



Delray Beach Housing Authority

MAY 21, 2015 BOARD MEETING MINUTES

I. CALL TO ORDER

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

II. ROLL CALL

Guarn Sims - Present

Christel Silver- Absent

Choli Aronson- Present

Sylvia Morris- Present

Marcia Beam- Absent

Gaston Joseph- Present

III. APPROVAL OF AGENDA

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

IV. ELECTION OF CHAIRMAN

The CEO reminded the Board that Chairman Hepp had resigned and as a result the Board needed to elect a new chairman. At this time the floor was opened for nominations of a new chairman.

Election of Chairman

A motion nominating Mr. Sims for the position of Chairman was made by Commissioner Aronson. Motion seconded by Commissioner Joseph. With there being no other nominations, Mr. Sims was elected Chairman by acclamation.

Election of Vice Chairman

A motion nominating Ms. Aronson for the position of Vice Chairman was made by Chairman Sims. Motion seconded by Commissioner Joseph. With there being no other nominations, Ms. Aronson was elected Vice Chairman by acclamation.

V. APPROVAL OF THE MINUTES OF MARCH 19, 2015 & APRIL 16, 2015

A motion to approve the minutes of March 19th and April 16, 2015 was made by Commissioner Morris. Motion seconded by Commissioner Joseph. All in favor. Motion passed.

VI. RECOGNITION OF VISITORS

- Larry Zabik, Zabik & Associates
- Clifton Phillips, Roundstone Development
- Jackie Jones, Daughter of Zion

VII. PUBLIC COMMENTARY

Ms. Jackie Jones introduced herself as The Homeless Representative of the Daughter of Zion. Ms. Jones stated that their mission was to serve the community and wanted the Board to know that they were here to help in any possible way.

VIII. CONSENT

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

IX. CORRESPONDENCE

None

X. OLD BUSINESS

A. Chief Financial Officer's Report

Fiscal Year 2015 Financial Audit

The CFO informed the Board that the independent audit conducted by Clifton Larson Allen, was scheduled to begin remotely June 1, 2015 and would be on site beginning June 8th. The CFO stated that he was hopeful that the audit would go smoothly.

Section 8

The CFO noted that at the end of the fiscal year, the Section 8 program had a Net Restricted Position of \$540,390 and a Net Unrestricted Position of \$14,213. The ending cash balance was \$545,316 which exceeded the NRP by \$4,926.

The CFO reported that in February Delray Village Square made a \$250K developer fee payment to DHG and thanked Clifton Phillips of Roundstone for making it possible for the DHG to significantly pay down the intercompany amount due to Section 8. The CFO further explained that because of this increase in cash Section 8 was able to fulfill its commitment to HUD to have funds available to transition the remaining amount due to HUD held reserves. In May, HUD transitioned \$424,694 to reserves held by HUD. HUD had indicated that they intended to continue to monitor the Net Restricted Position and remove excess cash to be held in reserve by HUD.

At this time the CEO reminded the Board that currently the Section 8 account served as a general funds account, but the Authority would begin using the Public Housing account as the general funds account within the next month or two.

Accounting Department

The CFO informed the Board that Ada and Jackie attended, an unclaimed property workshop presented by the State of Florida on April 22nd. The workshop provided information on issues relating to reporting unclaimed property as prescribed by Florida Statute. The CFO noted that the accounting department was running smoothly with all deadlines being met.

B. Chief Operations Officer's Report

Reporting Section 8 Voucher Management System (VMS)

The COO reported that an estimated report for the month of March 2015 was submitted to VMS on April 20, 2015 and approved by the Financial Management Center.

Project Based Voucher for Village Square Elderly

The COO noted that in preparation for the occupancy of the newly constructed Village Square Elderly Apartments DBHA had 27 of the 84 committed Vouchers set aside for Project Based Section 8 assistance. The Authority will continue to set aside additional Vouchers as they become available for this Project. The COO informed the Board that in addition, HUD would allow the Authority to reserve these Vouchers and not be penalized for the declined lease up rate during the construction period and still be eligible to earn administrative fees for the unleased and unpaid units. The COO reported that the HUD Financial Management Center had requested that the Authority report the set asides Vouchers in VMS monthly under PHA comments so that the Authority could earn the administrative fees for each set aside Voucher. VMS has been updated to reflect the set aside Vouchers back to March 2014.

C. Zabik's Update

Village Square Elderly

Mr. Zabik reported that construction was approximately 2 months behind the original schedule due to Klewin not having enough Subcontract manpower on the job. Mr. Zabik's estimate is that completion will occur sometime in October-November.

D. Roundstone Development Update

At this time Mr. Phillips noted that he had been contacted by a subcontractor who claimed a delay in payment of approximately 60 days. Mr. Phillips stated that he understood that some of the subcontractors were small businesses who may be effected in delayed payments however, it wasn't unusual in the construction business for payments to be processed within 60-90 days. Mr. Phillips reported that internal controls needed to be in order and all change orders needed to follow the proper protocol. The CEO asked Mr. Phillips if the Lenders were being updated on the status, Mr. Phillips stated yes. At this time Mr. Phillips informed the Board that a van had ran over the fence and landed inside the pool. The driver had no insurance and the anticipated cost in damages is between \$12,000 -\$15,000.

Discussion

At this time there was a Board discussion of several complaints being received by different parties related to Village Square. Some of these complaints included the possibility of subleasing, unauthorized people living in the units and units with severe damages due to tenant negligence. Mr. Sims reminded the Board that he had requested that the management company be present at the Board meetings to answer questions related to the day to day operations of Village Square. Chairman Sims recommended the issuance of vehicle Decals on the property to assist in identifying unauthorized people living on the property. Chairman Sims further suggested that an inspection of all the units be conducted by the management company to resolve any subleasing issues or tenant's neglect of the unit within 30 days. Mr. Phillips noted that he would inform Sunchase to begin attending the board meetings.

XI. New Business

A. Resolution 2015-04 Approving a Revision to the Bylaws

The CEO reminded the Board that at the last meeting of the Board, it was recommended by Commissioner Silver that the DBHA consider changing the meeting day from the 3rd Thursday of each month to the 3rd Thursday of every other month. This recommendation originated as a possible solution to the Authority's challenge in securing a quorum each month.

The Attorney noted that the change required an amendment to the Bylaws. As requested by the CEO the attorney reviewed the entire Bylaws because a comprehensive review has not been done. The CEO reported that revisions had only been done as needed to accomplish a change in meeting dates and times.

The CEO requested that as the Board considers this change, the Board consider the incomplete development activities that are underway such as the West Settler's Office Building, completion of the Senior Phase of Village Square and staff is working on getting Phase III (Homeownership Phase) started.

After a brief discussion the Board determined that they would not convert to bi-monthly meetings. However the attorney updated the bylaws to reflect changes to the Executive Director's title (CEO) and other minor revisions. A motion to approve these Bylaws revisions was made by Vice Chairman Aronson. Motion seconded by Commissioner Morris. All in favor motion passed.

B. Resolution 2015-05 Approving SEMAP

The COO reported that the SEMAP Certification for fiscal year end 2015 was due to HUD on May 30, 2015. The Section 8 Management Assessment Program was designed to assess whether the Section 8 tenant based rental assistance program

operates to help eligible families afford decent rental units at the correct subsidy cost. It also establishes a monitoring system for HUD to measure the Housing Authority's performance in the indicated key areas and assigns performance rating. The SEMAP program also provides procedures for HUD to properly identify the Housing Authorities Management capabilities and deficiencies in order to target monitoring and program assistance more effectively.

Also as part of this report is an updated SEMAP status report ending March 31, 2015 of Indicators 9-14. These Indicators are automatically scored by HUD through our monthly submissions of HUD 50058-Multifamily data and VMS-Voucher Management System reports. This report reflects each indicator has scored high points which will result in another year of HIGH Performance status for the Delray Beach Housing Authority. This will be the DBHA's ninth consecutive year of High Performance Status! Staff recommended approval.

A motion to approve resolution 2015-05 was made by Commissioner Morris. Motion seconded by Vice Chairman Aronson. All in favor. Motion passed.

XII. COMMENTS

None

XIII. ADJOURNMENT

10:07 a.m.