

**Daytona Beach Housing Authority**

**May 19, 2023 Board Meeting 10:00 a.m.**

**XIV. Call to Order**

**XV. Roll Call** - Commissioners in attendance: Chair Kelvin Daniels and Commissioners: Irma Browne Jamison, Kim Brown-Crawford, Sandy Murphy. Commissioner Jass arrived at 10:04 a.m.

**XVI. Invocation** - Invocation led by Dom Morgese.

**XVII. Recognition of Visitors** - No visitors.

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

**XIX. Approval of Minutes**

**1. Regular Board Meeting - April 21, 2023 -**

**Commissioners Present: Daniels, Jass, Brown-Crawford, Jamison, Murphy.**

Commissioner Brown-Crawford made a motion to approve the regular Board Meeting Minutes from April 21, 2023. Commissioner Murphy seconded the motion. Commissioners Jamison, Brown-Crawford, Murphy, Daniels voted yes. Commissioner Jass was absent for the vote.

**XX. Changes to the Agenda**

No changes to the agenda. Commissioner Jass is present.

Commissioner Brown-Crawford made a motion to approve the agenda as printed. Commissioner Murphy seconded the motion. Unanimously approved.

**XXI. Discussion** - No discussion.

**XXII. Consent Agenda** - Nothing to consent.

**XXIII. Real Estate Development** - No real estate development comments.

**XXIV. Business Action Items**

1. **Resolution 2023-18 Formal adoption of the "Asset Repositioning Strategy" as voted by the Housing Authority of the City of Daytona** - Commissioner Jamison made a motion to adopt the resolution as written. Commissioner Murphy seconded the motion. Unanimously approved.

2. **Resolution 2023-19 Submission of 2023 Choice Neighborhood Planning Grant** - Mr. Woodyard explained the resolution commits the Authority, if the grant is awarded, to \$250,000 local match. The city voted on their \$250,000. He thinks the city is using Home funds for their portion of the local leverage. He talked to the CFO about this, and it is unrestricted funds. He explained funds are tighter than normal because of the storms but they anticipate getting the money back and are ok with doing the \$250,000.

Commissioner Jamison made a motion to accept the resolution as written. Commissioner Murphy seconded the motion. Unanimously approved.

**3. Resolution 2023-20 Approval of Revision to the HACDB**

**Fiscal Year 2023 Operating Budget** - Mr. Morgese explained that the resolution is revising the 2022 resolution that was passed in June 2022. It is based on taking activity in the four core programs, based on nine months of activity and doing what he considers to be a true-up in adjusting to reality. He provided, in attachment B, a disclosure and a summary of what it entails. The four core programs do not include grants such as Family Self Sufficiency or Older Adult Home Modification Program. They do not include the Capital Fund Program. They do not include component units, which is the stake in properties such as the LIHTC properties, so typically don't get reported on a monthly basis. These are the four core programs that are considered the Public Housing Authority and are reported every month. The programs are made up of two Amps, the COCC and the Voucher Program. Mr. Morgese started with Amp II, which is all of the public housing units, with the exception of

Northwood II. He is focusing on the total income and expenses. The original budget is \$2.5 million and is being adjusted to \$3.1 million. The source of the revenue that's making up that augmentation is coming from the Capital Fund Program. There were transfers in, capital infusion, of about half a million, bringing the number up.

Total expenses, page 33, were original budget of \$2.2 million and is \$2.3 million on the revision, an increase of \$86,000. Projected net income is going from \$312 (thousand) to \$860 (thousand). That's Amp 2. The amps are relatively healthy compared to COCC. Mr. Morgese moved to Northwood II, which is Amp 7-20. Total income is \$250,000, and the revision is \$437,000. The source of that additional revenue revision is from the Capital Fund Program infusion. Total expenses were \$287 (thousand) on the original budget to \$379 (thousand) on the revised budget. Net income projected a loss of \$38,000 in Northwood II, but is at \$57,000.

Voucher program is a pass-through program, so it's not budgeted for any type of net income. The net income's zero. Total income is at \$13.7 (million) in original budget and being changed to \$15.3

(million), to reflect reality. Total expenses went from \$13.7 (million) and that's being augmented, revised, to \$15.3 (million). The projection remains the same. Nothing's changing too much.

COCC is the Central Office Cost Center and where it gets a little rocky. It struggles. The money that comes in is a function of the units manage or lease-ups, and we've taken some hits there. Total income was \$1.1 million, and currently at \$946 thousand. Total expenses were \$1.4 million and are at \$2.4 million. Naturally that's a significant increase. In order to get reimbursed from FEMA, defederalized dollars must be used. If money from the Amps is used, that money is considered federalized dollars. So we have to use our discretionary money to pay for things. That is what is driving the increase, so the hope is to get reimbursed. It could be a while before that money is seen, and auditors won't allow the revenue to be recognized until it's available and measurable. That's GAAP, generally accepted accounting principles, so you know you're going to get it, but until it's available and measurable, and can be recognized, then it's going to look bad for a while. There are operating reserves in the COCC, as

discussed in the past. That's both comfortable and cautious. The projected net income for last year was \$287 (thousand) loss. That's deficit spending. I didn't like it. The year before was \$680,000 loss. You can't turn stuff on a dime. You have to dial down the spending in a way where everybody's happy. You've got things you have to pay for. The revision is \$1.5 million loss, which is mostly FEMA expenses. Mr. Morgese explained being self-insured when it comes to unemployment tax because we're a government entity. We have about \$12,000 to \$13,000 in unemployment claims that weren't accounted for in the budget. These are the kinds of things that kind of get us.

Mr. Morgese explained there will be a four-percent pay increase for the staff across the board, for the core programs, retroactive to January 1st. The Amps are healthy and can handle it. The Voucher Program can handle it. Even the COCC, if you look at the line item that makes up salaries, it was not that significant of an increase because of a lot of vacancies, so it can be absorbed. The Agency felt it needed to be done with the way the job market is.

No questions for Mr. Morgese.

Mr. Woodyard mentioned an uptick in the level of professionalism and services from employees and the detail in the materials presented to the Board. He is very happy to commend employees, but explained he has been pushing a lean employee agenda. He has come to the conclusion that he has to relent on that issue and considers the Authority to be understaffed. He said that the COCC budget is going to be impacted, but it's unfair to keep pushing employees at this level for much longer. He referenced being in the middle of the Choice Neighborhood Grant application and that he doesn't want to place more on employees' plates but wants to ramp things down over the summer. He said that as a former budget analyst for the City of Charlotte, he tends to operate lean but has to relent on that a little bit.

Commissioner Jamison noted that she liked the increase in staff training and would like some of the staff members to participate in some of the conferences that Board members attend to network with others in the same area, to share issues. She would also like to see some cross-training, too, and

particularly training to keep from having low audit scores. She also said that, as for utilities on AMP II's budget, the water and electricity were revised down. She said that she recently got her electricity bill, and electricity is not going down, it's going up. Mr. Morgese said that the budget is a management tool and not an ordinance, doesn't become law. He said the team does its best.

Mr. Woodyard noted that the REAC scores were suspended for the Agency because of the hurricane, but noted that the Agency acts as if it's going for a minimum of ninety percent on REAC scores. On the training aspect, Mr. Woodyard said that REAC is evolving into a new system called NSPIRE. Employees are shadowing other employees for cross-training. Commissioner Brown-Crawford asked if they go to conferences, like Commissioner Jamison mentioned. Mr. Woodyard confirmed they do.

Commissioner Brown-Crawford mentioned an upcoming conference pertaining to employee roles as an example.

Mr. Woodyard confirmed that a staff member attended a conference for the Capital Program and another one that Commissioner Murphy independently requested



attending. He explained there was a three-month hiatus because of the Choice (Neighborhood Grant) work being done.

Chair Daniels said that he wants to make sure there are enough employees that the ones who are working aren't burnt out and are healthy and happy.

Commissioner Brown-Crawford agreed.

Chair Daniels commented that Mr. Woodyard attended three trainings when he was first hired and said that while employees may not go to the conferences that the commissioners attend, they do get trained with a different audience.

Mr. Morgese noted that Keys is the public adjuster and Favre is the affiliated public adjuster that does FEMA. There are good results there, especially on the FEMA side. He noted the state representative grant manager changed again.

Commissioner Jamison made a motion to approve the resolution as written. Commissioner Murphy seconded the motion. Unanimously approved.

**4. Resolution 2023-21 Election of Board Officers -**

Attorney Gilmore asked for nominations for Chair. Commissioner Jamison asked why the elections are only for one year. Mr. Gilmore stated that's what

the bylaws call for and that the Board can revise the bylaws.

Commissioner Brown-Crawford asked about term limits and Mr. Gilmore confirmed there were none. She also asked if that was standard, to which Mr. Gilmore said some Authorities have limits on consecutive terms for chair and vice-chair, but generally he advises against it because of consistency.

There were no other questions.

Commissioner Jamison nominated Kelvin Daniels for continued Chair of the Board.

Mr. Gilmore confirmed no other nominations. Chair Daniels was reappointed as Chair.

Mr. Gilmore opened the floor for nominations for Vice Chair.

Commissioner Brown-Crawford nominated Commissioner Murphy for Vice Chair.

Mr. Gilmore confirmed no other nominations.

Commissioner Murphy was appointed Vice Chair.

**XXV. Old Business Items - None.**

**XXVI. Monthly Performance**

**1. Customer Satisfaction**

**a. Family Self Sufficiency (FSS) Monthly Progress**

**Report** - Ms. Seletha Bradley-Morris said that

there were 98 participants enrolled for the month of April, two participants who requested graduation for June in HCV. Numbers for amount of credits for escrow in total is \$9,295, for the month, and current escrow program balance is \$238,624. She addressed questions about HCV having more people than public housing and explained it was because HCV serves more people, so it's probably going to always be a higher number. The number for the program is 100. She will enroll again in June to meet the 100 number.

FSS HCV sent 14 referrals to CareerSource. That's how many people are in FSS HCV currently not working. She said that Mr. Woodyard is really concerned about that. She said they want to push people to work. She said that one of the main goals for HUD FSS is that everybody is working, that's the goal. She said that every week she sends jobs out to everyone not employed and meets with them on a regular basis to see where they stand on employment. It doesn't have to be full-time, just suitably employed, according to HUD.

She said that FSS HCV completed the escrow audit. Income limits did not have a default button so income limits couldn't be changed. She said that once that happened, about 25 people started to escrow. May deposits after the audit were \$8,218. In total, \$36,195 is due to people who were not on the report as being escrowing.

She said that she has about 40 participants who are working in the HCV program FSS, 14 are not working, 54 participants in the program total, 25 people escrowing, 15 participants are working but not escrowing. The goal is to get everybody to start escrowing. She said that 50% scored from HUD should be escrow and that the FSS public housing escrow audit is still being done. She said that \$36,195 should have been on the escrow sheet but was not.

Commissioner Jamison asked if J. Adams was the lady who passed away a couple of days before. Ms. Bradley-Morris said no and stated J. Adams is Jeremy Adams, whose mom is Loretta Cooper, who passed away. Mr. Adams took over the HCV voucher. Ms. Bradley-Morris said that she met

with him, and he did his goals for the year and took over the FSS contract.

Commissioner Jamison asked about the lady who Ms. Bradley-Morris was trying to get her mother to take over.

Ms. Bradley-Morris confirmed the mother took over the voucher, but she is not working. It was stressed upon her that she must work in order to receive the escrow. There are some people who get to the finish line and if they're not working, the money is forfeited. So it is stressed to them that this is a working program. It's not a program you come and sit and stay on it for five years, so she stresses to participants that they must be working at some point. She said that she sends out weekly blasts of jobs so that they can start looking. Commissioner Murphy commented that she appreciated the additional detail in understanding what the staff is doing.

Ms. Bradley-Morris noted participation in the Fair Housing Fair. Next month there will be the PCC, Program Coordinating Committee, meeting. HCV and Public Housing must have a participant

that is a part of the PCC Board Meeting, committee meeting. She said there will be two other graduations next months.

No questions.

## **2. Housing Solutions**

### **a. Public Housing Reports - Assistant Property**

Manager Ms. Justice Mauldin, on behalf of Senior Property Manager Sherley Roman, reported there were five new payment agreements for the month of April. At the time of the report, there was a glitch. There will be updated corrections. There were 12 legal proceedings consisting of non-payments and criminal activities. The office staff completed 16 certifications for the month of April. The team completed a certification bootcamp on May 4th and May 5th, which may come up again on the May report.

The systems reflect a high percentage of vacant units. The goal as staff is to properly follow HUD proceedings to make sure the waitlist is properly managed. There is a current process to merge the waitlist.

As far as special projects, the team is implementing the department's standard of procedures. There have been numerous interviews to fill staff member positions.

All storm-displaced families are out of hotels. Caroline Village units are currently being repaired, and the grounds have shown improvement, and the staff conducts monthly inspections.

In April the maintenance staff completed 248 work orders, with a three-to-five-day turnaround time.

Mr. Morgese made a comment that the aged-receivables glitch was a Yardi issue, and they are trying to resolve it. He believes it has been resolved and will follow up to confirm. Commissioner Jamison had a question on the legal proceedings. She said that an awful lot of families are being terminated. She asked if it was mostly for illegal activity or other things.

Ms. Mauldin confirmed it was a mixture, but there are quite a few for illegal activities. They are looking for legal advice on the best

way to proceed and may not result in terminations. The goal is to make the environment safer for tenants.

Chair Daniels questioned if HUD standards changed regarding the waitlist.

Ms. Mauldin confirmed HUD standards have not changed; however, with the recent event of Hurricane Ian, they have been seeking advice from other locations, including Puerto Rico, as far as getting back to the waitlist. She said they're trying to dot all their i's and cross all their t's when it comes down to the selection process. She said that it's a little more difficult with all of the displacements and transfers. They've had meetings with HUD and meetings with Yardi to make the updates in the system for preferences.

Ms. Mauldin noted again they are hoping to fill vacancies.

Mr. Woodyard confirmed the current schedule for merging the waitlist. He expects that to be done by the next meeting next month.

Commissioner Brown-Crawford questioned what the vacancies were at Palmetto Park.



Ms. Yvonne Gonzalez, Property Manager at Palmetto Park, answered Commissioner Brown-Crawford stating that some units at the property had been trashed. The units have been addressed and there are four units made ready this week. By the end of the week, all units at Palmetto Park should be ready for occupancy. Chair Daniels asked how long it takes for somebody to get a unit.

Ms. Gonzalez answered that once the waiting list is merged, they can select from that list and move people right in.

Mr. Woodyard noted that the standard is three-to-five business days and that we are not there yet. He would like to speak with the Board members individually about structural changes in property management. He committed to calling the members individually about those.

Commissioner Brown-Crawford asked about people waiting for the unit and wanted to make sure the priority is merging the waitlist.

Mr. Woodyard confirmed it is a priority.

**b. Housing Choice Voucher Report** - Venkisha Haynes was in training and not present. No

presentation provided for report in Board packet.

### 3. **Financial Strength**

**a. March Finance Report** - Mr. Morgese stated for Amp II for the month of March net income actual was negative \$128,000. Budget was \$25,000 positive. Year-to-date is \$770,000 positive and budget was \$235,000 year-to-date.

For Amp 7-20, Northwood II, net income for March actual was a loss of \$30,000. Budget was a loss of \$3,000. Actual year-to-date is \$52,000, but the budget was a loss of \$28,000. This is nine months into the fiscal year.

The Voucher Program net income year-to-date is a loss of \$71,000. Net income budgeted was zero. Actual is loss of \$45,000 year-to-date, with net income of \$0, so it's close with three months left in the year.

COCC net income is a loss of \$222,000 for March. Budget was a loss of \$23,000. Year-to-date actual is \$1.3 million loss and the budgeted year-to-date was \$215,000. That excessive loss is made up of Hurricane Ian

expenses and extraordinary things discussed previously. That is waiting to be recovered. Commissioner Jamison wanted it noted that she will never get used to a budget with negative numbers.

Commissioner Murphy asked how investments are handled - in-house or by someone else.

Mr. Morgese answered that the recent rate of return on our money market just hit 3.3 percent. There is an increase in rates across the system, so there is nothing too crazy done with respect to investments. We don't do any equities. It's all fixed income.

Ms. Brown-Crawford commented that it is very safe.

Mr. Morgese stated there is a focus on a return of our money not on a return on our money. Real estate is also investment.

Mr. Woodyard noted that Dom may be able to hold a short workshop about HUD's prescriptions about what a housing authority can invest on.

Ms. Brown-Crawford asked if they are allowed to do short-term CDs.

Mr. Morgese can't see what the policy is per HUD but would suspect a short-term CD is possible. He thinks it might be an option and something to consider and possibly do a workshop to discuss options.

Mr. Woodyard noted that the Asset Management Repositioning Strategy the Board has approved is, in a sense, an investment strategy, a real-estate investment strategy. He said that he thinks that it will pay dividends both bottom line and more units on the ground for folks. He said that the Agency is actively seeking tenants for the headquarters building.

Commissioner Jass gave Mr. Woodyard credit for being aggressive and finishing things that are started.

Mr. Woodyard thanked her for that and noted that he recently spoke to the land-entitlement real estate attorney and that they are about to write the administrative process for Brentwood. They will have that property entitled in the next two or three months. He said that it's a test case for the land-entitlement attorney. He said that he didn't get the response that he

wanted for RFQ for real estate developer partners for Brentwood and that the deadline can be extended if need be.

4. **Innovative Systems** - Mr. Woodyard had nothing to add.

5. **Employee Success** - Nothing to update.

**XXVII. CEO Comments** - Mr. Woodyard noted that there is a crime issue in Palmetto Park. They are working with the mother of the young man who was shot, to try to see if they can get him transferred to Walnut Oak or give them a Housing Choice Voucher. Mr. Woodyard is meeting with Chief Young next week to discuss Palmetto Park.

Commissioner Brown asked if Palmetto Park had evictions. Mr. Woodyard stated he did not know if the person who shot the young man was a Palmetto Park resident.

Mr. Woodyard is committed to turning the Daytona Beach drug problem around and noted they set up substations but that he doesn't like the lack of utilization of the substation. He said he's going to talk about that with the Police Chief. Commissioner Brown-Crawford said that if nobody's at a substation, then it's not a crime deterrent.

Mr. Woodyard wanted to talk about the Choice Neighborhood Planning Grant and said that he is cautiously optimistic about getting the grant. He said that is because the city

has stepped up and committed to \$250,000 toward the application. By comparison, and rules have changed, going through the grant two or three years ago, the Authority committed \$31,000. The Authority is committing \$250,000 along with the city, for a total of \$500,000 and they are asking for a grant of \$500,000. He said that is, at a minimum, be a million-dollar master planning study, with at least fifty percent of that coming from local sources, and 25 percent of that coming from the City of Daytona Beach. He has told employees that he has been studying midtown neighborhood and has grown in appreciation for what has gone on there. The boundaries of the midtown CRA, Community Redevelopment Area, is not necessarily what was the original midtown neighborhood, which was Midway, Newtown, and Waycross. He said that he understands that better and will tell the story inside the grant. He said that the target area is not really the CRA, that it's really a lot closer to the original midtown neighborhood. He thanked the commissioners for voting that in.

Commissioner Brown-Crawford asked if the city previously committed any dollars to the last grant application.

Mr. Woodyard doesn't believe they did. Mr. Woodyard said that the local leverage dollar requirement was different then and that he wanted to be fair about that.

Chair Daniels noted the pursuit was different then.

Mr. Woodyard noted that HUD has changed to say if you really want this, you have to show, on the ground, that you're invested in this, and so the minimum requirement to get the leverage points is \$250,000. Mr. Woodyard said that the Authority is going to be doing \$500,000, so he feels cautiously optimistic about this.

Commissioner Brown-Crawford asked if local support letters are still needed.

Mr. Woodyard confirmed they are getting those.

Commissioner Brown-Crawford and Tarneisha Thomas agreed to review the list of local supporters.

Commissioner Jass asked for the perimeters of Midtown.

Mr. Woodyard answered that Midtown is George Engram on the North, with some little bumps to include Bonner and some other stuff, the railroad tracks where Martin Luther King is on the East (Charles Street), Nova Road on the West and then going all the way down to Shady. That's Midtown. He said that the story about Midtown will be explained in the grant.

Mr. Woodyard wanted to note Picerne. He thanked Dom for all the work he's done with a challenging situation. He talked about four properties that include Lakeside, Halifax, Pine Haven, and Halifax II. The three that are in front right

now are Lakeside, Halifax, and Pine Haven. Closing and takeover of Lakeside is about to happen.

Mr. Morgese corrected to say it is Halifax on May 31st.

Mr. Woodyard mentioned that the third-party property management company (Picerne) terminated. There is an extension to July 1, which may not all be needed.

Stephenson & Moore, recommended by Board Attorney Ric Gilmore, will be the new property management company. They have been a very good partner because they are very flexible.

Commissioner Jamison asked if the residents have been advised of the new management.

Mr. Woodyard said there is a plan to advise them of the new management.

Mr. Woodyard said, with approval of the Board, they will do a RAD conversion on the three projects. The reason for this RAD conversion is to convert the public housing units to private Section 8. There will be a 20 percent increase in revenue from those units, which will provide financial flexibility to help keep up the properties.

**XXVIII. Commissioner Comments** - Commissioner Jass stated that she has had a lot of residents come to her regarding the WM at the River RAD project. The project has not been good, and they are down to a small amount of people between



the two buildings because of people leaving or who have passed. She said that a lot of people, because of the RAD program and the way it's been done, their emotions are not good and that they are not handling things well.

Commissioner Jass said that originally, Holly Knight said she was going to move everybody out and that as soon as the papers were signed, that didn't happen.

Mr. Woodyard asked Mr. Gilmore if he had any advice on the subject. Mr. Gilmore said not at this time.

Commissioner Jass said that also there is only a 40-percent renovation in each apartment and that it's a crappy job.

Mr. Gilmore said that is something that he and Commissioner Jass can discuss.

Commissioner Jass said that she is venting to the Board because management there is not responsive and does not have a good response to residents. She said that she has been in the office when the residents have been treated and that one of the residents had to be Baker Acted because of all this going on and being moved. She said that some of the residents have been moved two and three times. She said when RAD is done again, she wants Mr. Woodyard to be more into it and know what's going on, as she knows he will. Mr. Woodyard noted that, at Windsor Maley, the staff there and the HCV staff with the Authority have been doing

recertifications. He said that it is income-based and that when income goes up, the rent goes up, and that he needs that on the record. Commissioner Jass said that she knows that but that there was no advance. She said that things have happened to some of the residents, and that some people have had to move out of their apartments because they're full of mold. She said that she has had her say. Commissioner Brown-Crawford asked that the travel policy be revisited. She wanted to look at the old travel policy and make some changes. She commended the staff for doing a great job and wanted to make an appointment to come in and see the good things that are happening. She is encouraged and hopeful for the grant.

Commissioner Jamison is hopeful and optimistic about everything.

Commissioner Murphy noted that Charles has good relationships with people outside of the organization about where the Authority is going, and that it is building enthusiasm.

Chair Daniels wanted to thank everybody for the good job and reaffirmed optimism and hopes for all the projects.

Commissioner Murphy noted that she didn't think there was any issue with how the staff is handling the travel policy. She said they do excellent work, and they are responsive

and wanted it noted that they are talking about the actual travel policy.

Chair Daniels agreed to re-visit the travel policy.

Commissioner Brown-Crawford wanted it noted, in response to Commissioner Jass' rent increase, that the rate increases are going up.

**XXIX. Adjournment** - Chair Daniels adjourned the meeting.

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