



Delray Beach Housing Authority

REGULAR BOARD MEETING
MARCH 18, 2010
MINUTES

- I. **CALL TO ORDER**
Meeting called to order at 8:46 a.m.

- II. **ROLL CALL**
Choli Aronson – Present
Joseph Hepp – Present
Sylvia Morris – Absent
Shelly Petrolia – Present
Christel Silver – Present
Shelly Weil – Present
Sandra Owens – Absent

- III. **APPROVAL OF THE AGENDA**
A motion to approve the agenda was made by Commissioner Weil. Motion seconded by Commissioner Silver. All in favor. Motion passed.

- IV. **APPROVAL OF THE MINUTES OF FEBRUARY 18, 2010**
A motion to approve the minutes of February 18, 2010 was made by Commissioner Silver. Motion seconded by Commissioner Petrolia. All in favor. Motion passed.

- V. **RECOGNITION OF VISITORS**
Dr. Morris Weinman
Greg Clay

- VI. **PUBLIC COMENTARY**
- VII. Chairman Hepp opened the floor for public comments, Dr. Weinman former DBHA Chairman stated that though he was no longer a member of the DBHA Board, he will continue to serve on the Delray Housing Group’s Board and will continue to be ever so watchful through the DHG. The CEO presented Dr. Morris Weinman with a plaque as a token of appreciation for the eight years served as a member of the DBHA’s Board of Commissioners.

- VIII. **ELECTION OF THE BOARD CHAIRPERSON/VICE CHAIRPERSON**
The Election of a Chairperson was necessitated by the member vacancy created by term limited Dr. Morris Weinman who was not reappointed by the Mayor/City Commission. Vice Chairperson, Joe Hepp was nominated by

Commissioner Silver and seconded by Commissioner Aronson. With no other nominations, Mr. Hepp was elected by acclamation.

Ms. Christel Silver was nominated by Commissioner Aronson, seconded by Commissioner Petrolia. With no other nominations, Ms. Silver was elected Vice Chairman by acclamation.

IX. PRESENTATIONS

The CEO noted that she had asked the entire staff to attend this Board Meeting, originally because a new Board Member had been assigned and wanted to formally introduce the staff to the Board. The CEO introduced each employee by name and the amount of years served. The CEO presented Bridgette Huff – Section 8 Coordinator with a Housing Choice Specialist Certificate after completing and passing an exam issued by Nan McKay. The President further stated that Bridgette has had many accomplishments while employed at the DBHA and is currently working on obtaining a Bachelor’s degree.

X. CONSENT

- a. Section 8 Coordinator’s report – Bridgette Huff
- b. Chief Financial Officer’s Report – Naomi Durham
- c. Quality Control Report – Jakeleen Fernandez
- d. Property Management Report – Nguyen Tran

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

XI. CORRESPONDENCE

None

XII. OLD BUSINESS

A. President/CEO’s Report

1. Resolution 2009-21 Ratifying Amendment 2 to Sales/Purchase Contract

The CEO reminded the Board that at the DBHA’s February Board meeting the Board authorized the CEO to finalize everything relating to the purchase of 82 NW 5th Avenue. At that time there was an amendment being developed by the CRA and was not ready for that Board meeting. It became available after the meeting and the CEO signed with the Board’s authorization. This resolution ratifies that action. Basically it amended the Sales Purchase Agreement to allow the DBHA to close by March 17th 2010. As a result the CRA issued some deadlines;

- The DBHA must obtain financing within sixty days of closing.
- The DBHA must begin construction 150 days after closing (five months).

That was the condition of the Amendment and the DBHA must comply. The CEO recommended approval of Resolution 2009-21.

A motion to approve Resolution 2009-21 Ratifying Amendment 2 to Sales/Purchase Contract was made by Commissioner Aronson. Motion seconded by Commissioner Weil. All in favor. Motion passed.

2. Resolution 2009-22 Ratifying the Executed Closing Document Related to 82 NW 5th Avenue

The CEO reported that the DBHA closed as scheduled and recommended approval of Resolution 2009-22.

A motion to approve Resolution 2009-22 Ratifying the Executed Closing Document Related to 82 NW 5th Avenue was made by Vice Chairwoman Silver. Motion seconded by Commissioner Petrolia. All in favor. Motion passed.

3. Resolution 2009-23 Approving the Execution of a Right of Way Deed Dedicating Five Feet of Land Along NW 5th Avenue and One Foot of Land Along the Alleyway for Additional Right of Way to the City of Delray Beach in Association with 82 NW 5th Avenue

The Development Officer explained that the City has a Deed that was executed on October 14, 2009 and when the DBHA delivered that deed along with the DBHA's Legal Council's letter, the DBHA said that the new deed would be re-executed after the DBHA acquired the property. The DBHA's Attorney clarified that this was a requirement by the City as part of the development on that property. The Development Officer reminded the Board that the Site Plan has been approved this was one of the comments slowing the permitting process. A recommendation to approve Resolution 2009-23 was made.

A motion to approve Resolution 2009-23 Approving the Execution of a Right of Way Deed Dedicating Five Feet of Land Along NW 5th Avenue and One Foot of Land Along the Alleyway for Additional Right of Way to the City of Delray Beach in Association with 82 NW 5th Avenue was made by Vice Chairwoman Silver. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

4. Public Hearing – Resolution 2009-24 Approving the Annual Plan and Authorizing Submission to the U.S. Department of Housing and Urban Development

The Chief Operations Officer noted that the DBHA is required to submit an Annual Plan update as part of the original Five Year Plan. The purpose of this plan is to update and outline the agencies mission,

goals, and accomplishments for the upcoming year as listed in the Five year Plan. The plan considers community input obtained at the Strategic Planning Session held January 9, 2010 as a guide to develop this Annual Plan and Executive Summary prepared by the President/CEO for the DBHA. The Chief Operations Officer noted some of the agencies goals for this fiscal year.

- Maintain the status of a High Performance Agency.
- The Agency will make every effort to seek and apply for additional funding.
- The Construction for the West Settlers Building that will house the administrative office and three affordable housing units.
- The DBHA will acquire suitable properties consistent with the approved Replacement Housing Plan.
- The DBHA will seek Property Management opportunities for the Delray Housing Group
- The DBHA will implement the new plan resulting of the recent Community Charrette and Board retreat to redevelop the former Carver Estates Property.

A recommendation to approve Resolution 2009-24 was made by the Chief Operations Officer. Chairman Hepp opened the floor for public comments. No public comments made.

A motion to approve Resolution 2009-24 Approving the Annual Plan and Authorizing Submission to the U.S. Department of Housing and Urban Development was made by Commissioner Petrolia. Motion seconded by Commissioner Aronson. All in favor. Motion passed.

B. Chief Operations Officer's Report

The Chief Operations Officer noted that as mentioned previously the DBHA has had issues with the funding for the Section 8 Program. To address the funding issue, the DBHA reduced its Payment Standards for rental assistance from 90% of Fair Market Rents (FMR) to 80% of FMR. HUD rescinded their approval of this action and the DBHA was required to raise the payment standards back to 90 percent. The DBHA was recently informed that the 500,000.00 that was allocated for that process is only to be used for the funding calendar year 2009 shortfalls. HUD allowed the DBHA to submit an application through PIH Notice 2010-5 \$150 million Set-A-Side Funding for the Section 8 Program to offset future shortages. The DBHA applied under category A-1 Unforeseen Circumstances.

The Chief Operations Officer informed the Board that notices went out to all Landlords regarding the mandatory Direct Deposits for Section 8 HAP checks and anticipates the implementation to take effect May 1, 2010.

C. Development Officer's Report

The Development Officer updated the Board on the Bid process that was held on March 11, 2010. The DBHA received 22 sealed bids, the Architect estimated the cost of construction at about \$3,000,000.00 the lowest price submitted was \$1,727,894.00, the highest was \$2,927,100.00. The Development Officer stated that he was currently reviewing the Bids for responsiveness. When speaking of responsiveness the DBHA was very clear that all bidders had to submit a Section 3 Plan because the DBHA is required by HUD to implement Section 3. The DBHA was very clear that a bidder who did not include a Section 3 Plan could be considered non-responsive. As a reminder the Development Officer stated that Section 3 is the hiring and training of a low to very low income persons. HUD feels that if they're giving the agency the money for affordable housing to take care of our people, then they want our people taken care of first. Therefore as part of the DBHA's requirement and as part of the DBHA's approved Section 3 Plan, the DBHA said that any proposal going out had to come up with a Section 3 Employment and Contracting Plan. The Development Officer noted that the lowest Bidder did not have anything regarding Section 3. The DBHA also gave all bidders a schedule of values, and will be comparing numbers. The DBHA has narrowed it down to three companies, BJ&K, Roosth, and Bay View. Once the DBHA identifies the lowest most responsive bidder the DBHA will be able to make a recommendation for the Board to approve. Commissioner Aronson stated that she attended the Bid Opening and found the DBHA handled the bidding in a very professional manner and was very pleased with the outcome. The DBHA Attorney stated that the DBHA needs to be clear on those who are nonresponsive and not speak of them. The DBHA will only speak of the lowest most responsive bidder.

The Development Officer updated the Board on the permitting process and informed them that the Architect and Design Team are responding to the City's comments for resubmission. Comments were very minor and staff does not anticipate any issues with permitting. Once the DBHA has obtained a Commitment for Financing the DBHA will award the contract. The bidders have committed to hold their prices for sixty days.

The Development Officer informed the Board that the DBHA sent out the Finance Package from CBO. The response from Wells Fargo was that the project was too small for New Markets. Their minimum was \$ 10 million. Smaller banks were hesitant because of the structure, the complexity of New Markets and basically tend to say "no, we are not going to underwrite it". Florida Community Loan Fund said they'll do the tax credit allocation but they will not underwrite the \$2.3 million. When talking to the Consultant after knowing what the Bids came in at, New Market Tax Credit to finance construction does not look very feasible, because now the numbers are even lower than the \$5 million that was originally

projected. Currently the DBHA is looking at local banks such as City National Bank, they are willing to sit down and talk about Regular Construction Financing. The DBHA will be restructuring the existing Finance Package converting it into a regular Conventional Construction Package (taking out the New Markets). The CEO explained that the original package was predevelopment costs which the DBHA can forego. The CEO stated that the agency will ask the Consultant to continue to assist the DBHA with financing.

Commissioner Aronson asked if the DBHA will have a recommendation for the contractor and have a financial commitment by the next scheduled Board Meeting. The CEO stated that the DBHA will have a recommendation regarding the award of the contract, but reminded the Board that the DBHA would like to hold off awarding the contract until a financial commitment has been received from a Financial Institution. If needed the DBHA will have a Special Meeting to comply with the sixty days issued to obtain a financial commitment.

The CEO stated that the staff would like to issue an RFP for a Developer Partner. The Attorney asked the Board if the DBHA would be interested in awarding the contract to one developer or if the DBHA would like to award the contract in phases. Commissioner Aronson felt that it would be more feasible to find a developer who would take on the entire project because the true reward would be Phase III (the apartment piece). Commissioner Petrolia commented that awarding the contract in phases may serve as a motivation for the developer to prove their willingness to work well with the DBHA. The CEO asked the Attorney if it would be possible to issue an RFP with these options. The Attorney explained that the RFP may be issued with terms Phase I, Phase II, Phase III and isolate them. The Attorney stated that in a case like this the DBHA would have different proposal for each Phase, and in the document the DBHA would note the possibility of approving each phase with a different developer or one developer for the entire project. The Attorney also noted that the DBHA would ask the responder to respond to all three phases, in the event a responder is only interested in one phase, they would be allowed to present a proposal for that phase. The CEO recommended approval to proceed in developing that document in house in consultation with the Attorney. The CEO informed the Board some funds may become available sometime in the summer and therefore felt it was very important that the agency have a Development Partner.

A motion to approve the development of the RFP for the redevelopment of Carver Estates was made by Commissioner Petrolia. Motion seconded by Vice Chairwoman Silver. All in favor. Motion passed.

The Development Officer informed the Board that DBHA's current lease expires July 31, 2010. The DBHA tried to obtain a shorter lease, but was unsuccessful because the Landlord did not accept the request. The DBHA is moving forward renewing the Lease for another year. The Development Officer noted that the most Responsive Bidder for the new office building estimated a total 426 days to complete the project and therefore the DBHA will be ok with the renewal of the Lease for this year. After this year EBJ Holdings (Landlord), will allow 30 additional days without penalty for the DBHA to vacate. The Attorney recommended that the DBHA try to obtain a month to month section added to the lease, (automatic extension up to ninety days). This will ensure that the agency will not have to sign for another year. The Attorney commented that the contract for the West Settlers Building should include a provision where it states that the building must be completed by whatever date chosen by the DBHA, otherwise there will be liquidated damages. The Development Officer noted that there is a \$500.00 a day penalty in place. The Attorney suggested that the agency relook at its numbers to ensure that amount is sufficient to cover the monthly expenses.

PROPERTY MANAGEMENT PROPOSAL

The Development Officer informed the Board that the Delray Housing Group has prepared and will be submitting their Proposal to provide Management Services for the CRA. The CEO informed the Board that she was very pleased with the overall outcome of the package. The Delray Housing Group is proposing to manage the property at 11 percent of the total rents collected. One of the requests the CRA was that they wanted a Resident Manager on site: the DHG proposed that the current contracted maintenance person (Jurrell Hollis) would be able to stay there as a Resident Maintenance person and in return the DHG would not pay him because he would be living there rent free. The CEO explained that the CRA may award the contract as a whole or they may choose to split and award the contract to more than one. The CEO noted that these units have all been recently majorly renovated and does not anticipate any major maintenance issues.

XIII. NEW BUSINESS

None

XIV. COMMENTS

The CEO reported that the newly appointed Commissioner Sandra Owens is an Administrator a Village Academy and was not able to attend her first meeting due to FCAT. It is a requirement that everyone is present when FCAT is going on. Ms. Owens is looking forward to being a member of this Board and is very interested in the redevelopment of Carver Estates. The CEO informed the Board that Dr. Weinman would like to remain as a member of the DHG's Board. The Board will decide at the next DHG Quarterly meeting. The Attorney asked if there is anything in the Organizational

Document that may prevent this, since the DBHA's Board members are automatically appointed to that of the DHG's. The CEO stated that she was sure that there wasn't, but would double check.

XV. ADJOURNMENT

Meeting adjourned at 10:06 a.m.