

**Daytona Beach Housing Authority**

**February 19, 2021 Regular Board Meeting**

- I. Call to Order** - Meeting was called to order at 10:26 a.m.
- II. Roll Call** - Commissioners Jass, Jamison, Ivey, Brown-Crawford, and Daniels were present during roll call.
- III. Invocation** - The invocation was led by Commissioner Ivey.
- IV. Recognition of Visitors** - Chairman Daniels recognized visitors from the resident advisory board. Terril Bates recognized members of the resident advisory board and presented them with certificates. She also recognized Mr. Lang for being on the RAB as well as being on almost every community Zoom call that is held. Mr. Carter was also recognized. Ms. Hudson was recognized over Zoom.
- V. Approval of Minutes**
  - A. Board Retreat Minutes November 19-20, 2020** -  
Commissioner Brown-Crawford made a motion to approve the board retreat minutes November 19-20, 2020.  
Commissioner Jass seconded the motion. Unanimously approved.
  - B. Regular Board Meeting, January 15, 2021** - Commissioner Jamison made a motion to approve the minutes of the regular board meeting on January 15, 2021.

Commissioner Ivey seconded the motion. Unanimously approved.

**VI. Public Comments** - No public comments.

**VII. Approval of Agenda** - Item 9 was moved. Commissioner Jamison made a motion to approve the agenda. Commissioner Brown-Crawford seconded the motion to approve the agenda. Unanimously approved.

**VIII. Consent Agenda** - Commissioner Jamison made a motion to approve the consent agenda as written. Commissioner Brown-Crawford seconded the motion to approve the consent agenda. Unanimously approved.

**IX. Development Update - Holly Knight, BGC Advantage** Chairman Daniels recognized Holly Knight of BGC. Ms. Bates stated that several BGC staff had been impacted by a storm. Ms. Knight started off discussing Windsor and Maley. She stated that she was waiting on lender who had very favorable terms to do a flood survey. The night prior, Ms. Knight received a phone call regarding the survey, which went well. The permanent loan will be done with Barings, which is a subsidiary of Mass Mutual. Private placement has been done with Bank of America with Stifel acting as agent. Bank of America will be purchasing the bonds and the construction loan. There will be a custodian with the funds.

Ms. Knight stated that there was a notice put out at the end of January that, depending upon how much hard construction cost there is, it allows less RAD rents and more fair market rents, more project-based vouchers. HUD will give the housing authority tenant protection vouchers for the units that are being considered for disposition.

Ms. Knight stated there's been no change in scope of work. She stated that in the first one-to-five years, the housing authority will receive back \$2.7 million, which is a return on investment of about 303 percent. This amount includes deferred developer fee, cash flow.

At one-to-10 years, it'll be \$3,096,000, which is a return on investment of 345 percent.

Chairman Daniels asked Ms. Knight if May was still the closing month. Ms. Knight stated that it should be the end of May. She stated that you never want to sell on a Monday or a Friday. Ms. Knight stated that it depends upon HUD's timing and when the approval to close comes in. She stated that they don't like to sell bonds on a holiday.

Ms. Bates asked Ms. Knight to explain what closing means so that the board has the same expectation.

Ms. Knight stated that there are three tracks that they're managing the HUD approval.

The HUD approval is HUD underwriting the project, looking at project for financial feasibility. After the financing plan, then next is the RCC, RAD Conversion Commitment.

There is a closing manager at HUD and a closing attorney.

The other process is working with the state. Even though the housing authority is the issuer, volume allocation is received from the state and the tax credit approval comes from the state.

The last track is getting approval from investors and lenders.

The closing will have HUD documents approving all the HUD requirements, including documents from the state approving the tax credits, documents from the issuer approving the issuer. There will also be the investor requirements, which are loan documents, limited partnership agreement.

There will be the housing authority resolution prior to closing that says the housing authority agrees with everything.

There will be a real estate closing where documents will need to be signed and record them.

There is then a notice to proceed to the general contractor. A new management company will step in. At the end of construction, after 24 months, the closeout begins. There are cost certifications where it must be proven that

the money was used appropriately. For the 24 months, there will be draws from the trustee account in order to pay the general contractor and they'll submit monthly documentation. Every month, all parties must approve the draws.

There is a RAD closeout after construction, which is reported to HUD. There is a closeout to the state after construction. There is a closeout to investors after construction. The first payment after construction would be construction completion.

The next phase is lease-up. Occupancy lease-up and financial lease-up must be shown for 90 days after construction completion and lease-up. After 90 days of operating with limited vacancies and collecting rent, then conversion is made from construction loan to the perm loan. There is then another equity installment and another developer fee payment.

The last thing that is done after certifying with an accountant that everything was done properly, everything is sent the state. The state will issue 8609 and there is one additional payment.

Once all that is complete, a budget needs to be adopted annually, which will be reviewed by the housing authority, which is required under RAD.

Ms. Bates told Ms. Knight that she wanted to ensure that the board did not expect anything at closing. The closing is a step where there's thousands of documents get signed and making sure everything is in regulatory compliance. Ms. Knight suggested a celebratory event at closing. Ms. Knight also suggested a ribbon cutting, inviting the chamber and all the people from around town to tour the facility and get to know and see the investment that has been made in developments. Commissioner Jass asked a question about changes in rent.

Ms. Bates stated that HUD monitors how much rent can be charged to the contract part of the deal. It does not impact the residents. It just means that more money can go into the project development. There will be no increase in rent to the resident.

Ms. Knight discussed the fact that the housing authority under RAD has to give a rent increase. The property will ask for an adjustment. The residents will be notified. The portion that is paid from the resident doesn't change. It's a way to get HUD to pay the cost of living increases each year. So, it's usually 2 to 3 percent and it's something that HUD publishes.

Ms. Knight stated that the bonds that are being used in this particular deal is to leverage the 4 percent tax credits.

Ms. Knight told Ms. Bates that the city has approved the environmental. The request for release of funds has been received.

The Daytona RAD Family includes Caroline Village, Palmetto, Walnut Oak, Northwood Village I and II. Some new construction component where new affordable housing will be added.

Ms. Knight showed the board a design concept of Caroline Village. The inside will have a full rehabilitation, which will include a smart home design.

Ms. Bates asked Ms. Knight to discuss the regulatory issues involving new construction in flood zones.

Ms. Knight stated that there are a few buildings that are in the flood zone at Windsor/Maley and at the family site. One thing that is being done is getting elevation certificates of the buildings, which means the surveyor is actually looking to make sure that it's one-foot above flood elevation. FEMA will be asked for a flood map adjustment. So, while the site might be in the flood zone, the buildings may not be. Ms. Knight stated this will help

with flood insurance and the risk that is required in the cost of both builder's risk and permanent insurance.

The buildings that are in the flood zone, an eight-step process is underway. The environmental will take longer on the family than in other cases where there are no flood zones.

Chair Daniels stated that he does not like retention ponds and asked Ms. Knight to come up with something better.

Ms. Knight stated that the whole street floods. She stated there will not be standing retention ponds. They're drainage tools. These areas will be enhanced with amenities put around them.

There was some discussion with the commissioners and Ms. Knight regarding the retention pond and flood zone.

Commissioner Ivey suggested that the water could be pumped out. Ms. Knight stated that they will have further discussions and come back to the board with more detail.

Ms. Knight discussed the family home site plan. There is an issue with eagles, so they may go to the Halifax for the new construction. She stated that she would like to do more due diligence before discussing further.

There was a minority contractor meeting. The video will be posting on the housing authority website and BGC



Advantage's website. She asked the board if they know of any contractor to send them to BGC.

In Palmetto Park, there is an issue with the parking at the community center. There has been discussion of taking out some units and putting in some parking. There's also been discussion on enlarging two roads and doing off-street parking. Additional lighting is needed at the site, which was feedback from the police department.

Although a few units will be lost when enlarging the roads, the housing authority is still under the HUD requirement for one-for-one replacement and under the de minimis amount.

## **X. Old Business**

- A. Date for development discussion** - Ms. Bates requested a date in February to have a development discussion, however the month of February is over. She requested to schedule a date in March to discuss questions and concerns. She asked the commissioners to think about some dates in March. Ms. Bates stated that the retreat is scheduled on the day of the board meeting, and it's two hours beyond the board meeting time, which is scheduled for the 19th from 10:00 to 2:00.
- Ms. Bates stated that there are capital funds that need to be obligated before going to the RAD closing.

Commissioners discussed scheduling a development discussion.

Commissioners decided on March 5th to have a development discussion. Ms. Bates told the commissioners to think about what kinds of things the commissioners would like to see, such as purchase land or acquiring an existing building and rehab it, or new construction.

## **XI. New Business**

### **A. Role of Affiliate and next steps - Attorney Gilmore -**

Paper is filed. Ms. Bates asked Attorney Gilmore what the next step is. Attorney Gilmore stated that everything's been approved, signatures have been completed. He stated there's not much else left. There needs to be a job description that is given to commissioners to decide who might be good candidates. Ms. Bates stated she will work on that and will get it out to the commissioners.

Commissioner Ivey stated that he wanted to just focus on the development. He stated he doesn't want to get overloaded by trying to do too many things. Ms. Bates stated that since it got started, she didn't want anyone to be concerned down the road about the affiliate.

Chair Daniels stated he wanted to have it ready to go so that when it's needed, it's ready to go.

Ms. Bates stated that she'll send the job descriptions and just ask that in the May or June meeting that there is some further conversation.

Chair Daniels had to leave due to a professional engagement. Commissioner Brown-Crawford will be resuming the chairmanship of the meeting.

**B. CFP Expenditure Plan Presentation - Kara Lennard - Ms.**

Lennard discussed the HUD capital fund grant. It is used to develop, finance, or modernize public housing property. The five-year capital fund action plan is separate from the five-year plan that was discussed last year. It is a separate process through HUD.

HUD provides a list of eligible activities.

Ms. Bates stated that the housing authority is required to present a five-year plan. Money has to be obligated by the time RAD is closed. There is an obligation to go through all the steps of a public hearing.

It will be a fixed plan, which will serve the housing authority for the next five years. Eligible activities were presented. They include fees and costs, improvements, and development.

Ms. Bates stated new property can be acquired, acquire property to rehab it, start a new development, or the money can be used to demolish. Ms. Bates stated the funds have to be obligated before the RAD is closed or the funds will be lost.

Ms. Brown-Crawford told the board to write down questions.

Ms. Lennard stated that if improvements are not on the plan, HUD doesn't allow usage of capital funds on the improvements.

HUD allows usage of capital funds for coronavirus. Ms. Lennard added a line in the budget for coronavirus.

**C. Resolution 2021-14 Capital Fund 5-Year Action Plan -**

Commissioner Jamison made a motion to accept the 2021-14 Capital Fund five-year action plan as written.

Commissioner Brown-Crawford seconded the motion.

Unanimously approved.

**XII. Information Items**

**A. Section 3 Training Update - Commissioners Jass and**

**Brown-Crawford** - Commissioner Brown-Crawford stated that she and Commissioner Jass attended the Section 3 training. She stated there was a lot of information and she has questions from the housing side about the new RAD updates.

- B. Special Board Meeting in April for purposes of approving annual plan** - Ms. Bates stated that there will need to be a special board meeting during the month of April because the annual plan is due to HUD the day before the scheduled board meeting. She stated that the special meeting can be scheduled at the next board meeting.
- C. Census Bureau - Natalie Smith-Wells** - Ms. Bates stated that the housing authority received a thank you from the United States Census Bureau for their work with the census.

### **XIII. Monthly Departmental Reports**

- A. Chief Executive Officer (CEO) Report** - Ms. Bates requested that the report be skipped except for questions from board members.
- B. Development and Business Management Report** - Ms. Bates requested that the report be skipped except for questions from board members.
- C. Interim Director of Finance Report** - Ms. Bates requested that the report be skipped except for questions from board members. Ms. Brown-Crawford asked the interim director to send her an email and they could discuss information that was sent to her.

**D. Affordable Housing Report - Special Presentation, Dawn**

**Anthony** - Ms. Bates requested that one of the managers do a small presentation about what's going on in their particular area. Last month, it was Northwoods.

Dawn Anthony is the property manager at Palmetto Park. Ms. Anthony stated that the residents are happy to have a person on-site that they can communicate with. Due to COVID, personnel are not seeing people in the office. Ms. Anthony stated she's received feedback from residents, including cards, thanking her for being there and making changes in the area.

Ms. Anthony stated that site visits are being done daily. A Healthy Start representative sets up a table every Saturday and gives residents free gently used clothes, diapers, and wipes.

Residents are back to work. Some residents did not lose work for as long as was originally thought.

Ms. Jamison stated that Boys and Girls moved out of one of the buildings in Palmetto and asked if the building is being used. Ms. Anthony stated that that building is being used for the neighborhood network.

Ms. Anthony stated that there were two fires within the last month. The units need to be remodeled, with 21 to \$40,000 worth of fire renovations.

The first fire was due to a resident who had an extension cord that was overcrowded according to the fire department. The second fire was due to wiring in the ceiling that burned through some trusses. The resident was put in a hotel and the housing authority took care of her while she was displaced.

Ms. Anthony stated that police don't come to Palmetto Park as rapidly as they should. The information received is because nobody cooperates. Ms. Anthony stated that they are working on ways to create a better relationship with the police department.

Ms. Anthony discussed the lighting. She stated she worked late a couple of nights and it is pitch black outside at night. The lighting is insufficient.

Commissioner Ivey suggested getting decals for the residents to distinguish between residents and visitors. He suggested having the cars towed that don't belong. There is concern about speeding.

**Chief Operating Officer (COO) Report** - Ms. Bates requested that the report be skipped except for questions from commissioners.

**E. Housing Choice Voucher Report** - Ms. Bates requested that the report be skipped except for questions from commissioners.

**F. Community Engagement and Partnerships Report - Ms.**

Bates requested that the report be skipped except for questions from commissioners.

**XIV. Public Comments** - No public comments.

**XV. Staff Comments** - No staff comments.

**XVI. Commissioners Comments** - Commissioner Jass stated that she was recently in one of the family sites. She said that the person who was there from management was very rude to her. Ms. Bates stated that it was reported to her and she asked the staff person for a response. Ms. Bates stated she will follow up.

**XVII. Motion to Adjourn** - Commissioner Jamison made a motion to adjourn. Commissioner Ivey seconded the motion to adjourn.

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