



## Delray Beach Housing Authority

### BOARD MEETING JANUARY 17, 2013 MINUTES

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

Meeting called to order at 8:52 a.m.

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

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

#### **III. APPROVAL OF AGENDA**

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

#### **IV. APPROVAL OF THE MINUTES OF DECEMBER 13, 2012**

A motion to approve the minutes of December 13, 2012 was made by Commissioner Petrolia.. Motion seconded by Commissioner Beam. All in favor. Motion passed.

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

- Clifton Phillips, Roundstone Development
- Larry Zabik, Zabik & Associates, Inc.
- Xavier Perkins, DBHA Staff

#### **VI. PUBLIC COMMENTARY**

None

#### **VII. CONSENT**

A motion to approve Consent Agenda was made by Commissioner Aronson. Motion seconded by Commissioner Petrolia. All in favor. Motion passed.

#### **VIII. CORRESPONDENCE**

NAHRO Newsletter

#### **IX. OLD BUSINESS**

##### **A. Chief Financial Officer's Report**

The CEO informed the Board that the Chief Financial Officer had not been feeling well and was not able to attend this meeting.

## **B. Chief Operations Officer's Report**

### HUD will conduct a Quality Control Study of the Section 8 and Public Housing Programs

The COO reminded the Board that last month that the Department of HUD had notified staff that they would be conducting a nation-wide study to measure the amount and source of errors associated with determinations of eligibility and tenant rent calculations in the Section 8 and Public Housing Programs. The Field Interviewer had been assigned and had scheduled an on-site visit for January 14, 2013, however due to the preparation for the Village Square Ground Breaking Ceremony staff requested to reschedule for Monday, January 28, 2013.

### Public Housing Operating Subsidy for the (5) Units

The Chief Operations Officer reported that based on the current monthly rental income of \$1,733 for all 5 units HUD had calculated that the DBHA would receive approximately \$5,042 as Operating Subsidy for the year. The COO noted that with this budget it will be a challenge to maintain and operate the Public Housing Program.

At this time there was a brief discussion regarding the purchase of additional Public Housing units.

The CEO reminded the board that the DBHA had funds to purchase rental properties under the Public Housing Program due to the Replacement Housing Factor Funds Grant. However the CEO felt that it may be best for the Authority to return the remaining funds due to the severe challenge in sustaining them. Commissioner Aronson requested that a breakdown of the Public Housing expenditures be presented at the next Board meeting to assist in this determination.

### Reporting Section 8 Voucher Management System (VMS)

The COO reported that an estimated report for the month of November had been submitted to VMS on December 19, 2012 and was approved by the Financial Management Center. The actual expenditure report and corrections will be re-submitted to VMS upon completion of the end of the month's financial reconciliation report provided by the accounting department.

## **C. Roundstone Development Update**

Reported by: Clifton Phillips

**Phase II-** Mr. Phillips reported that they had reviewed the equity documents and were currently waiting for a letter from Florida Power and light giving them the easement needed for the Plat document. Once the letter is received they will submit the letter to engineering who will then be able to release the plat. Mr. Phillips anticipated closing to be sometime next week if no delays occur.

**Phase I-** Mr. Phillips reminded the Board that last month the Board was informed that an extension to CRA's \$2.7 million loan would be needed. Mr. Phillips reported that at the January 10, 2013 Board meeting, the Community Redevelopment Agency (CRA) approved the extension of the loan. At this time the CEO asked Mr. Phillips who was the contact from the HUD office for the HUD loan. Mr. Phillips was not able to provide the information at this time and agreed to provide the information at a later time.

**D. CEO/President's Report**

Request to Amend HUD-Approved Disposition

The CEO informed the Board that she was still waiting for the written approval from HUD on the Amended Disposition which related to changing the Term of the lease from 50 years to 99 years; and the budgeted use of the net proceeds of the 2.1 million lease payment. The person responsible for writing up the approval was on vacation until January 14, 2013.

**E. RESOLUTION 2013-01 Authorizing the CEO/President to Sign Loan Closing for Village Square**

The CEO noted that as recommended by the Attorney in June of 2012 this Resolution was presented to facilitate the Closing of the loan without delay. Approval was recommended.

A motion to approve Resolution 2013-01 was made by Commissioner Petrolia. Motion seconded by Commissioner Beam. All in favor. Motion passed.

**F. RESOLUTION 2013-02 Approving the 1<sup>st</sup> Amendment to the 2<sup>nd</sup> Amended & Restated Ground Lease Agreement**

The Attorney informed the Board that the changes mostly dealt with the lender protecting itself from the relationship between the Limited Partnership and making sure that certain key provisions in the lease were not changed without their approval, there was nothing detrimental. The Attorney noted that a key provision made was restriction of the Authority's ability to sell the land or pledge the land without written the written approval of the lender. Approval was recommended.

A motion to approve the 1<sup>st</sup> Amendment to the 2<sup>nd</sup> Amended & Restated Ground Lease Agreement was made by Commissioner Petrolia. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

**G. Resolution 2013-03 Approving an Estoppel Certification**

Mr. Ed Soto (Attorney) informed the Board that this action was requested by Chase Bank, the construction lender as a protection against DBHA (Landlord) action that would be considered harmful to the Bank. The Attorney explained that the Lease becomes an Attachment to the Estoppel Certification. Approval was recommended.

A motion to approve Resolution 2013-03 was made by Commissioner Aronson. Motion seconded by Commissioner Beam. All in favor. Motion passed.

**H. Approving a Professional Contract for Professional Services between DBHA and Zabik & Associates**

The CEO reminded the Board that per their direction at the December meeting, the contract language had been negotiated and presented to the attorney for review and legal approval. The DBHA will pay this contractor \$3,500 per month to provide Project Management Services as outlined in Part II of the Contract. Commissioner Aronson questioned the piece regarding Davis Bacon and how much more it would cost the DBHA since this service was not included as part of the monthly contract cost. The CEO noted that Zabik has an hourly fee for this

service and had been projected the cost in the Authority's overall budget, however the CEO informed the Board that she would tighten this piece to reflect the anticipated cost for this contract. Approval was recommended.

A motion to approve a Professional Contract for Professional Services between DBHA and Zabik & Associates was made by Commissioner Petrolia. Motion seconded Commissioner Beam. All in favor. Motion passed.

**I. RESOLUTION 2013-04 Approving the Construction Budget for Village Square Family**

The CEO noted that the total Construction Budget was \$25,932,016. DBHA is scheduled to receive at closing \$2,178,000 as a one-time payment for the Development Rights and Service Fee. Additionally, the DHG shall receive 15% of the \$3,412,698 Developer Fee or \$511,904 scheduled per Article VI of the MDA as follows: 25% at closing, 50% at substantial completion of construction and 25% at stabilized occupancy. At this time Mr. Phillips gave a more detailed report on the Budget. Commissioner Aronson asked if there was a maximum dollar amount for change orders in which the DBHA would need to approve. The Attorney noted that he would refer to the MDA and get back to the Board. The Attorney noted that this budget for the Family Phase would replace the existing budget. Approval was recommended.

A motion to approve Resolution 2013-04 was made by Commissioner Aronson. Motion seconded by Commissioner Beam. All in favor. Motion passed

**J. RESOLUTION 2013-05 Approving the Construction Budget**

The Attorney noted that a new revised Construction Schedule should be submitted to the Authority reflecting a new completion date due to the current delays. Approval was recommended.

A motion to approve Resolution 2013-05 was made by Commissioner Beam. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

**K. Incumbency Certificate**

The CEO noted that this item was not added to the Agenda as an approval item because all that was needed was the Board's Signature. No further action was required.

**L. RESOLUTION 2013-06 A Resolution of the DBHA Approving the Annual Plan**

The COO reported that the DBHA's Annual Plan was due to HUD on January 17, 2013. The Annual Plan contained the following specific goals and objectives to be accomplished for the upcoming fiscal year (2013-2014).

- The DBHA will increase the availability of decent, safe and sanitary housing by conducting outreach to unit owners throughout Palm Beach County for its Section 8 Program.
- DBHA will Project -Based 84 Vouchers for elderly only designated for Village Square.

- DBHA will open a separate waiting list for Section 8 Project- Based Elderly for the elderly site at Village Square.
- DBHA will acquire additional units with Replacement Housing Factor funds to increase its Public Housing unit inventory.
- DBHA will initiate construction of phase I and II of the development of Village Square which will include 84 elderly Project Based units and 144 multifamily Low Income Tax Credit units.
- DBHA will continue to seek and apply for competitive funding opportunities.
- DBHA will continue to make all efforts to acquire Management opportunities for it Non-Profit Instrumentality.
- DBHA will continue to maintain its High Performance status in SEMAP and Public Housing Program.

Approval was recommended.

A motion to approve Resolution 2013-06 was made by Commissioner Petrolia.

Motion seconded by Commissioner Aronson. All in favor. Motion passed.

**X. NEW BUSINESS**

None

**XI. COMMENTS**

None

**XII. ADJOURNMENT**

Meeting Adjourned at 10:00.