



## DELRAY BEACH HOUSING AUTHORITY

### REGULAR BOARD MEETING JULY 11, 2008

#### REVISED MINUTES

**I. CALL TO ORDER**

Meeting called to order at 8:55 a.m.

**II. ROLL CALL**

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

**III. APPROVAL OF AGENDA**

Moving item E – Status of Operating Agreement to follow item A and the removal of item F from Old Business, a motion to approve the Agenda as amended was made by Commissioner Weinman. Motion seconded by Commissioner Shutt. All in favor. Motion passed.

**III. APPROVAL OF MINUTES OF JUNE 13, 2008**

Motion to approve minutes of June 13, 2008 Regular Board meeting made by Commissioner Weinman. Motion seconded by Vice-Chairman Randolph. All in favor. Motion passed.

**IV. RECOGNITION OF VISITORS**

Elizabeth Colome'  
Dan Rufrano – R2T, Inc.  
Tom Mitchell – Auburn Group  
Cito Beguiristian – Auburn Group  
Jeff Costello – CRA  
Kathy Rainey-Homes – Family Self-Sufficiency

**V. PUBLIC COMMENTARY**

None

**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

## **VII. CORRESPONDENCE**

None

## **VIII. OLD BUSINESS**

A. Presentation by Colome´ & Associates – With the introduction of Elizabeth Colome´, architect for the NW 5<sup>th</sup> Avenue project, she described plans for the new permanent site for the Delray Beach Housing Authority. After a brief discussion, it was noted that the first floor would be half for the DBHA and the remaining half would be leaseable space. The second floor would be completely for the Housing Authority. The third floor would be leaseable space. On site would be a 24 space parking area and there would also be an off-site lot accommodating another 18 spaces. Ms. Colome´ noted what the Board requested of the building and noted that she would refine the designs to reflect what was requested and get back to the President/CEO.

Commissioner Shutt suggested modifications to include the windows on the third floor, use of the type of window that does not give the illusion of so much massing, as well as the building having a less complex appearance. The building will be called the West Settlers Building. An item of discussion remains as to what signage would be needed and also where the Delray Beach Housing Authority signage would be placed. The Chairman appointed a committee, consisting of Commissioner Shutt and the President/CEO to participate in the design of the structure and bring the designs back to the Board for approval.

B. Status of Operating Agreement – As requested by Vice-Chairman Randolph, a revision to this portion of the minutes is being included. The President/CEO presented a brief background of this item, noting that it had been approved at the May 16 Board Meeting. On May 2 the conveyance of the land to the LLC was approved and did in fact, take place. It was not gotten to the Developer until June and when a call was placed to Mr. Tom Hinnners, of The Auburn Group, he replied that he was not going to sign it. Vice-Chairman Randolph noted that it was her understanding that when the Operating Agreement was signed in May that all parties had agreed to it's content . She also noted that if, as Mr. Beguiristian, of Auburn Development, stated that there was an objection by the Bank Auburn was requesting funding from had any objections, why was the Delray Beach Housing Authority not notified immediately. Brought to attention , was the fact that Auburn's signing of the Operating Agreement was contingent on the DBHA conveying the land to the LLC. The land, was in fact, conveyed, yet Mr. Hinnners has not signed the Agreement. At this time, Gilberto Pastoriza, legal counsel for the Delray Beach Housing Authority noted that the actual signature on the document was minuscule and not of great importance and that in fact, there is a valid agreement in place. Because the Developer had not actually signed the document does not mean that Auburn had not already approved the Agreement. At this time, Mr. Pastoriza requested copies of all tapes of Board Meetings where the Operating Agreement was an issue. These tapes will be reviewed by him for content. He also noted that the Operating Agreement, received by the Delray Beach Housing Authority, was prepared by the Auburn Group's attorneys with Auburn's comments already included in the document. Mr. Pastoriza reiterated that it was his legal opinion that even though Mr. Hinnners refused to sign the Agreement, the DBHA does, in fact, have an enforceable Agreement irrespective of whether or not Mr. Hinnners signs it.

A request, by Commissioner Weinman was made that the Bank voicing objection be identified and Tom Mitchell and Cito Begurisitian, both of the Auburn Group, noted that it was Orian Bank and that the problem with signing the Operating Agreement was due to the bank having concerns relating to the guarantor being a private party and that there was also a public agency (the DBHA) involved. After further discussion, Mr. Pastoriza noted that, referring to the Master Development Agreement, it is stated that with reference to any financing or re-financing the DBHA must be involved. Vice-Chairman Randolph requested that a letter be written by DBHA legal counsel to Mr. Hinnners, requesting that a meeting take place, with the DBHA's President/CEO, himself , Tom Hinnners and Auburn's legal counsel, noting that this meeting was of an urgent matter and should take place as soon as possible. The meeting will be scheduled for Thursday, July 17. It was requested that Mr. Beguiristian convey to Mr. Hinnners the importance of this meeting taking place as requested.

Commissioner Shutt requested updates on the following items:

- ◆The status of the update to the Master Development Agreement
- ◆The removal of the mixed use item
- ◆The signing of the Operating Agreement
- ◆A budget update
- ◆A timeline update
- ◆A site plan update

Vice-Chairman Randolph voiced an objection to clarification of the above noted items at this time, but rather efforts should be concentrated on resolving issues relating to the Operating Agreement, due to the land having already been conveyed to the LLC, which was contingent on the signing of the Operating Agreement. It was also noted that any delays relating to the project was not the responsibility of the Delray Beach Housing Authority, but rather a forced response due to noncompliance with the Master Development Agreement on the part of Auburn Development. Vice-Chairman Randolph questioned, that in the event the Operating Agreement is not signed by Mr. Hanners and attempts to obtain funding on their own, what would take place next. Mr. Pastoriza responded that in the event Auburn goes to a Bank on their own and engages in getting a funding commitment without the DBHA's consent, it would be considered an act not in accordance with the Agreement and Auburn would be considered in default. Mr. Pastoriza recommended that a complete review of the MDA needed to be done, to ascertain what changes have taken place. This would include making any changes to the exhibits and language that would be required..

The President/CEO noted that there was a meeting scheduled for the following week with the City and the CRA and felt, that with the current situation, these meetings should be postponed. Mr. Pastoriza recommended that while there was such discomfort relating to the project, at the present time, that the meetings, should, in fact, be postponed due to the DBHA not having all the information and data to make an informative decision at the meetings.

At this time, at the instructions of Mr. Pastoriza, items B (Review of the Budget Discussion) and F (Developers Report), under Old Business were tabled by a motion made by Commissioner Weinman. Motion seconded by Commissioner Shutt. All in favor. Motion passed.

#### C. President/CEO's Report

1. Demolition Update – Note was made that the site was almost leveled, with only the Playground remaining.
2. Update on NW 5<sup>th</sup> Avenue Property – A City of Delray Beach CDBG meeting was attended on June 16, with a request for funding for the installation of the sidewalks on NW 1<sup>st</sup> Street, between 4<sup>th</sup> and 5<sup>th</sup> Avenues. This would create access to the parking planned by the CRA and the DBHA. It was also noted by Jeff Costello, of the CRA, that they will be building the parking lot.
3. HOPE VI Update – A copy of the HOPE VI application was furnished to the Board at this meeting. Note was made that it was submitted in a timely manner.
4. Site Plan Review and Approval – Board Meeting (SPRAB) – A meeting was held on June 23 and approval of the site plan relating to the rental portion of the Carver Estates redevelopment project was granted.
5. Proposed Four (4) Day Work Week – In an attempt to conserve energy, a proposal was made that the DBHA convert to a 4 day work week. Note was made that this had taken place already in many organizations such as City of North Miami Beach, the City of Boynton Beach, other Housing Authority's as well as the state of Utah. This would require a longer work day. For example, the office hours would change to opening at 7:00 a.m. and closing at 6:00 p.m. This has been discussed with staff and they are supportive of this proposal.

This change would allow for enhanced customer service, by permitting tenants to come to the Agency, either before or after their work hours. It would also permit for staff to take care of personal business on the Friday the Agency is closed, lessening time taken off for these matters. A Resolution will be brought back to the

Board for approval at the August Meeting.

- D. Resolution 2008-10 Approving the Delray Beach Housing Authority Public Housing Replacement Plan – A draft copy of this document was furnished to the Board with this item being tabled until the arrival of Knox LaSister, of Smart, Inc.

**X. NEW BUSINESS**

Discussion on Commissioner Travel Policy – This item, for discussion only, noted that in March of 2004 a policy was developed relating to Commissioner travel. Briefly, this policy states that once a Commissioner has received the initial Commissioner training, they may be limited to 2 travel opportunities per year. One being a national or state conference plus NAHRO or FAHRO legislative conferences. This would take place on a rotational basis with no more than two (2) Commissioners attending at any given time. This item will be revisited at a later time, if the need arises to amend the travel/training budget.

At this time, there was a brief recess, with the meeting reconvening at 10:25.

**IX. OLD BUSINESS**

Resolution 2008-10 – Approving the Delray Beach Housing Authority Public Housing Replacement Plan – With the arrival of Knox LaSister, of Smart, Inc., this item was recalled to the Agenda. Mr. LaSister described how this plan is essentially the document that explains to HUD that the DBHA intends to replace the entire inventory of Annual Contribution Contract (ACC) units (199) that were at Carver Estates. It describes the mission of the Housing Authority and what the DBHA intends to explore in attempts to replace those units. Replacement Housing Funding is what HUD calculates the Agency would receive for the replacement of the Public Housing units. It is anticipated that the amount of funding will be anywhere from \$800,000 to \$1 million. This funding would be used specifically to replace the 199 units. This document, upon Board approval, will be submitted to HUD. This Resolution also approves the Plan and gives authority to the President/CEO to negotiate future documents with HUD and to submit such other and future documentation necessary in order to be able to have access to the Replacement Housing funding with the addition for the potential of a mixed use portion. Motion to approve Resolution 2008-10 was made by Commissioner Weinman. Motion seconded by Commissioner Silver. All in favor. Motion passed.

**XI. COMMENTS**

- a. President/CEO
- b. Attorney
- c. Commissioners

**XI. ADJOURNMENT**

Meeting adjourned at 10:55

