



## DELRAY BEACH HOUSING AUTHORITY

### REGULAR BOARD MEETING JUNE 13, 2008 MINUTES

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

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

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

Joseph Bernadel - Absent  
Angela Randolph - Absent  
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 Yeager. Motion seconded by Commissioner Silver. All in favor. Motion passed

#### **IV. APPROVAL OF MINUTES**

- a. Minutes of April 18, 2008 – Motion to approve made by Commissioner Silver. Motion seconded by Commissioner Morris. All in favor. Motion passed.
- b. Minutes of May 2, 2008 – Motion to approve made by Commissioner Silver. Motion seconded by Commissioner Morris. All in favor. Motion passed.
- c. Minutes of May 16, 2008 – Motion to approve made by Commissioner Silver. Motion seconded by Commissioner Morris. All in favor. Motion passed.

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

Cito Beguiristian – Auburn Development  
Dan Rufrano – R2T, Inc.  
Sharon Taylor – Family Self-Sufficiency

#### **VI. CONSENT**

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

- e. Quality Control Report – Jakeleen Fernandez
- f. DHG Property Manager’s Report – Tiffany Ramos

Motion to approve Consent Agenda made by Commissioner Silver. Motion seconded by Commissioner Morris. All in favor. Motion passed.

**VIII. CORRESPONDENCE**

NAHRO Newsletter

Flyer – Homeownership & Preservation Workshop

**IX. OLD BUSINESS**

A. President/CEO’s Report

1. Demolition Update – Note was made that all of the buildings are down. A letter was received from Auburn Development, relating that there were some concerns with the demolition contractor; BGT. BGT had requested that some crushed fill be left on the site in exchange for not removing the roads. BGT was told that this was not possible. The President/CEO expressed concerns and plans to discuss this item with the City of Delray Beach employees involved in the demolition. The Replacement Factor Funding will be applied for after the development is completely demolished.
2. Update on NW 5<sup>th</sup> Avenue Property – The appraisal for the property was received with an amount of \$324,000. The CRA’s Board has accepted the DBHA purchase price of \$324,000. A lot owned by the CRA, located northeast of the Housing Authority’s site is being considered by the City and the CRA as counting towards the office building’s parking requirements. Staff responded positively to our requests to have the CRA create a parking lot on this parcel to benefit DBHA parking requirements. The design of the building (the first rendition) is being adjusted to make it more compliant with City guidelines as requested by the historic preservation planner.
3. HOPE VI – Note was made that the application would be ready the early part of next week and submission would be prior to the deadline.
4. Recording of the Deed – Transfer of the Deed to the LLC has been completed.
5. Tax Credit Training – It is planned for the President/CEO, Chief Operating Officer and Chief Financial Officer to attend a Tax Credit Training session being held in Jacksonville in July.
6. Cross-Access – A meeting took place with the President/CEO, Commissioner Shutt and Michael Weiner; the land-use’s planning representative for the partnership, concerning the cross-access issue. As the Chairman had requested the President/CEO to attempt to find a

solution to this matter, a pedestrian access was proposed and Mr. Weiner will present it to the Developer for consideration.

7. Joint Meeting Between the CRA and the City of Delray Beach Commission – This meeting was held on June 10. It was noted that there was overall support from the City Commission and the Mayor for the redevelopment project. Also noted, was that Auburn Development had made a request of the City for \$6,750,000 to be used for beautification and alley improvements for 12<sup>th</sup> Avenue and down payment assistance for the For Sale component, Acquisition/Rehabilitation of properties on SW 12<sup>th</sup> Avenue and to close the Rental Development Financing Gap. At the meeting, the President/CEO pointed out that the DBHA's portion of the \$6.7 million was only for the For Sale and Rental pieces of the project. This portion amounted to \$3.5 million for the Rental piece and \$500,000 for down payment assistance for the For Sale component. The consensus of opinion at the meeting was that it was not appropriate to put public dollars into private acquisitions. All funding would be in the form of a loan, not a grant. No decision was reached at the meeting. It was also noted that Auburn had pointed out that Palm Beach County had committed to almost \$5 million, and that the CWHIP Grant had not been received.
- B. Resolution 2008-08 Approving an Amendment to the Articles of Organization of the Village Square Developers. This Amendment, prepared by the Delray Beach Housing Authority's legal counsel, adds the DBHA as a 50% member of the LLC in accordance with the Master Development Agreement. Approval was recommended. Motion to approve made by Commissioner Weinman. Motion seconded by Commissioner Silver. All in favor. Motion passed.
- C. Developer's Report – Cito Beguiristian, of Auburn Development, presented his monthly report, noting such items as:
- The Village at Delray rental site plan conditional use was approved by Planning and Zoning on March 17 and by the City Commission on April 1.
  - SPRAB is scheduled for Village at Delray on June 25.
  - The South Florida Water Management District permit approval is anticipated for approval this month for Village Square.
  - The Village Square plat is to be resubmitted to the City during the first Week of August.
  - The Village at Delray plat has been submitted
  - Demolition documents are being produced for the 11 acres. \$850,000 has been approved by the State for demolition and fill.
  - For the month of May, contracts for Village Square netted 13
  - The sales goal for the month of June is 9
  - Detailed Proforma/Cash Flow Budget will be ready for the next DBHA Board Meeting.

Mr. Beguiristian noted that in terms of making the October closing date, they would have to be in front of the Florida Housing Finance Corporation Board on September 26. This would allow for Board approval to be able to receive permission to proceed to closing. Also mentioned was that it takes several months to get through the underwriting process with the Florida Housing Corporation. He also related that it was Auburn's hope to close on October 15, and have all financing in place for construction by that date and allow the contractor to complete the work. Also noted was that the \$850,000 Grant funds for demolition must be used before February 16, 2009.

In order to make the February 16 demolition completion date:

1. Demolition site plan permit approval must have been received
2. In order to close on tax credits, sufficient time must be had in order to pay off Auburn's first mortgage, have all funding in place, building permits and site plan approvals must be obtained and South Florida Water Management District permits must all be completed. Auburn's professionals feel that this can be accomplished. Also, the CRA's agreement for \$3.5 million must be secured in time for the demolition to be completed.

Mr. Pastoriza inquired if the Master Development Agreement called for the DBHA to be a General Partner in the Limited Partnership with Auburn Development and it was noted that the DBHA is definitely to be a General Partner. It was also requested that the Limited Partnership documents be presented to the Board and Legal Counsel in sufficient time for proper review as a General Partner, before they can be presented to the limited partners. Mr. Pastoriza will represent the DBHA at financing meetings. Prior to the Limited Partnership closing date (September 26), this Partnership must have been executed.

Mr. Beguiristian noted that the Relocation Plan had been completed on June 12 and a copy will be furnished to the Board.

Also, in order to approach Banks for funding the DBHA must approve a Budget. An updated overall sources and use budget will be presented to the Board for approval. The second will be a summary document. Mr. Pastoriza recommended that for the next Meeting the budget should be presented to the Board, at least 10 days prior to the meeting date to permit ample time for review. He also stated that in the event that this did not happen, he would be forced to advise the Board to not act on the Budget.

- D. Resolution 2008-09 – A Resolution of the Delray Beach Housing Authority Approving Amendment No. 7 to the Agreement Between Smart, Inc. and the Delray Beach Housing Authority and Providing For An Effective Date – After a brief discussion, and noting that this item had been discussed and approved previously permitting Smart, Inc. to

proceed with the 2008 HOPE VI application, a motion to approve Resolution 2008-09 was made by Commissioner Weinman. Motion seconded by Commissioner Silver. All in favor. Motion passed.

**X. NEW BUSINESS**

First reading of the Replacement Housing Plan – This item was furnished to the Board in their monthly packets for review. No action was required at this meeting.

**XI. COMMENTS**

- a. President/CEO – Note was made that Ms. Ellington will be heard on radio station HOT 105.1 on Monday June 23, to promote the Homeownership & Preservation Workshop being held on Saturday, June 28, from 9 a.m. to 12.00 noon.
- b. Commissioner Shutt inquired, that with the aggressive schedule relating to the NW 5th Avenue office space, would there be extra support staff made available to assist with the project. It was noted that an additional staff person had been hired for the Finance Department in anticipation of HOPE VI. Exploring funding options will be done to support another staff member, but it was also noted that in the current office space, there was no room for an additional employee.
- c. Commissioner Silver commented on the option of the Delray Housing Group taking over the management of the condo's, once the project is completed and that this would require the hiring of a licensed manager.

**XII. ADJOURNMENT**

10:50 a.m.