

DEVELOPMENT VENTURES INCORPORATED

AGENDA, REPORT, FINANCIALS, MINUTES

FOR

REGULAR MEETING OF THE BOARD OF DIRECTORS

OCTOBER 27, 2011

**Thomas M. Niemann
Chairman**

**Dallas J. Parks
President**

DEVELOPMENT VENTURES INCORPORATED

MEMORANDUM

TO: Board of Directors

FROM: Thomas M. Niemann, Chairman

SUBJECT: Regular Meeting Held October 27, 2011

DATE: October 18, 2011

OFFICERS: Chairman – Thomas M. Niemann; President – Dallas J. Parks; Vice President – John S. Ramsey; Secretary – Dallas J. Parks; Assistant Secretary – Brenda B. Edwards

The regular meeting of the Board of Directors of Development Ventures Incorporated will be held after the regular meeting of the Board of Commissioners on Thursday, October 27, 2011, at the Central Office of the Durham Housing Authority, located at 330 East Main Street, Durham, North Carolina.

AGENDA

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EXECUTIVE SESSION

PRESIDENT'S REPORT

Strategic Result #1: A Financially Viable Real Estate Company – “Today’s Resources/Tomorrow’s Investments”

Goal: *To determine whether or not DVI should acquire Lincoln Apartment, a 150-unit rental family development.*

Task: Complete the necessary due diligence items to assist with determining whether to acquire or not to acquire the property.

Outcome 1:

- DVI continued to receive various due diligence items from the Lincoln Hospital Foundation, the owner of the property.

Outcome 2:

- DVI continued to solicit for the various due diligence services (appraisal, survey, environmental assessment, engineering inspection and termite inspection). The vendors began to make site visits to the property.

Strategic Result #4: Quality Affordable Housing/New H.O.P.E. (Housing Opportunities for People Everywhere

Goal 1: *To increase the number of quality, safe, affordable multi-family units through rehabilitation efforts.*

Task 1: Complete the necessary actions to renovate the Edgemont Elms 58 unit multi-family rental affordable housing development.

Outcome 1:

- The contractor began construction activities at buildings 4 and 5 (Phase I buildings).

Outcome 2:

- The issuance of Phase II 90-Day Relocation Notices began.

Task 2: Develop an overall strategy to rehabilitate Preiss-Steele Place.

Outcome:

- **No status update.** The rehabilitation strategy continues to be discussed.

Task 3: Complete the necessary actions to renovate 1010 Worth Street.

Outcome:

- The selection of the architectural firm was finalized. The firm provided its rehabilitation versus demolition/new construction cost analysis. Staff is awaiting

correspondence from the City of Durham regarding requested funding to assist with the rehabilitation. The requested funds cannot be used for new construction.

Goal 2: *To increase the number of quality, safe, affordable units through new construction efforts.*

Task 1: Complete the necessary actions to construct the proposed Goley Pointe 20-unit multi-family rental development.

Outcome 1:

- DVI previously applied for the Continuum of Care (CoC) funding through the City of Durham. The increased available funding amount is now \$368,073.

Outcome 2:

- DVI entered its CoC application into the HUD system (esnaps) by the City of Durham's established deadline.

Outcome 3:

- The Citizens Advisory Committee ranked DVI's CoC application number one; thereby, recommending it for funding. As part of the CoC application process, DVI made its presentation to the Homeless Services Advisory Committee on September 27th.

Outcome 4:

- The North Carolina Housing Finance Agency made DVI aware that its Board approved the permanent loan award for the Goley Pointe Development.

Task 2: Complete the necessary actions to construct the Goley Phase development.

Outcome:


- Three scenarios were developed and are being reviewed for recommendation.



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durhamhousingauthority.org

A Commitment to Quality Living

Memorandum

To: DVI Board of Directors, Chief Executive Officer
From: Jeffrey G. Causey,  Chief Financial Officer
Date: October 11, 2011
Subject: September 2011 Quarterly Financial Report

Please find attached the quarterly financial report and information for September 2011 for Development Ventures Incorporated(DVI).

If you have requests or suggestions for changes, please feel free to contact me.

Summary of the September 2011 Financial Report

Revenues

- Total operating revenue collected through September 2011 was \$6,476.

Expenses

- Total operating expenses through September 2011, were \$10,219.

Development Ventures Incorporated
Statement of Net Assets
For the period ending September 30, 2011

	<u>DVI</u>	<u>Total</u>
ASSETS		
Current Assets		
Cash		
Cash – Operating	\$ 554,657	\$ 554,657
Cash – Security Deposits	-	-
Cash – Other Restricted	38,190	38,190
Total Cash	<u>592,847</u>	<u>592,847</u>
Accounts Receivable		
A/R – Tenants	-	-
Allowance for Doubtful Accounts (Tenants)	-	-
Total Accounts Rec.	<u>-</u>	<u>-</u>
Inventory		
Inventory	-	-
Prepaid Items		
Prepaid Items	-	-
Interprogram Due From		
Interprogram Due From	-	-
Total Current Assets	<u>592,847</u>	<u>592,847</u>
Noncurrent Assets		
Fixed Assets		
Land	-	-
Buildings & Equipment	-	-
Accumulated Depreciation	-	-
Total Fixed Assets	<u>-</u>	<u>-</u>
Notes Receivable		
Notes Receivable	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 592,847</u>	<u>\$ 592,847</u>
LIABILITIES & NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Interest Payable	-	-
Accrued Liabilities	-	-
Security Deposits	654	654
Interprogram Due To	9,090	9,090
Total Current Liabilities	<u>9,744</u>	<u>9,744</u>
Noncurrent Liabilities		
Long-term Debt	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>9,744</u>	<u>9,744</u>
NET ASSETS		
Net Invested in Capital Assets	-	-
Restricted Net Assets	37,866	37,866
Unrestricted Net Assets	545,237	545,237
Total Net Assets	<u>583,103</u>	<u>583,103</u>
Total Liabilities & Net Assets	<u>\$ 592,847</u>	<u>\$ 592,847</u>

Development Ventures Incorporated

Statement of Revenues, Expenses, and Changes in Net Assets

For the period ending September 30, 2011

	DVI	Total
Operating Income		
Gross Potential Rent	\$ -	\$ -
Less: Vacancy Loss	-	-
Net Dwelling Rental	-	-
Other Income	5,895	5,895
Interest on Investments	581	581
Total Operating Income	6,476	6,476
Operating Expenses		
Administrative Salaries	-	-
Other Administrative	10,219	10,219
Resident Services	-	-
Utilities	-	-
Maintenance Salaries	-	-
Maintenance Materials	-	-
Maintenance Contracts	-	-
General Expenses	-	-
Interest Expense	-	-
Property Management Fees	-	-
Total Operating Expenses	10,219	10,219
Net Operating Income/(Deficit)	(3,743)	(3,743)
Nonoperating Income/(Expenses)		
Mortgages	-	-
Total Nonoperating Income/(Expenses)	-	-
Net Income/(Deficit)	(3,743)	(3,743)
Operating Transfers - In/Out	-	-
Change in Net Assets	(3,743)	(3,743)

MINUTES OF REGULAR MEETING
DEVELOPMENT VENTURES INCORPORATED
330 EAST MAIN STREET
DURHAM, NORTH CAROLINA
SEPTEMBER 28, 2011

AGENDA ITEM I

Call to Order

The regular meeting was called to order by the Chairman, Thomas M. Niemann, at 7:10 p.m.

Present:

David J. Haley (via conference call)
Barbara F. Lofton
Gloria M. Nottingham
George K. Quick
John S. Ramsey (via conference call)
Isaac A. Robinson

Absent:

None

Staff Present:

Dallas J. Parks	Vickie Ellis
Jean Bolduc	Shannon McLean
Jeff Causey	Willie "Sonny" McMahan
Elvert Dorsey	Rhega Taylor
Brenda Edwards	

Also Present:

Eric Pristell, The Banks Law Firm
Jayme Shy, The Banks Law Firm

A quorum was present, and due notice had been published.

AGENDA ITEM II

Comments from the Public

There were none.

AGENDA ITEM IIIAdditions to the Agenda

- Resolution Authorizing the Holding of the Regular Meeting of the Board of Directors of Development Ventures Incorporated on October 27, 2011

AGENDA ITEM IVDeletions from the Agenda

There were none.

AGENDA ITEM VInformational Items**President's Report**

The report was contained in the board package.

AGENDA ITEM VIAction Item

ACTION 1 – Approval of Minutes – Board of Directors Regular Meeting Held August 24, 2011

On motion of Isaac Robinson, seconded by George Quick, the minutes of the regular meeting, held August 24, 2011, were approved as distributed.

ACTION 2 – Board to Consider and Approve Budget Amendment 2011-013

Development Ventures Incorporated (DVI) is in the process of completing due diligence related to the potential purchase of property known as Lincoln Apartments. Several items related to the due diligence process, and the purchase if approved, require the use of third parties. Because this is a new initiative not included in the annual budget when adopted, a budget amendment is needed to make funds available for these services.

After review, discussion and consideration, Isaac Robinson made a motion to approve Budget Amendment 2011-013, which motion was seconded by George Quick and unanimously carried by the Board.

ACTION 3 – Board to Consider and Approve Resolution Authorizing the Holding of the Regular Meeting of the Board of Directors of Development Ventures Incorporated on October 27, 2011

After review, discussion and consideration, the chairman introduced the following resolution:

RESOLUTION NO. 163

RESOLUTION AUTHORIZING THE HOLDING OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF DEVELOPMENT VENTURES INCORPORATED ON OCTOBER 27, 2011

WHEREAS, the Board of Directors of Development Ventures Incorporated, in keeping with the dictates of its bylaws, holds its board meeting on the fourth Wednesday of each month after the regular meeting of the Board of Commissioners of the Housing Authority of the City of Durham; and

WHEREAS, the regular Board meeting for the month of October is scheduled to be held on Wednesday, October 26, 2011; and

WHEREAS, Board members and the CEO will be on travel status October 23-26, 2011, and as a result, a quorum of the Board will not be available on Wednesday, October 26, 2011, the day of the regularly scheduled meeting; and

WHEREAS, the bylaws of Development Ventures Incorporated provide that meetings of the Board may be held at other places and other times as it may designate by resolution.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Development Ventures Incorporated approves the holding of its regular meeting on Thursday, October 27, 2011, at 5:30 p.m., instead of Wednesday, October 26, 2011, at 5:30 p.m.

Done this 28th day of September 2011.

Commissioner Robinson moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by Commissioner Lofton and unanimously carried by the Board. The "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
David J. Haley	None
Barbara F. Lofton	
Thomas M. Niemann	
Gloria M. Nottingham	
George K. Quick	
John S. Ramsey	
Isaac A. Robinson	

The chairman thereupon declared said motion carried and said resolution adopted.

There being no further business before the meeting, it was on motion duly made and seconded adjourned at 7:15 p.m.

Chairman

ATTEST:

(SEAL)

Secretary