

Daytona Beach Housing Authority

August 20, 2021 Board Meeting 10:00 a.m.

I. Call to Order - Meeting was called to order at 10:05 a.m.

II. Roll Call - Commissioners Jass, Jamison, Ivey, and Daniels were present for roll call. Commissioner Brown-Crawford joined the meeting via Zoom at 11:15 a.m.

III. Invocation - Invocation was led by Commissioner Ivey.

IV. Recognition of Visitors

A. Commissioner Jass recognized three tenants from Windsor: Norma Diez (PH), Liz Hernandez, and Larry Caul (PH). The tenants were interested in what's been going on at the board meetings.

B. LEAD Center Graduates Michael Davis and Jazzmyne Kitt - The graduates could not be present at the meeting. Ms. Wells stated they would come with the next group of graduates.

V. Public Comments - No public comments

VI. Approval of Minutes

A. Regular Board Meeting - April 16, 2021 - Commissioner

Present: All - Commissioner Jamison made a motion to approve the minutes of April 16, 2021, as written.

Commissioner Ivey seconded the motion. Vote 4:0.

B. Board Retreat - April 16, 2021 - Commissioners

Present: All - Commissioner Jamison made a motion to approve the board retreat minutes of April 16, 2021, as written. Commissioner Jass seconded the motion. Vote 4:0.

C. Special Board Meeting - April 30, 2021 - Commissioners

Present: All - Commissioner Jamison made a motion to approve the special board meeting minutes of April 30, 2021 as written. Commissioner Ivey seconded the motion. Vote 4:0.

D. Regular Board Meeting - July 16, 2021 - Commissioners

Present: All - Commissioner Ivey made a motion to approve the regular board meeting minutes of July 16, 2021. Commissioner Jass seconded the motion. Vote 4:0.

VII. Approval of Agenda - Commissioner Ivey added a discussion on the Fair Housing Act under Old Business. Commissioner Ivey made a motion to approve the agenda with the addition. Commissioner Jass seconded the motion. Unanimously approved.

VIII. Updates

A. BGC Advantage - Holly Knight of BGC Advantage provided an update. Ms. Knight started her presentation discussing Windsor/Maley. The permitting from the City of Daytona is expected the following week. The

attorney is working with the Florida Housing Finance Agency to get approval. Ms. Knight stated that Reno & Cavanaugh submitted all of the closing documents needed for HUD. The next step is to wait on HUD to give an approval to close. Once that is done, there will be five days to market the bond. The closing can then happen.

BGC Advantage will be on site with a meeting on September 23rd, which will be with residents as well as with the contractors to talk about what to expect and how things will work. There will also be a meeting to discuss relocation.

FEMA approval was received for both Windsor and Maley. The Cedar location is now out of the flood zone due to a map adjustment. Windsor will no longer need to be considered a property that is in the 100-year flood zone.

Ms. Knight then discussed the family sites. The financing plan has been submitted and she is awaiting the RCC from HUD. Elevation certificates have been received for things that are in the flood zone. Ms. Knight stated FEMA will be petitioned for the developments one foot above the flood zone to be taken out of the flood zone.

Natalie Wells will be meeting with the neighborhood landscape group. Plan and cost review has started. Due diligence has started on the land, including topographic and soil boring.

There will be an outreach on September 23rd for subcontractors.

Attorney Gilmore asked Ms. Knight to tell the board what she expects to be coming up in the next month or two in relation to the family development.

Ms. Knight stated they are starting due diligence. Citibank has already started on-site due diligence. This will be a private equity placement with the state. It will be more streamlined. Ms. Knight stated that the legal documents will be worked on over the next couple of months. Closing should be before the end of the year.

Commissioner Daniels asked Ms. Knight if the closing will be pushed back like the Windsor Maley has been. Ms. Knight stated it is possible.

Commissioner Ivey asked Ms. Knight if there is a contract on the family site the same as the Windsor Maley and putting the properties into one loan. Ms. Knight stated that all properties are being financed together. The new construction would not be able to

take place without it. Financing is being done altogether. She stated that it has been submitted to HUD and the Board of Housing Finance Agency for all the sites to be bundled together.

Ms. Knight stated that going back now and changing the bundling would cause delays. HUD and the Board of Housing Finance Agency would need to be contacted.

The lender wants the cross-collateralization, and they feel the bigger the project, the less risk there is.

Commissioner Ivey believes that giving all the developments to one lender is not a good practice. He would like to have a discussion with Attorney Marty Walsh and the HACDB Board to discuss financial options before continuing to move forward. Commissioner Ivey asked Chair Daniels for a workshop with Marty Walsh to go into the details on what can be done or ask the developer to bring another financial option without lumping all the sites together.

Michael Edgar discussed the funding that would be set aside in the debt service reserve account that would address the issues of failure to perform. If there is lack of cash flow coming into the project due to vacancy, there is cash set aside to cover the issue. That would make not only the lenders feel comfortable,

but also the Housing Authority as a part manager or co-developer in the project.

Chair Daniels asked Ms. Knight if she set up the debt reserve account, to which Ms. Knight said she did.

Ms. Knight stated that when HUD gave the Housing Authority the money to develop the other projects, there was no loan. The money was given to develop the projects. When HUD gave the money, there was no structure of a loan but instead money to build a development. She stated this will be the first time that the projects will be seeing a loan and financing them separately will financially harm the ability to do the new construction. It will also cost more money to issue the bond and do them individually. She stated the Housing Authority is looking at another \$3 million per deal to separate them out.

Commissioner Jamison used the analogy of consolidating credit cards. She believes that it is better to consolidate.

Chair Daniels asked Marty Walsh about consolidating the sites and whether it is a good idea. Attorney Gilmore reminded Mr. Walsh that whatever is said in the meeting will be accessible. Mr. Gilmore told Mr. Walsh if there is anything that he does not want in

the public record or accessible, he has an opportunity to speak to the board members individually.

Commissioner Ivey stated it is hard to make a decision when all options have not been provided.

Attorney Walsh told the board if they can group the sites, the board can save money. He stated generally, more housing authorities are looking to bundle deals because of the savings on transaction costs. He stated he would be available for a workshop.

Attorney Gilmore stated he agrees with Commissioner Ivey in that the board needs to get as much information as possible. However, he stated that the family site deal is continuing to move. Attorney Gilmore advocates a one-on-one opportunity for each commissioner to speak with Marty Walsh and ask the hard questions and get whatever information that the commissioners need to move forward.

Chair Daniels told Attorney Walsh that whenever he is available, Ms. Wells can set up a meeting with the commissioners who would like to have a one-on-one.

Commissioner Jass asked why the family sites are moving faster than Windsor/Maley. Attorney Gilmore stated that it is private-equity fund. Some of what is

being done with Mr. Wilson is not part of the family deal. Attorney Walsh agreed with Attorney Gilmore.

B. Reno & Cavanaugh PLLC/Greenberg Traurig LLP - Jonathan Flugstad from Reno & Cavanaugh PLLC stated that HUD issued its RCC the previous Wednesday. The previous Friday, the actual RAD solution package was submitted. There was a kickoff call with HUD earlier in the week, with the closing coordinator, transaction manager, and HUD counsel that has been assigned to the file. It generally takes 30 to 45 days for the review to occur. Jean Wilson from Greenberg Traurig gave his report. He stated they have received a draft of the credit underwriting report that AmeriNat has been working on. It is missing a few pieces that AmeriNat needs to make their final recommendation, but it is a thorough document. He hopes to have the final version of the document within the next week or so, which will be presented to the board. He stated that the main document that AmeriNat is waiting for is the cost and plan review document, which is critical to the final recommendation.

Mr. Wilson stated that the most significant issue that he is working on is the impending expiration of the volume cap allocation, which is August 28th. The deal

will not close by then. His team has been working on a validation action, and a complaint was filed earlier in the week in the circuit court of Volusia County. This complaint will toll the expiration that while the August 28th date cannot change or extend, but during the validation action, that allocation is still alive to be used. Mr. Wilson stated that it is a standard procedure that is used.

Commissioner Ivey asked if the RHF funds were low. Ms. Wells stated that they were low, but that there was money being brought from the reserves. Commissioner Ivey stated that there were not enough funds in the beginning. He stated that the financial homework is not being done the correct way. Chair Daniels stated that the minutes will reflect that money would be taken from another pot and it will equal the \$900,000 that would be needed. Michael Edgar stated that the money comes from the unrestricted reserves. Since the funds are unrestricted, they can be used in conjunction with the existing RHF funds, which were 629,133.07. The remaining funds, covered under a different funding source, will make up the difference to produce \$900,000, which was set aside.

Commissioner Ivey asked the board to look at the financial transactions and do another workshop.

C. Gans, Gans & Associates - Ms. Wells stated that the contact for Gans, Gans & Associates had to leave the call due to time. It was shared that the position description has been posted and they already have seven candidates processed and ready for board review. Simone Gans Barefield came back on later in the call and addressed the board. She stated she finalized with the interim executive director the position description earlier in the week. She stated she's looking for someone who has great leadership experience, understands both RAD and Development, someone who understands the non-profit community, is accomplished with staff development and staff empowerment, is smart, is resident-centric, understands the population that is served and is looking forward to working with the population. Ms. Barefield stated that she currently has seven candidates that have been screened, vetted, and are ready to present to the commissioners. Three are CEOs or executive directors for public housing agencies. Two are former executive directors of public housing agencies. One is a consultant. One is a HUD regional

network director. They have received three additional candidates, which are in the process of being vetted. Ms. Barefield stated she can present the candidates individually or as a board.

Chair Daniels told Ms. Barefield that the board will set up a meeting to go over the candidates.

IX. Consent Agenda *(Matters included under the consent agenda are self-explanatory and are not expected to require review or discussion. Items will be enacted by one motion. If discussion is required by any member of the Board, then that item will be removed from the consent agenda and considered separately.)* Commissioner Ivey made a motion to approve the consent agenda. Commissioner Jamison seconded the motion. Unanimously approved.

A. The proposed August 2021 Disposal Asset Report in the amount of \$39,364.30

Recommendation: The Director of Finance recommends approval. This action updated physical assets and allows items to be removed from inventory that is reflected on the balance sheet

X. Old Business

A. Fair Housing Act - Commissioner Ivey had a discussion with Ms. Wells on how the Fair Housing Act works. If there is other development going on, there is a list

that is submitted to HUD when you want to develop on properties that are in a depressed area. He stated that the housing authority never submitted a list or a plan to HUD if they wanted or tried to develop the Loomis (PH) property. Commissioner Ivey stated that there were development plans before from the previous CEO. He does not understand why the Housing Authority never took the time to look at how the issues of affordable housing can be addressed in the community. He stated that he believes that the Housing Authority could submit a plan to HUD to use the property to address the issues that the community is facing.

XI. New Business

A. Resolution 2022-05 Section 3 - Kara Lennard discussed the resolution. She stated that HUD completely revamped the Section 3 program to the point not only that they rewrote the program, but they actually moved it from one code of federal regulation to another in order to make a clear break.

Ms. Lennard told the commissioners that located in their board packets is a lot of red where she has gone through the existing Section 3 policy and updated it for the new regulations.

Chair Daniels stated that when HUD changes something, it must be added to housing authority.

Commissioner Ivey made a motion to approved Resolution 2022-05 Section 3 policy. Commissioner Jamison seconded the motion. Unanimously approved.

B. Resolution 2022-06 PHA Plan Significant Amendment 1 -

Kara Lennard presented the amendment. Ms. Lennard stated that as part of the RAD development projects, there is another HUD program that allows the housing authority to do a RAD Section 18 blend. It was approved by the board two months ago. As part of it, though, a significant amendment needed to be done to the annual plan in order to add the specific HUD language into the plan and have it available to the public for a 45-day commentary. There was also a meeting with the RAB to discuss it and get their input. Ms. Lennard stated she is seeking approval for the significant amendment to the annual plan. Once it is approved, it will be submitted to the field office for their review and approval.

Commissioner Ivey made a motion to approve Resolution 2022-06 PHA Plan Significant Amendment 1. Commissioner Jamison seconded the motion. Unanimously approved.

C. Resolution 2022-07 PHA Plan Significant Amendment 2 -

Kara Lennard presented this amendment. She stated that as part of the Section 18 demolition disposition process with the vacant properties, it needed to be clear in the annual plan what the Housing Authority is proposing to do with the properties in order to be able to move forward with the application. There is also a portion where the Housing Authority is looking at acquisition. So, it needed to be made clear to the public and give them a chance to comment on it.

The significant amendment is adding the properties and the language. There was a 45-day commentary period. There was a public meeting for any input. There was also a meeting with the RAB in order to discuss it and get any of their input.

Commissioner Jass made a motion to approve Resolution 2022-07. Commissioner Jamison seconded the motion.

Unanimously approved.

D. Resolution 2022-08 SEMAP Certification - Corey

Franklin discussed this resolution. He stated that every year the Housing Authority would do a Section Eight Management Assessment Program where they assess the Housing Choice Voucher program. The last time the

assessment was done was in 2019. In 2020, HUD allowed a waiver of the SEMAP review.

In 2019, the score was 79 with a standard designation. This year, the score is 90 percent and high performing. A corrective action plan will be submitted for indicator three, which is the determination of adjusted income. Other than that, there are improvements within the housing choice voucher program.

Commissioner Jamison made a motion to approve Resolution 2022-08 SEMAP Certification. Commissioner Jass seconded the motion. Unanimously approved.

XII. Information Items

A. Attorney report - Attorney Gilmore told the commissioners that he sent them a memo on August 12th entitled activity update. He stated that as of yesterday, he received an updated and changed local agreement from the Jacksonville Housing Authority. The Jacksonville Housing Authority, after the board initially rejected the local agreement, met two days prior and approved a potential agreement that Attorney Gilmore passed out. The Jacksonville Housing Authority counsel contacted Attorney Gilmore and told him to expect a red-line copy between now and what the board

has proposed, and the changes made by the Jacksonville Housing Authority.

The most significant changes are they want to limit the scope of the agreement as to what they were doing. They want to limit the number of hours that their executive director can spend to a maximum of 16 hours per month.

The Jacksonville Housing Authority kept the compensation that the board proposed, although they limited access to their executive director. They are also proposing a one-way indemnification where the board is indemnifying the Jacksonville Housing Authority, but they are not indemnifying the Board. The default provision usually runs both ways, but the Jacksonville Housing Authority has it running one way where they can declare the Board at default, but the Board cannot declare the Jacksonville Housing Authority in default.

In any assignment, the phrase is typically added that it cannot be done without the prior written consent of the other party and HUD. The Jacksonville Housing Authority took out that part of the agreement.

The Jacksonville Housing Authority added a new section which basically says the board releases them from any claim or responsibility while they are doing it.

Attorney Gilmore stated that he cannot, in good faith, recommend the agreement.

Attorney Gilmore recontacted Herb Hernandez from the Cocoa Housing Authority and expressed interest.

Attorney Gilmore stated he received a recommendation from another executive director of another housing authority, Greg Vern (PH), who used to be with HUD.

Greg Vern relocated to St. Petersburg.

Attorney Gilmore spoke to Leroy Moore at the Tampa Housing Authority, who offered to be a resource to Ms. Wells. Mr. Moore stated he did not want compensation, but that he would do it as a favor to a sister housing authority.

Attorney Gilmore stated that there was a contract with CVR for RAD consultation. The contract expires this month, but it is still in place and has a renewal provision. He stated that he sees no reason not to renew the contract unless the board is unhappy with CVR.

Choice one is going with Jacksonville Housing Authority. Choice two would be Mr. Hernandez. Choice

three would be Greg Vern. Choice four would be Leroy Moore. Choice five would be CVR.

Ms. Wells stated that her concern with any of the choices is it has to be something that she could contact someone and get timely information. CVR is the current preference for Ms. Wells. Greg Vern would be her second preference.

Commissioner Brown-Crawford suggests Mr. Vern as the first choice. Commissioner Jamison suggests CVR as the first choice. Commissioner Ivey suggests Mr. Vern as the first choice. Attorney Gilmore suggested having Mr. Vern and CVR since CVR is task-order driven.

Commissioner Jass agreed with Attorney Gilmore with having CVR and Mr. Vern.

Attorney Gilmore suggested the board do a motion to approve extending the contract with CVR and then circulate the contract so the commissioners can see the terms, understanding that if it is extended, there is no cost. He then suggested doing a procurement for Greg Vern. It can be discussed at the next meeting, or a special meeting can be called. He also suggested keeping Mr. Moore in mind as he does not cost anything.

Commissioner Ivey stated he does not want to approve another contract until he knows where the Housing Authority is financially. Attorney Gilmore stated that the CVR contract will expire this month. If it is not renewed, it will get put into procurement. It does not cost anything to renew, and the board is not obligated to the renewal. It provides an immediate resource if needed while trying to get through the procurement aspect.

Commissioner Jamison made a motion to pursue the extension of the CVR contract. Commissioner Brown-Crawford seconded the motion. Commissioners Jass, Jamison, Brown-Crawford, and Daniels voted yes. Commissioner Ivey voted no.

Commissioner Jamison made a motion to extend the meeting to 12:30. Commissioner Ivey seconded the motion. Commissioners Jamison, Brown-Crawford, Ivey, and Daniels voted yes. Commissioner Jass voted no.

B. Interim CEO compensation - Commissioner Jamison made a motion to approve the increase in pay for the interim CEO. Commissioner Brown-Crawford seconded the motion. Unanimously approved.

C. 2019 Audit Results letter - Ms. Wells presented the letter from HUD to the board. The letter stated that

HUD is closing the findings based on the submitted documentation.

D. October 7-9 NAHRO Conference - Ms. Wells let the commissioners know the date of the NAHRO conference in Arizona. She asked the commissioners to let her know if they wanted to attend so she can get them registered.

E. NAHRO Awards - Ms. Wells discussed the NAHRO awards. She stated that the agency received three awards of merit. One award is for the food that was delivered to the residents, with HUM, at the beginning of the COVID-19 pandemic. The second award was received for the city's rental assistance program and being a sub-recipient with them and the amount of funds that were pushed into the community to support people. The third award was for the LEAD program and the education they are providing to the community.

F. Northwood II CHAP - Ms. Smith-Wells showed a copy of the CHAP.

G. Mendez-Velez Family home warming - Ms. Smith-Wells gave kudos to Corey Franklin for assisting in providing housing to another family.

H. Older Adult Home Modification Program (OAHMP) Grant -

Ms. Wells stated that Samantha Griffin was pulled in on the assignment and did well with it. "I have to give a lot of shout out to Ms. Samantha Griffin. She was pulled in on that assignment and basically almost took it out of my hands because she really bought into this. So we have been awarded nine hundred and twenty one plus thousand dollars to do this program over the course of three years." Negotiations are being pursued with the Office of Land and Hazard Control and Healthy Housing in regard to the \$921,000 grant.

Elderly, low-income homeowners that have issues within their home, such as the peep hole is too high for someone in a wheelchair and needs to be moved down or needing accessibility with ramps, the Housing Authority will be able to go in the units and do the services for homeowners. The focal area is the 32114.

XIII. Monthly Departmental Reports

A. Finance Report - Mr. Edgar provided a report to the commissioners. He stated he would like to set up time with each commissioner and go through the line items and address any questions that the commissioners might have. He stated he is prepared to do the unaudited financial data submission in the month of September.

Mr. Edgar stated that in preparation for RAD, the commissioners will see that the expenditures at the agency level in totality were higher than they were historically in years past. In addition, the commissioners are likely to see that revenue will be slightly down as a result of COVID and a loss in revenue from tenant occupancy or tenant payment. The Housing Authority is still in a very good cash position. There are strong reserves in place.

B. Housing Choice Voucher

C. Development and Business Management Report

D. Affordable Housing Reports

a. Caroline Village

b. Maley

c. Palmetto Park

E. No Windsor and Northwood reports this month

F. Chief Operating Officer (COO) Report - Ms. Wells had nothing additional to add.

XIV. Commissioners Comments - Commissioner Brown-Crawford

thanked Ms. Wells and the staff for doing a great job. She stated that she is working with Ms. Wells to have a vaccine event at the Windsor/Maley on September 1st from 2:00 to 4:00 p.m. Gift cards will be given out. All residents are welcome.

Commissioner Jass thanked Ms. Wells. There was an illness at the Windsor/Maley office staff. She said she is excited about everything that is going on. She thanked the other commissioners for making the best things happen for the people in the area. She said it will not just help the elderly, but her main concern, which are the children.

Commissioner Jamison thanked staff for doing their best.

Commissioner Ivey thanked Ms. Wells and staff. He stated that hotel owners, apartment owners, and landlords do not lump properties together. He says it is not good practice and not a good way to do business. Commissioner Ivey stated he would like to do the workshop to get questions answered with Attorney Walsh.

Chair Daniels thanked everyone for a good meeting. He asked the commissioners to talk to Attorney Walsh to see what he has to say. After the commissioners have spoken to Attorney Walsh, there will be a session if needed. He also encouraged the commissioners to go to commissioner training.

Ms. Wells told the commissioners that packets will be delivered door to door that includes information about the transition with the application in it. She reminded the commissioners that public housing is ending but residents are having to fill out an application for Section 8.

XV. Adjournment - Commissioner Jamison made a motion to adjourn
the meeting.

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