



Delray Beach Housing Authority

REGULAR BOARD MEETING

AUGUST 18, 2011

MINUTES

I. CALL TO ORDER

Meeting called to order at 9:00 a.m..

II. ROLL CALL

Joseph Hepp – Present
Christel Silver – Present
Choli Aronson – Present
Sylvia Morris – Absent
Shelly Petrolia – Absent
Guarn Sims - Present

III. APPROVAL OF AGENDA

A motion to approve the Agenda was made by Commissioner Aronson. Motion seconded by Vice Chairman Silver. All in favor. Motion passed.

IV. APPROVAL OF THE MINUTES OF JULY 14, 2011

A motion to approve the minutes of July 14, 2011 was made by Vice Chairman Silver. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

V. RECOGNITION OF VISITORS

- Michael Hartman – Roundstone Development
- Kevin Kenny – LarsonAllen CPA's

VI. PUBLIC COMMENTARY

None

VII. CONSENT

A motion to approve consent agenda was made by Vice Chairman Silver. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

VIII. CORRESPONDENCE

A. NAHRO Newsletter

B. Letter from NCT Group

The CEO informed the Board that the letter received from NCT Group was to inform the DBHA of the Merger between NCT Group and LarsonAllen.

C. Letter of Resignation from Commissioner Weil

The CEO informed the Board that Commissioner Weil had sent an e-mail with his resignation. The Board was also informed that the e-mail had been forwarded to the Mayor, the City Manager and City Clerk.

IX. OLD BUSINESS

a. Chief Operations Officer's Report

Administrative Office

The Chief Operations Officer reported that the move was a success and they were back to business as usual. The Board was informed that the Authority began with a budget of \$9,200.00 however the total expense for the move was \$7,326.80, a difference of \$1,873.20.

b. Development Officer's Report

West Settlers Service Center

The Development Officer informed the Board that the CEO would be presenting this piece. The CEO reported that on July 14, 2011 they met with Jim Walker of the Florida Community Loan Fund (FCLF) who specializes in financing for non-profit entities to discuss financing options for the West Settlers Service Center. The cost estimated to complete this project is approximately \$1.9 Million based on the winning bid received last year from Brooks & Freund. The Board was informed that instead of securing a construction loan for the entire \$1.9 Million, the intent is to utilize a portion of the Replacement Housing Factor (FHF) grant to cover the construction expense for the three residential units on the third floor. This would be approximately 1/3 of the total construction cost and should reduce the financing request to approximately \$1.3 Million.

Proposed Financing Scenario:

The CEO explained that because public housing units could not carry debt, a proposed solution would be to "Condo" the building by floors, with three separate owner entities. The DBHA would own the land and the 3 residential units and a separate entity, controlled by the DBHA would own the 1st and 2nd floors. The CEO reported that in discussing this financing scenario with Jim Walker, the plan appeared to be feasible. The Board was informed that Michael Hartman of Roundstone graciously agreed to assist in the effort and designed the financing proposal which is similar to the Village Square ground lease agreement. A copy of the diagram illustrating how the ownership-lease arrangement would work was provided to the Board.

The CEO informed the Board that Gil Pastoriza (DBHA's Attorney) had many questions regarding the financing plan, therefore a meeting with Mr. Walker had been arranged following the Board meeting.

226 SW 12th Avenue Duplex

The Development Officer reminded the Board that on July 14, 2011 the DBHA awarded a contract to Raymond Graeve & Sons Construction for the renovation project. A notice to proceed was issued and a Notice Of Commencement was filed by the general contractor. The Development Officer anticipated that building permits will be submitted within the next week and construction activities will follow shortly after.

Ground Lease/Management Services for CRA owned Rental Properties RFP:

The Development Officer reported that the Delray Housing Group submitted its proposal on July 25, 2011 to continue management services for LaFrance and Carolyn Quince. This proposal allows the DHG to continue to manage the properties under a Lease Agreement that allows the DHG to retain any profits after all expenses have been paid. The next step is to sit down and negotiate an Agreement. One of the items that will be discussed is rent increases.

2011 Bank of America Grant

The Development Officer reported that no notification had been received.

c. Resolution 2011-08 Approving the 1st Amendment to the MDA

The Attorney recommended that all dates be pushed back 90 days due to the rescheduling dictated by the requirements of the Palm Beach County Housing Finance Authority and the Florida Housing Finance Corporation. This will avoid having to come back to the Board with an additional Amendment due to dates.

Mr. Hartman agreed to push the dates back 90 days, and will provide a new schedule and an updated Section 2.02 of the MDA. The Attorney stated that he will provide a cover page reflecting the Amendment to the MDA.

A motion to approve Resolution 2011-08 as amended on the floor that all dates are pushed back 90 days was made by Vice Chairman Silver. Motion seconded by Commissioner Sims. All in favor. Motion passed.

d. Resolution 2011-09 Approving the Amended & Restated Ground Lease Agreement

Mr. Hartman pointed out that the same change would apply to Section 3A of this agreement all dates will be pushed back 90 days. Mr. Hartman will provide a revised Section 3.A of this agreement.

A motion to approve Resolution 2011-09 as amended on the floor that all dates be pushed back 90 days was made by Commissioner Aronson. Motion seconded by Commissioner Sims. All in favor. Motion passed.

e. Roundstone Development-Update on Village Square

Reported by: Michael Hartman

Conditional Use Application

Mr. Hartman reported that on July 18, 2011 the Conditional Use Application was approved by the Planning and Zoning Board. Mr. Hartman informed the Board that the Conditional Use Application and associated Waiver requests were considered before the City Commission on August 2, 2011 and were unanimously approved. It was anticipated that a Class V Site Plan will be submitted sometime in September with the Final Plat submission.

Mr. Hartman reminded the Board that on June 15, 2011 they met with the CRA Board requesting a loan in the amount of \$2,700,000 for Phase I of the development. It was noted that the CRA has approved the DBHA's request for the \$2,700,000. Mr. Hartman noted that things continue to look favorable for the DBHA.

f. President/CEO's Report

Please refer to the West Settlers Section.

NEW BUSINESS

a. **Resolution 2011-10 Approving the Extension of Project-Based Assistance**

The Chief Operations Officer informed the Board that the Project Based HAP Contract between Lake Delray and the DBHA would be expiring on August 31, 2011. The Owners have requested an additional five year renewal extension to the existing Contract for 180 elderly one bedroom units. It was noted that the ending term of this contract completed fifteen years of Project-Basing this development and into the beginning of a second (five year) term. Approval was recommended.

A motion to approve Resolution 2011-11 was made by Vice Chairman Silver. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

b. **Resolution 2011-11 Ratifying the Temporary Use Agreement Between the DBHA & Foster Marine**

The Development Officer informed the Board that Foster Marine Contractors was awarded the project which consists of numerous road and infrastructure improvements to SW 12th Avenue/Auburn Avenue from Atlantic Avenue down to SW 10th Street including SW 12th and SW 13th Avenue. Foster Marine and the CRA contacted the DBHA asking if they could use the 3 acre site to store the excavated soil associated with improvements. Due to their urgent need to secure a large storage site and to avoid potential delays, a Temporary Use Agreement was executed between the DBHA and Foster Marine Contractors to utilize the vacant 3 acre site until December 2011. The Development Officer reported that the Attorney had reviewed the agreement for legal sufficiency and Foster Marine had provided the necessary insurance. The Temporary Use Agreement was subsequently executed July 25, 2011. Approval was recommended.

A motion to approve Resolution 2011-11 was made by Commissioner Aronson. Motion seconded by Vice Chairman Silver. All in favor. Motion passed.

c. **LarsonAllen CPA's Engagement Letter for Financial & Compliance Audit Services**

The CEO informed the Board that LarsonAllen has provided an Engagement Letter for Financial & Compliance Audit Services. This is routine to allow them to begin Audit Services. Approval was recommended.

A motion to approve LarsonAllen CPA's Engagement Letter for Financial & Compliance Audit Services was made by Commissioner Sims. Motion seconded by Vice Chairman Silver. All in favor. Motion passed.

d. **LarsonAllen CPA's Engagement Letter to perform Agreed-upon Services**

The CEO once again informed the Board that this is routine to allow LarsonAllen to begin the Audit process. Approval was recommended.

A motion to approve LarsonAllen CPA's Engagement Letter to perform Agreed-upon services was made by Commissioner Sims. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

e. **Memorandum of Agreement w/Consumer Credit Counseling Services.**

The CEO informed the Board that this Memorandum is yet another service that the DBHA will extend to its employees. The CEO was very clear that the agreements under this Memorandum were not exclusive and the DBHA may refer employees to other Credit Counseling/Financial Education companies. Approval was recommended.

A motion to approve the Memorandum of Agreement w/ Consumer Credit Counseling Services was made Vice Chairman Silver. Motion seconded by Commissioner Sims. All in favor. Motion passed.

X. **COMMENTS**

None

XI. **ADJOURNMENT**

Meeting Adjourned at 9:54 a.m.