJOURNMENT

Meeting adjourned at 10:10 a.m.