

**DEVELOPMENT VENTURES INCORPORATED**

**AGENDA, REPORT, FINANCIALS, MINUTES**

**FOR**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**DECEMBER 14, 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 December 14, 2011

DATE: December 7, 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 Wednesday, December 14, 2011, at the Central Office of the Durham Housing Authority, located at 330 East Main Street, Durham, North Carolina.

AGENDA

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I. Call to Order	
II. Comments from the Public	
III. Additions to the Agenda	
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EXECUTIVE SESSION

## PRESIDENT'S REPORT

### Development Ventures Incorporated

#### **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 Apartments, a 150-unit rental family development.*

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

#### **Outcome 1:**

- DVI submitted correspondence to the owner before the revised due diligence deadline of November 30, 2011, terminating the Purchase and Sale Agreement.

#### **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 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 continues construction activities at buildings 4 and 5 (Phase I buildings). The construction completion rate is at 45%.

#### **Outcome 2:**

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

**Task 2:** Develop an overall strategy to rehabilitate Preiss-Steele Place, a 102 elderly/disabled development.

#### **Outcome:**

- A letter was submitted to the City requesting a waiver of its \$1.5 million loan.

**Task 3:** Complete the necessary actions to renovate 1010 Worth Street, a single-family home.

#### **Outcome 1:**

- The required Development Proposal items are being completed for submission to the HUD-Greensboro office for approval.

**Outcome 2:**

- The Phase I Environmental Assessment, lead-based paint testing and asbestos testing solicitation occurred.

**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:**

- Construction loan discussions with financial institutions are in progress.

**Outcome 2:**

- A letter was submitted to the City Manager, requesting that the May 12<sup>th</sup> deadline be amended for developing the DVI lots, to no later than December 31, 2012 or 12 months from the date of authorization, whichever is greater.

**Outcome 3:**

- A Conditional Commitment letter was executed by the North Carolina Housing Finance Agency and DVI. DVI began completing the required Statutory and Environmental Checklists requirements.

**Task 2:** Complete the necessary actions to construct the Central Neighborhood Phase (One rental and three homeownership single-family homes).

**Outcome:**

- Staff began the necessary actions to develop the Central Neighborhood Phase (completed a proforma and began the necessary actions to complete the City of Durham's Home Investment Partnerships and Community Development Programs funding application).

MINUTES OF REGULAR MEETING  
DEVELOPMENT VENTURES INCORPORATED  
330 EAST MAIN STREET  
DURHAM, NORTH CAROLINA  
NOVEMBER 16, 2011

**AGENDA ITEM I**

Call to Order

The regular meeting was called to order by the Chairman, Thomas M. Niemann, at 6:55 p.m.

Present:

David J. Haley  
Gloria M. Nottingham  
George K. Quick  
John S. Ramsey  
Isaac A. Robinson

Absent:

Barbara F. Lofton (excused)

Staff Present:

Dallas J. Parks	Vickie Ellis
Tammy Atkins	Shannon McLean
Jean Bolduc	Kelvin Macklin
Jeff Causey	Willie "Sonny" McMahan
Elvert Dorsey	Sabrina Sinegal
Brenda Edwards	

Also Present:

Eric Pristell, 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 III**Additions to the Agenda

- Financial report for the period ending October 31, 2011

**AGENDA ITEM IV**Deletions from the Agenda

There were none.

**AGENDA ITEM V**Informational Items**President's Report**

The report was contained in the board package.

**AGENDA ITEM VI**Action Items

**ACTION 1** – Approval of Minutes – Board of Directors Regular Meeting Held October 27, 2011

On motion of John Ramsey, seconded by George Quick, the minutes of the regular meeting, held October 27, 2011, were approved as distributed.

**ACTION 2** – Board to Consider and Approve Resolution Approving the Use of Development Ventures Incorporated Funds for the Initial Operating and Rent-Up Expenses Associated with 1010 Worth Street

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

**RESOLUTION NO. 164**

**RESOLUTION CONSIDERING AND APPROVING THE USE OF DEVELOPMENT VENTURES INCORPORATED'S FUNDS FOR THE INITIAL OPERATING AND RENT-UP EXPENSES ASSOCIATED WITH 1010 WORTH STREET**

**WHEREAS**, the Housing Authority of the City of Durham acquired 1010 Worth Street as part of its HOPE VI Revitalization efforts; and

**WHEREAS**, the U.S. Department of Housing and Urban Development authorized the Housing Authority of the City of Durham to retain ownership of 1010 Worth Street, which will no longer be developed as part of the HOPE VI Revitalization efforts; and

**WHEREAS**, 1010 Worth Street is a vacant, boarded-up, two-bedroom, 700-800 square foot single-family home located in the Golden Belt Historic District; and

**WHEREAS**, upon completion the home will be a completely renovated (interior and exterior) three-bedroom, 1200 square foot home with a detached garage; and

**WHEREAS**, Development Ventures Incorporated, an instrumentality of the Housing Authority of the City of Durham, will serve as developer; and

**WHEREAS**, the Few Gardens Second Increment fiscal year 2010 allocation of One Hundred Twenty-Five Thousand Eight Hundred Sixteen and 00/100 dollars (\$125,816) of Replacement Housing Factor Funds will support the renovation and new construction activities associated with 1010 Worth Street. The City of Durham has committed Fifty-Five Thousand Two Hundred One and 00/100 dollars (\$55,201) of Community Development Block Grant funds to assist with the renovation costs; and

**WHEREAS**, the estimated initial rent-up and operating expenses are Two Thousand One Hundred and 00/100 dollars (\$2,100).

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Development Ventures Incorporated, as follows:

1. That the use of up to Two Thousand One Hundred and 00/100 dollars (\$2,100) in Development Ventures Incorporated's funds for the initial operating and rent-up expenses associated with 1010 Worth Street is in all respects authorized and approved.
2. That the President, Vice-President and/or Chairman of Development Ventures Incorporated are authorized, empowered and directed, on behalf of Development Ventures Incorporated, to take such actions and to execute such documents and instruments as required by federal, state and local laws and regulations and the U. S. Department of Housing and Urban Development, and take any and all reasonable steps as they deem necessary or appropriate in connection with the matters described in this Resolution, and the signature of such President, Vice-President and/or Chairman on any documents or instrument or the performance of any such actions shall be conclusive evidence of such President's, Vice-President's and/or Chairman's authority to take such actions or execute such documents or instrument on behalf of Development Ventures Incorporated.
3. That any and all acts heretofore taken by the President, Vice-President and/or Chairman of Development Ventures Incorporated in connection with the matters authorized by this Resolution are hereby ratified, confirmed, adopted and approved by Development Ventures Incorporated, including any and all acts taken prior to the passage of this Resolution.

- 4. That all motions, orders, resolutions and parts thereof in conflict with this Resolution are hereby repealed and superseded, and all other acts of Development Ventures Incorporated that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed and approved.
- 5. This Resolution shall take effect immediately.

Done this 16th day of November 2011.

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

AYES

NAYS

David J. Haley  
 Thomas M. Niemann  
 Gloria M. Nottingham  
 George K. Quick  
 John S. Ramsey  
 Isaac A. Robinson

None

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 7:00 p.m.

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Chairman

ATTEST:

(SEAL)

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Secretary

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION CONSIDERING AND APPROVING APPLICATION FOR HOME INVESTMENT PARTNERSHIPS AND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDING FOR THE CENTRAL NEIGHBORHOOD PHASE**

**WHEREAS**, Central Neighborhood will be comprised of the development of homeownership lots located at 1401 and 1411 East Main Street, 105 N. Goley Street and 104 N. Blacknall Street (the "Property"); and

**WHEREAS**, the Property was originally acquired as a part of the HOPE VI Revitalization Program; and

**WHEREAS**, the Property will consist of four three-bedroom 1,200-1,300 square foot single-family homes that will serve families at or below 80% of the area median household income limit; and

**WHEREAS**, the estimated total development cost is Eight Hundred Sixty-Five Thousand Six Hundred Sixteen and 00/100 dollars (\$865,616); and

**WHEREAS**, the Housing Authority proposes to utilize Replacement Housing Factor and Turnkey III funds, down-payment equity and a portion of the sales proceeds, for a total of Six Hundred Thirty-Eight Thousand Five Hundred Twenty-Two (\$638,522); however, a gap of Two Hundred Twenty-Seven Thousand Ninety-Four and 00/100 dollars (\$227,094) exists; and

**WHEREAS**, the Home Investment Partnerships Program funds can be used to construct affordable housing and the Community Development Block Grant Program funds can be used to complete the infrastructure and landscaping items; and

**WHEREAS**, the City of Durham's Home Investment Partnerships and Community Development Block Grant Programs application is due December 19, 2011, and requires a Board Resolution authorizing the submittal of an application; and

**WHEREAS**, Development Ventures Incorporated desires to apply for Home Investment Partnerships and Community Development Block Grant Program funds to assist with the construction of the Property, in an amount of approximately Two Hundred Twenty-Seven Thousand Ninety-Four and 00/100 dollars (\$227,094); and

**WHEREAS**, Development Ventures Incorporated's match to the City of Durham's HOME Investment Partnerships and Community Development Block Grant Programs funding request is 2.8:1, thereby exceeding the application's 2:1 match requirement; and

**WHEREAS**, completion of the Property will further stabilize the area; and

**WHEREAS**, Development Ventures Incorporated desires to construct the Property pursuant to 24 CFR 85.36(b) (9).

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Development Ventures Incorporated as follows:

1. That the actions necessary to proceed with the application of funds to perform construction of the Property are in all respects authorized and approved.
2. That the President, Vice-President and/or Chairman of Development Ventures Incorporated are authorized, empowered and directed, on behalf of Development Ventures Incorporated, to take such actions and to execute such documents and instruments as required by federal, state and local laws and regulations and the United States Department of Housing and Urban Development, and take any and all reasonable steps as they deem necessary or appropriate in connection with the matters described in this Resolution, and the signature of such President, Vice-President and/or Chairman on any documents or instrument or the performance of any such actions shall be conclusive evidence of such President's, Vice-President's and/or Chairman's authority to take such actions or execute such documents or instrument on behalf of Development Ventures Incorporated.
3. That any and all acts heretofore taken by the President, Vice-President and/or Chairman of Development Ventures Incorporated in connection with the matters authorized by this Resolution are hereby ratified, confirmed, adopted and approved by Development Ventures Incorporated, including any and all acts taken prior to the passage of this Resolution.
4. That all motions, orders, resolutions and parts thereof in conflict with this Resolution are hereby repealed and superseded, and all other acts of Development Ventures Incorporated that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed and approved.
5. This Resolution shall take effect immediately.

Done this 14th day of December 2011.

**RECORDING OFFICER'S CERTIFICATION**

I, Dallas J. Parks, the duly appointed Secretary of Development Ventures Incorporated, do hereby certify that this resolution was properly adopted at the regular meeting of Development Ventures Incorporated held on December 14, 2011.

(SEAL)

By: \_\_\_\_\_  
Dallas J. Parks, Secretary

## DEVELOPMENT VENTURES INCORPORATED

## MEMORANDUM

TO: Board of Directors

FROM: Dallas J. Parks, President

DATE: December 14, 2011

SUBJECT: Resolution Considering and Approving Application for Home Investment Partnerships and Community Development Block Grant Program Funding for the Central Neighborhood Phase

## I. STATEMENT OF ISSUE

Development Ventures Incorporated (DVI) desires to apply for funds through the City of Durham's Home Investment Partnerships (HOME) and Community Development Block Grant (CDBG) programs to assist with the new construction of four single-family homes that will serve persons at or below 80% of the area median household income limit.

## II. BACKGROUND

The Durham Housing Authority owns vacant homeownership parcels located in Northeast Central Durham. The parcel addresses are 1401 and 1411 East Main Street, 105 N. Goley Street and 104 N. Blacknall Street (the Property). It is proposed that the Property consist of four 1,200-1,300 square foot, three-bedroom single-family homes. Three of the homes will be for-sale and one will be rent-to-own due to the use of Replacement Housing Factor funds, which can only be used for rental housing. DVI will serve as the developer.

DVI has estimated a total development cost of \$865,616 for the four homes. The proposed funding sources are Replacement Housing Factor and Turnkey III funds, down-payment equity and a portion of the sales proceeds. However, a gap of \$227,094 exists. The HOME and CDBG programs funding will cover the gap associated with the construction efforts. New construction of housing is an eligible HOME activity. Infrastructure and landscaping are eligible CDBG activities. HOME is the largest federal block grant to state and local governments, designed exclusively to create affordable housing for low-income households. DVI desires to apply for HOME and CDBG program funding. In addition, DVI's match of 2.8:1 exceeds the application's 2:1 match requirement.

## III. RECOMMENDATION

It is recommended that the Board of Directors considers and approves the submittal of an application for the HOME Investment Partnerships Program and the Community Development Block Grant Program funds, for the construction efforts associated with the Central Neighborhood Phase.