

**Daytona Beach Housing Authority**

**June 17, 2022 Board Meeting 10:00 a.m.**

- I. Call to Order** - Chair Daniels called the meeting to order at 10:03 a.m. The meeting took place at 1200 9th Street.
- II. Welcome and Oath of Commissioner Sandy Murphy** - Chair Daniels welcomed new commissioner, Sandy Murphy. Attorney Ric Gilmore gave the oath to Commissioner Sandy Murphy. Commissioner Murphy indicated that she serves on the Board for Midtown.
- III. Roll Call** - Commissioners Jass, Jamison, Brown-Crawford, Murphy, and Daniels were present for roll call.
- IV. Invocation** - Invocation was led by Natalie Smith-Wells.
- V. Recognition of Visitors** - No visitors. Charles Woodyard introduced the new CFO, Dominic Morgese.
- VI. Public Comments (limited to 3 minutes each)** - None.
- VII. Approval of Minutes**
  - 1. Regular Board Meeting - April 14, 2022 - Commissioners Present: Jass, Jamison, Brown-Crawford, Ivey, Daniels**
    - Commissioner Brown-Crawford made a motion to approve the regular Board meeting minutes for April 14, 2022. Commissioner Jass seconded the motion. Unanimously approved. Commissioner Murphy voted present.

**VIII. Changes to the Agenda** - Commissioner Jamison stated that there are too many items on the agenda. She asked if some items can be postponed. Commissioner Jamison recommended holding anything that can wait until a later date.

Commissioner Jamison stated she would like to see the original wording of Resolution 2022-33. Commissioner Jamison stated she wants to add maintenance to the agenda as she's received complaints from residents about the maintenance at Pine Haven.

Mr. Woodyard told Commissioner Jamison that everything on the agenda needs to be done today. Commissioner Brown-Crawford wants to move forward with the agenda as long as the meeting is done by 12:00. If the meeting is not finished by 12:00, there will need to be a vote on extending it.

Samantha Griffin told the commissioners that the language in Resolution 2022-33 has not changed. Mr. Woodyard told the commissioners that he would not allow anything on the agenda that would deceive the Board. Attorney Gilmore stated that the resolution doesn't change anything.

Chair Daniels added property management under real estate. Commissioner Jamison made a motion to accept the agenda as stated. Commissioner Jass seconded the motion. Unanimously approved.

**IX. Consent Agenda** - Commissioner Jass stated she would like to pull this item from the consent agenda and get more information. Item move to agenda item X.

*(Consent agenda items are not expected to require review or discussion. Items will be enacted by a single motion. If discussion is desired by a member of the Board, then that item will be considered separately.)*

**1. May/June 2022 Disposal Asset Report in the amount of \$362,446.83.**

**Recommendation: The CEO recommends approval. This action updates the Agency's physical assets and allows items to be removed from inventory, reflected on balance sheet.**

**X. May/June 2022 Disposal Asset Report in the amount of \$362,446.83. Recommendation: The CEO recommends approval. This action updates the Agency's physical assets and allows items to be removed from inventory, reflected on balance sheet.** This item was moved from the consent agenda.

Mr. Woodyard told the commissioners that since Windsor/Maley are no longer owned by the Daytona Beach Housing Authority, the units are being disposed of into the new entity. Mr. Woodyard told the commissioners that they're voting on moving the units from the Housing

Authority's ownership to the ownership of the Windsor/Maley.

Commissioner Brown-Crawford made a motion to approve the May/June 2022 disposal of assets. Commissioner Jamison seconded the motion. Unanimously approved.

**XI. Real Estate Development** - Mr. Woodyard stated that his real estate development updates will come later. He pulled this agenda item because it's either on the agenda or on something else about which he is going to talk.

**XII. Property Management/Maintenance** - Commissioner Jamison stated that residents of Pine Haven invited her to look at some things. There is an issue with Picerne providing maintenance. Commissioner Jamison stated that the residents are complaining that when somebody blows the leaves off the grass, they're leaving the leaves in the parking lot. Another resident complained that the trees are overflowing and touching the cars. Commissioner Jamison stated she would like to know what can be done to address the needs. Mr. Woodyard stated he'll have a team work with Picerne. Mr. Woodyard told the commissioners that the residents deserve the best property management services.

**XIII. Business Action Items**

**1. Resolution 2022-23 Election of Officers** - Attorney

Gilmore opened the floor for nominations for position

of Chairperson of the Board. Commissioner Jamison nominated the current Chair, Mr. Daniels. There were no other nominations. Commissioner Daniels was renamed Chair.

Attorney Gilmore opened the floor for nominations for position of Vice Chairperson of the Board.

Commissioner Jamison nominated Commissioner Jass as Vice Chairperson. There were no other nominations. Commissioner Jass was named Vice Chairperson.

**2. Resolution 2022-24 Approval of Revision to the HACDB**

**FY2022 Operating Budget** - Mr. Woodyard asked the new CFO, Dominic Morgese, to introduce the resolution. The new total budget, revenues, and expenses is about \$18.4 million. This is a change from the original budget of \$16.4 million.

Rental income changed to \$909,974 from \$754,000. Rent income changed to \$16.1 million from \$13.6 million.

Administrative expenses changed to \$2.2 million from the original budget of \$2.6 million.

Housing payments changed to \$11.6 million from \$10 million.

Commissioner Murphy asked why the rental income is so far off. Mr. Woodyard stated that there was a decision to convert some of the public housing units to Section

8 through RAD conversion. Once the idea came to do the RAD family conversion, some vacancies were held, which caused instability in the rental revenue.

Commissioner Jamison asked why the administrative expenses changed from what was budgeted last year. Mr. Morgese said it was attributable to some transition in staffing. Mr. Woodyard stated that the budget revision communicates to the commissioners that he will need to pull money out of the reserve fund for the central office cost center.

Mr. Woodyard stated that the Housing Authority is in very good financial shape overall. He said that the Housing Authority needs to become entrepreneurial. There are a lot of assets in the city. The Housing Authority needs to stop pulling from the reserves.

Commissioner Jamison made a motion to approve Resolution 2022-24 Approval of Revision to the Operating Budget. Commissioner Brown-Crawford seconded the motion. Unanimously approved.

**3. Resolution 2022-25 Approval of HACDB FY2023 Operating**

**Budget** - Mr. Morgese presented this resolution. For the 2023 budget, revenue expenditures are \$18.8 million. Budget rental income is \$887,000. Total rent income is \$16.5 million. Total administrative expenses

are \$2.9 million. Total housing assistance payments is \$11.9 million.

Commissioner Brown-Crawford made a motion to approve Resolution 2022-25 Approval of HACDB FY2023 Operating Budget. Commissioner Murphy seconded the motion.

Unanimously approved.

**4. Resolution 2022-26 Amendment 2018 5Y CFP Action Plan -**

Ms. Lennard stated she wanted to take Resolution 2022-26 and Resolution 2022-27 together as they're talking about the same thing.

Ms. Lennard stated that a capital improvement grant is received every year from HUD, and they're allocated by the year. They have two years to obligate, or get the grants under contract, and two years to expend.

With the CARES Act and the extensions that were received from HUD due to COVID, the Housing Authority was given additional time on grants that were active during the COVID-19 outbreak. Due to this, for the next two years, there will be two grants that have the same dates.

The grant funds will be used through the five-year action plan. There are currently two active plans. There can be a rolling plan or a fixed plan.

When the plan was initially put together, the Housing Authority was going full steam ahead toward the RAD conversion of the family sites. A lot of the money was being allocated within the plan for development of new public housing.

Due to the delay, there is need to bring some items up into the plan in order to get the money obligated.

There is a physical needs assessment done. A third party comes in and they come up with a 20-year span of what needs to be done over the 20 years.

The Northwood property and Walnut Oak will be targeted, specifically window replacements, an electrical panel upgrade, and kitchens.

Commissioner Brown-Crawford asked why the plan mentions Lakeside and Pine Haven. Ms. Lennard stated that the grant program through HUD is for ACC units, or public housing units. There are public housing units at Lakeside, Pine Haven, and Halifax. Capital funds are allowed in those programs.

There was a RAD meeting to go over what changes were being made. There was no public commentary.

Commissioner Brown-Crawford made a motion to approve Resolution 2022-26 amendment 2018 5Y CFP Action Plan.

Commissioner Jamison seconded the motion. Unanimously approved.

**5. Resolution 2022-27 Amendment 2020 5Y CFP Action Plan -**

Commissioner Jamison made a motion to approve Resolution 2022-27 amendment 2020 5Y CFP Action Plan. Commissioner Jass seconded the motion. Unanimously approved.

**6. Resolution 2022-28 Acceptance of Financial Statement**

**Audit** - Sergio Gonzalez of Barton, Gonzalez & Myers PA, who is the auditor, presented via Zoom. Mr. Gonzalez began by telling the commissioners what all he is responsible for. He stated there was one material adjustment, and that was land was adjusted by \$1.3 million for the project at Daytona Village under business activities because when the unaudited REAC was prepared, the independent management company of Daytona Village's financial statements were relied upon, which were in error. It was identified many years ago when he first started the audit, but it never got corrected on the Daytona Village's books by the independent management company who managed the project. It has since been corrected. Mr. Gonzalez stated that there were no disagreements with management.

Pages one and two of the audit report includes the auditor's opinion on the financial statement and whether it was considered fairly stated or not. On page two, it states that in their opinion, the financial statements represent fairly in all material respects the financial position of the Housing Authority of the City of Daytona Beach, Florida as of June 30, 2021.

On page eight of the audit report, it shows total assets and deferred outflows of resources, which is \$56 million. Last year, it was close to \$57 million. The decrease was about \$459,000. This was because cash went down a little bit to pay for operating expenses that exceeded revenues and because some liabilities were paid down.

Mr. Morgese stated that the net position on the discrete component units is in the negative due to the \$32.5 million of no payable relative to what's owed back to the Housing Authority.

Mr. Gonzalez discussed some of the findings that are located in the audit report.

Mr. Gonzalez discussed the four management comments, which are located on page 57 of the audit report.

Management comment 2021-001 relates to ACOP. There are

preference points, but the ACOP doesn't list the actual preference points that are supposed to be assigned. He is recommending the Housing Authority amend the ACOP to include the preference points.

Management comment 2021-002, which are the failed inspections. When a unit fails inspection, it must be reinspected within 30 days or 24 hours if it's a critical, life-threatening deficiency.

If the owner doesn't correct the deficiency within the timeframe, the authority's recourse is to abate the HAP payment, or stop the payment to the landlord in the following month until it's corrected. In 25 files Mr. Gonzalez looked at, there was one that didn't rise to the level of finding. The unit failed inspection but there was no evidence found that it was reinspected or that the HAP payment was abated. On the next annual inspection, it was finally inspected and passed.

Mr. Gonzalez stated that when there are large material adjustments that are going to be made where assets are being added and there's some uncertainty of what it is, it's a good idea to consult the auditors to make sure that they're not aware of anything that it shouldn't be recorded. In this case, Mr. Gonzalez

stated he knew about it based on his history with the Authority and previous audits. The new team that came on Board wasn't aware of it, so they recorded the adjustment in error.

The last comment was related to Mr. Gonzalez noticing during the audit that the cash recorded on the general ledger did not equal what was recorded on the bank reconciliations by about \$200,000. The financials were overstated by \$200,000. He's not sure what caused the error, but he suspects it was the new software that was implemented during the year that wasn't integrating properly between the bank reconciliations and the general ledgers. This has been fixed.

Mr. Gonzalez's recommendation is to go back through each of the bank reconciliations and make sure that the general ledgers agree with the bank reconciliation numbers and identify where the difference is and what happened. This will ensure that the appropriate adjustment will be recorded.

Mr. Morgese stated that it has been done and it has been worked on for the past four or five weeks. The reconciling changes have been made. The issue was the migration between changing of software.

Commissioner Jamison believes there should be a checklist in applicants' files. This way, nothing is ever missing. She asked Mr. Woodyard if two staff persons were fired because they did not do what was supposed to be done in completion of files. Mr. Woodyard stated he didn't want to publicly comment on personnel matters.

Mr. Woodyard told Commissioner Jamison that Natalie Smith-Wells and Shirley Roman gave a presentation in April about how they're addressing this issue. It was something that had been done before but as part of the presentation, it was presented what staff had started to do moving forward.

Chair Daniels stated he should see the audit and the corrections together.

Commissioner Brown-Crawford made a motion to extend the meeting to 12:15. Commissioner Murphy seconded the motion. Unanimously approved.

Commissioner Brown-Crawford stated that the letter that was received from the auditors was dated in May. She would like to know why she didn't receive it in May. Mr. Woodyard stated that when he received the notice about the issues from the auditors, he wanted to jump on them right away. He told Commissioner

Brown-Crawford that he can send the audit sooner.

Commissioner Murphy asked if it is typical that the audit would be delivered in May, or if it's reasonable to expect that it would come sooner as it's a year closing June 30th. Mr. Woodyard stated that May is typical for the Authorities. Attorney Gilmore stated that different Housing Authorities may have different year ends.

Commissioner Brown-Crawford made a motion to approve Resolution 2022-28 Acceptance of Financial Statement Audit. Commissioner Murphy seconded the motion.

Unanimously approved.

- 7. Resolution 2022-29 Gonzalez Extension for FYE June 30, 2022** - Chair Daniels stated that this resolution is to extend the contract for the auditor, Barton, Gonzalez & Myers PA. Mr. Woodyard stated that he didn't want to change at the current moment. Chair Daniels asked if Mr. Gonzalez can be present the next time because Mr. Gonzalez had a hard time hearing the commissioners' questions.

Commissioner Jamison suggested changing the wording on the resolution to add contract, so the commissioners know what they're approving.

Commissioner Jamison made a motion to approve Resolution 2022-29 Gonzalez Extension for FYE June 30, 2022. Commissioner Jass seconded the motion. Unanimously approved.

- 8. Resolution 2022-30 ACOP Update** - Ms. Smith-Wells gave a presentation to the commissioners. She stated that Mr. Morgese made her aware the residency preference had been removed two years ago. She's placed the residency preference back in.

The Housing Authority is managing 335 units. It is more advantageous for the Agency to have a community-wide waiting list.

The Windsor/Maley language was removed to the properties being designated elderly and/or disabled families as it's no longer relevant to the Housing Authority's ACOP.

Chair Daniels asked if the changes that were presented in April were voted on. Ms. Smith-Wells stated that this is making sure that the preference point is there. Staff is ultimately asking the Board to approve staff going to a community-wide wait list versus site-based.

Chair Daniels stated that the Board made local preference a mandate. Ms. Smith-Wells stated that the

Board took it out of public housing, but staff is putting it back in.

Commissioner Jamison made a motion to accept Resolution 2022-30 ACOP update. Commissioner Jass seconded the motion. Unanimously approved.

**9. Resolution 2022-31 Admin Plan Update** - Ms. Smith-Wells

stated that ACOP is the policy for public housing. Administrative plan is the policy for HCV. Staff updated the HCV policy because they have inherited Windsor/Maley through PBV. On the transition, HCV does not have elderly, disabled preferences. Their regular program does not have those preferences.

Staff added preference points into the Admin Plan to make sure that the elderly/disabled preferences will be there for the PBV.

Commissioner Brown-Crawford stated that whatever is being taken out or whatever is being added, staff needs to look at the old policy and make sure that what's been added or what's being said is being added is in the policy, as well as what's being taken out.

Mr. Woodyard agreed with Commissioner Brown-Crawford.

Mr. Woodyard would like to have a version number on every page of internal policies.

Ms. Smith-Wells stated that on the first or second page it has the date the Board resolution of when the change happened and includes what it was changed to. Commissioner Jamison made a motion to accept Resolution 2022-31. Commissioner Jamison also made a motion to take a two-minute break.

Commissioner Jass seconded the motion. Unanimously approved.

Recess taken at 12:02 p.m. Reconvened at 12:05 p.m.

**10. Resolution 2022-32 Brentwood Purchase and Sale**

**Agreement** - Mr. Woodyard stated this is a ratification. In partnership with the law firm, a Purchase and Sale Agreement, was put together. Everything is fully executed with all signatures. The money has been moved. Mr. Woodyard stated he spoke to each commissioner, except for Commissioner Murphy, about the piece of property. The property is located near the old Y.

Commissioner Brown-Crawford made a motion to approve Resolution 2022-32 Brentwood Purchase and Sale Agreement. Commissioner Jass seconded the motion. Unanimously approved.

**11. Resolution 2022-33 Authorizing the CEO and his designees to execute any and all documents on behalf**

**of the HACDB** - Attorney Gilmore stated that the resolution states what already happens. The CEO is hired to run the day-to-day operations. They must contract for stuff. They have levels that they can contract for things without advanced Board approval. Attorney Gilmore stated that the main reason why the resolution is needed is when buying property and development, there are certain documents that banks may require a resolution that shows that Mr. Woodyard is authorized to sign on behalf of the Authority. It's a resolution that's typically in place at most Housing Authorities.

Chair Daniels stated that when Mr. Woodyard was hired, his contract states that he's going to act on behalf of the Board and the Authority.

Commissioner Murphy made a motion to approve Resolution 2022-33 Authorizing the CEO and his designees to execute any and all documents on behalf of the HACDB. Commissioner Jass seconded the motion. Unanimously approved.

Commissioner Brown-Crawford made a motion to extend the meeting to 12:30 p.m. Commissioner Murphy seconded the motion. Unanimously approved.

**XIV. Old Business Items** - No old business.

## **XV. Monthly Performance**

**1. Customer Satisfaction** - Nothing for customer satisfaction.

### **2. Housing Solutions**

#### **a. Tuscawilla Apartments at Midtown - Mr.**

Woodyard stated that he was approached by their development group for partnership opportunities. A couple of years ago, the City went out for an RFP. The site is in the commissioners' package. Mr. Woodyard will be meeting with the City on the project in mid-July.

Mr. Woodyard did meet with a development group and gave them three options. The first option was the Housing Authority will steer people to the development if they have a voucher in hand. The second option was to go into a project-based voucher agreement. There'll be a certain amount of vouchers designated for development. The third option was in addition to the agreements, the Housing Authority can come in as a partner and get into the deal.

Mr. Woodyard asked how much of a concentration of affordable housing is wanted in the area. He believes that it is a good opportunity for the Housing Authority to show partnership with the private developer in the city of Daytona Beach. He's not prepared to say, at the current moment, that option three should be done. Mr. Woodyard stated he's not recommending that to the Board. He's just letting the Board know that he's met with the development group. He will be giving the Board incremental information saying what's going on.

Chair Daniels asked if going with option three will put money in the COCC. Mr. Woodyard stated that it could.

Commissioner Jamison stated that putting up a grocery store in that area has been brought up several times.

Mr. Woodyard stated that the first phase would be senior housing. Mr. Woodyard stated that the Housing Authority's involvement is very early.

Commissioner Murphy stated that she was part of a group that did a study on the grocery store there. The City has a study that shows that there is a viable potential for a grocery store. The idea got shelved, and it has never emerged.

Commissioner Murphy stated that the City put out the RFP for this as a residential/commercial development.

Commissioner Murphy disclosed that she is on the Board of the Midtown Community Development Corporation, which is one of the co-developers.

Commissioner Jass thinks it's a good involvement. She stated that seniors need to have places where they can get to things.

Commissioner Jass thinks it's a good investment for the Housing Authority in showing that they care about the City.

Commissioner Jamison likes the idea, and says she needs a senior facility.

Commissioner Brown-Crawford stated she's excited about the idea. If it can be project-based, it brings money to the

Housing Authority. She also believes it's good for the community.

Chair Daniels stated the commissioners will look forward to hearing more about the Tuscawilla apartments at Midtown.

**b. Choice Neighborhood Planning Grant - Mr.**

Woodyard asked the commissioners if they're familiar with the Choice Neighborhood Program. Commissioner Brown-Crawford stated that the Housing Authority applied for it but was denied. Mr. Woodyard stated that HOPE VI was replaced by Choice Neighborhood Program. The difference between the two programs is Choice Neighborhood requires a broader scope of involvement by other departments: the private sector, the city, the county, not-for-profit, and usually a larger-geographic footprint.

Attorney Gilmore stated that the difference between Choice Neighborhood Program and HOPE VI was that HOPE VI was more in favor of developers, not Choice Neighborhood.

Mr. Woodyard is not suggesting going for the Choice Neighborhood Program this year. He

stated if the Housing Authority goes for it, it'll be for next August. The Housing Authority can't do RAD and Choice at the same time.

Mr. Woodyard suggested the Housing Authority sit down and make a decision soon, preferably in August, at the retreat.

Commissioner Brown-Crawford suggested that the Housing Authority have a detailed approach.

Chair Daniels said the Housing Authority should look at it at the Board retreat.

Commissioner Brown-Crawford made a motion to extend the meeting for 10 minutes. Mr.

Woodyard asked for 20 more minutes.

Commissioner Brown-Crawford made a motion to extend the meeting to 12:55. Commissioner

Murphy seconded the motion. Commissioners Jass, Brown-Crawford, and Murphy voted yes.

Commissioners Jamison and Daniels voted no.

Motion passes.

**3. Financial Strength -**

- 4. Innovative Systems -** Mr. Woodyard stated that Yardi does not give the Housing Authority the reporting

capability to be able to pull up the budget in aggregate. Yardi wants to charge the Housing Authority to put the budget report together. Mr. Woodyard stated that Mr. Morgese will come before the Board of Commissioners with a financial report every month that he has designed. He wants to get to the point where Yardi is working on that and creating reports.

**a. Mowing contract** - Mr. Woodyard told the commissioners that the Housing Authority was able to save tens of thousands of dollars on the mowing contract. He asked the commissioners to visit Northwood II as the property is looking stellar.

**5. Employee Success** - Mr. Woodyard stated there is nothing to report. Chair Daniels stated that the property that has had changes implemented is a success.

**XVI. CEO Comments** - Mr. Woodyard stated that he celebrates Father's Day a little different. It's not a day that his son celebrates him as being his father. It's a day that he celebrates his son making him a father.

Mr. Woodyard stated there was a piece on CBS about Shockoe Hill Cemetery, which is the largest African American slave cemetery in the country. Over 22,000 people are buried in

unmarked graves. There are a couple of roads that run through the property, which were built in the late 1800s. When the roads were being built, the bodies of the slaves were dug up and the skeletons were used as landfill under the roads.

Mr. Woodyard told the commissioners that he wants them to be thinking about what will be done with the portfolio that the humanity of people is not forgotten.

**XVII. Commissioner Comments** - Commissioner Jass stated that as a commissioner, she feels like she's helping to make things better. She stated that with Mr. Woodyard's knowledge, he is helping them do better things in Daytona.

Commissioner Jamison stated that the conference that she attended in San Antonio was good.

Commissioner Brown-Crawford applauded Ms. Griffin for getting the packets to the commissioners earlier than what had originally been received. She believes it is good practice to send them out early. Commissioner Brown-Crawford thinks it is good practice to get with the CEO to ask questions. She would also love to have it where the audit doesn't have a comment of the same findings year after year.

Commissioner Murphy stated she will be better prepared next time now that she knows what to expect. She appreciated that commissioners are allowed to go to training.

Chair Daniels thanked the commissioners for making sure they took care of business. Chair Daniels stated he wants the Housing Authority to be high performing, and he believes they're headed in that direction.

Chair Daniels welcomed Commissioner Murphy to the Board. He told Commissioner Murphy to reach out if she has any questions.

**XVIII. Adjournment** - Chair Daniels adjourned the meeting at 12:56 p.m.

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