

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF
THE CITY OF DAYTONA BEACH, FLORIDA
FRIDAY, MARCH 15, 2019**

The regular meeting of the Board of Commissioners of the Housing Authority of the City of Daytona Beach was held at the Housing Authority's Administration Office located at 211 N. Ridgewood Avenue, Daytona Beach, FL, in the second floor conference room Friday, March 15, 2019 at 10:00 A.M.

Commissioner Daniels called the meeting to order.

Attendees: Kelvin J. Daniels, Hemis N. Ivey, Jr. via IPAD, and Irma Browne Jamison. Sally Jass was excused. Attorney Ricardo Gilmore was present as well.

Attorney Gilmore advised that Florida Sunshine Rules require that there has to be a physical quorum in order to fully conduct business for a public entity. There is a quorum, but Commissioner Ivey is not present, so the Board is not able to vote. He will advise the Board how to proceed with the items that are time sensitive and maintain compliance.

Reverend John T. Long, III provided the invocation.

IV. Recognition of Visitors

Reverend Long was the only guest in the audience.

V. Public Comments

No comments were offered.

VI. Approval of the Agenda

Commissioner Daniels entertained a motion to approve the February 15, 2019 agenda. The agenda was moved, seconded, and unanimously approved.

VII. Old Business

No old business was discussed.

VIII. New Business

Attorney Gilmore reiterated that the Board could not vote on any items because a quorum was not present. The Board can acknowledge receipt of the audit report. The audit will be submitted to HUD and put back on the agenda for the next meeting for retroactive approval. The same will occur for item B on the agenda.

A. Submission for approval, Resolution 2019-26, the completion and acceptance of the Fiscal Year 2018 Audit by Barton, Gonzalez, and Meyers, PA.

Commissioner Daniels called on Mr. Gonzalez to proceed with the audit presentation. Mr. Gonzalez advised that the audit has been submitted to REAC and mailed to HUD. The auditors are to express an opinion about whether the financial statements, prepared by management, are fairly presented in all material respects in conformity with GAAP. He provided an overview of the balance sheet, total liabilities, the agency's net position, capital assets, and the statement of revenues (income statement). The audit findings are located on page 36. The HCV, public housing, and capital fund programs were reviewed this year. There were a total of 6 findings. Findings were related to program eligibility, missing forms, forms not signed, income

calculation errors, documentation errors, and other issues. These are repeat HCV findings from the previous year. Forty files were reviewed and testing stopped at 20, due to errors. The authority's corrective action plan starts on page 46. There were issues with HQS inspections. Seventy-five percent of new admissions in HCV must be extremely low income applicants, which was not met. Also, the SEMAP report did not agree with the audit. In the public housing program, a utility allowance study was not performed, which is a HUD requirement. The HA did not assess the Davis-Bacon Act rate comparison to ensure that prevailing wages were being paid. There were minor management notes in public housing concerning working preference points being awarded that were no longer available due to a policy revision. The last note was related to a section 3 report not being remitted for public housing. There was discussion concerning deficiencies and the agency already addressing these issues. That concluded the audit presentation and discussion.

There was discussion concerning the scheduling of a special meeting due to the Annual Plan submission deadline and the April meeting date of April 19, which is a recognized holiday. Some conference dates are approaching and the development forum is scheduled for April 18. Items with deadlines are time sensitive, so they may need to be expedited, including the RAD resolution. Commissioner Ivey commented on moving forward and timely submissions to get things done. The dates of April 16th and 12th were discussed. Atty. Gilmore reiterated putting items on the record today with the understanding that the items need to be submitted and retroactively approve the items at the next meeting. Commissioner Ivey commented on meeting after the forum for discussion to brief the Board and to have a special meeting to address the resolutions that are on today's agenda. There was discussion about meeting on Friday, April 26. The status of the Annual Plan, Resident Advisory Board Meeting, and Public Hearing were discussed. The Board supports items A and B and will retroactively approve the items at the next meeting.

B. Submission for approval, Resolution 2019-27, authorization to submit a HUD Rental Assistance Demonstration (RAD) application to pursue funding to rehabilitate the HACDB affordable housing portfolio.

Mr. Simms explained that Resolution 2019-27 would authorize the HA to submit an application under the Rental Assistance Demonstration Program. The HA has discussed repositioning its existing public housing inventory because of deferred maintenance, age of the properties, and functionality of the units. This action would allow the HA to begin to explore opportunities. RAD allows the HA to transition from a public housing platform to a Section 8 platform, which allows us to attract capital. Two resident meetings were held for each community, which is a requirement. An application submission reserves our place in line. Commissioner Jamison asked whether there is a timeline. Mr. Simms advised that PHAs have 12 months to complete the activity and are subject to an extension. There is no penalty if we do not proceed. Another option would be a voluntary conversion. Commissioner Ivey commented on exploring every available option and the developer forum will help in this area. Attendance for the resident meetings was discussed. The biggest concern was displacement. It was stressed that if something is torn down, the HA will have to replace it. There is also one-for-one replacement and residents have a right to return, which is all a part of Section 18.

Commissioner Daniels inquired about which sites would be considered for RAD. He added that he thought only a few of the sites would be considered. Mr. Simms stated that the decision can be made at the end, but we did want to go through the necessary processes. This process reserves our place. Anything we submit at this point would be general information until a development partner is selected and we receive the physical needs assessments. Atty. Gilmore added that RAD is a financial tool. If our application is approved, an assessment would be performed to determine whether RAD will work financially because it may not. There was additional discussion on

displacement and maximizing the density of our land and the ability to create additional affordable housing. There may be a possibility to facilitate new construction without doing relocation or a one-time relocation. Commissioner Ivey expounded on demolition and resident relocation and the original intent of a proposed deal between Bethune-Cookman University and the HA related to Northwood II and Walnut Oak. Commissioner Daniels expressed concern about being locked in to RAD.

IX. Comments from Team Member

No comments were offered.

X. Comments from Commissioners

Commissioner Jamison inquired about the composition of the Board, which is 5 members, and the status of the 5th member. Commissioner Daniels expressed that 1 more member is required and the Mayor is looking for someone with a finance background.

The meeting was adjourned.


Chairman Kelvin J. Daniels


Terril Bates, CEO