

DEVELOPMENT VENTURES INCORPORATED
BOARD OF DIRECTORS REGULAR MEETING
WEDNESDAY, FEBRUARY 24, 2010

DEVELOPMENT VENTURES INCORPORATED

MEMORANDUM

TO: Board of Directors

FROM: Thomas M. Niemann, Chairman

SUBJECT: Regular Meeting Held February 24, 2010

DATE: February 16, 2010

OFFICERS: Chairman - Thomas M. Niemann; President – Harrison Shannon; Vice President - John S. Ramsey; Secretary – Harrison Shannon; Assistant Secretary – Brenda B. Edwards

The regular monthly meeting, of the Board of Directors of Development Ventures Incorporated, will be held after the regular meeting of the Board of Commissioners of the Housing Authority of the City of Durham, on Wednesday, February 24, 2010, 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

DEVELOPMENT VENTURES, INC

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

Edgemont Elms

- Three leases were signed this month; and, currently there is one application being processed for occupancy.
- The management office received 13 telephone inquiries (telephone/walk-ins), and 20 applications were distributed during the month of January.

Woodridge Commons

- There were no leases signed this month; and, currently there are four applications being processed for occupancy.
- The management office received a total of 30 inquiries, (telephone/walk-ins/on-line) during the month of January.

Preiss-Steele Place

- There was one lease signed this month; and, currently there are five applications to process for occupancy.
- The management office received a total of 34 inquiries, (telephone/walk-ins/on-line) during the month of January.

January 2010

DEVELOPMENT AND NUMBER	TOTAL UNITS	BEGINNING VACANT	MOVE OUTS	MOVE INS	NUMBER VACANT	PERCENT OCCUPIED	PERCENT VACANT
EDGEMONT ELMS - 13-21	58	17	1	3	15	74.14%	25.86%
PREISS-STEELE PLACE - 13-30	102	28	1	1	29	71.57%	28.43%
WOODRIDGE COMMONS - 13-31	38	6	2	0	8	78.95%	21.05%
TOTALS	198	51	4	4	52	73.74%	26.26%

MINUTES OF ANNUAL MEETING
DEVELOPMENT VENTURES INCORPORATED
330 EAST MAIN STREET
DURHAM, NORTH CAROLINA
JANUARY 27, 2010

AGENDA ITEM I

Call to Order

The annual meeting was called to order by the Chairman, Thomas M. Niemann, at 6:45 p.m.

Present:

Barbara F. Lofton (via conference call)
David J. Haley
George K. Quick
Isaac A. Robinson

Absent:

Barbara F. Lofton (excused)
John S. Ramsey (excused)

Staff Present:

Harrison Shannon	Kelvin Macklin
Jean Bolduc	Shannon McLean
Jeff Causey	Willie "Sonny" McMahan
Jo-Ann Davis	Sabrina Sinegal
Brenda Edwards	Rhega Taylor
Vickie Ellis	

Also Present:

Tonya Locklear, 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

There were none.

AGENDA ITEM IV
Deletions to the Agenda

- Action Item 2 (Election of Officers)

AGENDA ITEM V
Information Items

The president's written report was contained on pages 1-2 of the board package. There being no additional comments or questions the report was accepted as distributed.

The financial report, for the period ending December 31, 2009, was contained on pages 3-8 of the board package.

Jeff Causey said as it relates to the deficit on Woodridge Commons, for 2009 it (Woodridge) is part of DVI and is broken down in different divisions (DVI Admin and DVI Woodridge). The administration used cash, which is part of DVI Admin, to fund the deficit in Woodridge.

Tom Niemann said the agency is getting close to running out of cash for DVI, and asked Jeff Causey to bring recommendations to the February Finance Committee meeting, for discussion purposes, about what the administration needs to do or consider doing as it relates to the deficit for Woodridge.

Harrison Shannon said there will be an item on the February agenda asking the board to consider the approval of entering into a contract with a real estate broker regarding the sale of Woodridge Commons.

Tom Niemann said, "I want to be sure that the administration is not using housing authority funds to cover any deficits in DVI."

There being no additional comments or questions the financial report was accepted as distributed.

AGENDA ITEM VI
Action Items

ACTION 1 – Approval of Minutes – Board of Directors Regular Meeting Held December 16, 2009

On motion of Isaac Robinson, seconded by George Quick, the minutes of the regular meeting, held December 16, 2009, were approved as distributed.

ACTION 2 – Election of Officers: Chairman, President, Vice President, Secretary, and Assistant Secretary

This item was deferred until the February 2010 board meeting.

There being no further business before the meeting, it was on motion duly made and seconded adjourned at 6:50 p.m.

Chairman

ATTEST:

(SEAL)

Secretary

DEVELOPMENT VENTURES INCORPORATED

MEMORANDUM

TO: Board of Directors

FROM: Harrison Shannon, President

DATE: February 24, 2010

SUBJECT: Development Ventures Incorporated Collection Loss Write-off for the period of November 1, 2009 thru December 31, 2009

I. STATEMENT OF ISSUE

Development Ventures Incorporated requires that vacated tenant account balances be written off bi-monthly for affordable housing residents.

II. BACKGROUND

The attached Collection Loss Report represents the total amount of losses for Woodridge Commons. The amount to be written off for November 1, 2009 thru December 31, 2009, is as follows:

2009 DVI WRITE-OFFS						
November thru December						
Fund Code	Development	Budget	Amount Written-off YTD	Current Write-off	New Total	% of Budget Used After Current Write-off is Applied
50003	Woodridge Commons	\$8,900.00	\$0.00	\$1,680.46	\$1,680.46	19%
	Total	\$8,900.00	\$0.00	\$1,680.46	\$1,680.46	19%

III. RECOMMENDATION

It is recommended that the Board of Directors consider and approve the write-off of tenant accounts receivable to collection losses in the amount of **\$1,680.46** for Development Ventures Incorporated.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE WRITE-OFF OF COLLECTION LOSSES FOR DEVELOPMENT VENTURES INCORPORATED

WHEREAS, Development Ventures Incorporated has determined that it has exerted all efforts to collect monies owed from former residents; and

WHEREAS, the housing management staff has notified each former resident of the amount owed; and

WHEREAS, it is the policy of Development Ventures Incorporated to write off any and all monies owed that cannot be collected.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Development Ventures Incorporated approve the write-off of rents, utilities, repair charges, and late fees owed as per the listing of delinquent accounts shown in the amount of **\$1,680.46** for the period of November 1, 2009 thru December 31, 2009.

This resolution shall take effect immediately.

Done this 24th day of February 2010.

RECORDING OFFICER'S CERTIFICATION

I, Harrison Shannon, the duly appointed Secretary of Development Ventures Incorporated, do hereby certify that this resolution was properly adopted at the regular meeting of the Board of Directors of Development Ventures Incorporated held on February 24, 2010.

(SEAL)

BY: _____
Harrison Shannon, Secretary

AFFORDABLE HOUSING COLLECTION LOSSES: DVI

November thru December 2009

ACCT.#	MOVE OUT DATE	MONTHLY RENT	SECURITY DEPOSIT	ACTIVE RENT	RAR	OTHER/INSTALL	REPAIR CHARGES	COURT COSTS	LATE FEES	TO BE CHARGED OFF	REASONS FOR VACATING
9110	11/9/2009	\$478.00	-\$250.00	\$621.46	\$0.00	\$0.00	\$0.00	\$85.00	\$15.00	\$721.46	Moved b/4 Writ - Non-Payment
9133	11/5/2009	\$478.00	-\$400.00	\$1,036.00	\$0.00	\$10.00	\$158.00	\$125.00	\$30.00	\$959.00	Evicted - Non-Payment
Site Manager: Pamela Davis											
GRAND TOTALS =			-\$650.00	\$1,657.46	\$0.00	\$10.00	\$158.00	\$210.00	\$45.00	\$1,680.46	
DVI TOTAL TO BE WRITTEN OFF =			-\$650.00	\$1,657.46	\$0.00	\$10.00	\$158.00	\$210.00	\$45.00	\$1,680.46	

DEVELOPMENT VENTURES INCORPORATED

MEMORANDUM

TO: Board of Directors

FROM: Harrison Shannon, President

DATE: February 24, 2010

SUBJECT: Resolution Approving Selection of Broker Services Firm

I. STATEMENT OF ISSUE

Development Ventures Incorporated (DVI) is proceeding with plans to attempt to sell the Woodridge Commons apartment community. In order to make necessary expertise available to staff and to maximize the potential value received, we are recommending retention of a firm to serve as a broker for this transaction.

II. BACKGROUND

During 2009, the Board approved a proposal to sell the Woodridge Commons apartment community operated by DVI. Due to the involvement of federal funds, the Durham Housing Authority (DHA) obtained U.S. Department of Housing and Urban Development (HUD) approval to proceed with the disposal of Woodridge Commons. However, that approval is contingent upon approval of DHA's annual plan. The annual plan has been submitted to the local office of HUD for review and approval.

In anticipation of final approval, staff is proceeding with securing the services of a real estate broker to assist with marketing the property and identifying potential purchasers. Staff has estimated the cost for these services will be an industry standard of seven percent (7%) of the final sales price. The 2009 tax value for the property was \$1,431,951, yielding a potential fee of \$100,237.

Because there is a good possibility the final fee amount will exceed \$100,000, staff used a formal solicitation procedure seeking competitive proposals. In addition, because broker fees are a standard rate in the industry, price/cost was not used as an evaluation factor.

DVI issued a request for qualifications (RFQ) and advertised such on September 13th and September 20th. Proposals were due on October 16, 2009. Unfortunately, no proposals were received. DVI re-advertised the RFQ on October 25, 2009 and November 01, 2009 and set a due date of November 30,

2009. In response to the re-bid, two proposals were received. An evaluation committee was appointed and reviewed the proposals according to the established criteria. The evaluation was completed with the following results:

	Evaluation Score
Maverick Partners Realty Services, Inc.	<u>79.67</u>
Apartment Real Estate Professionals	87.67

Staff submitted the record of this procurement to date on February 4, 2010, to the local office of HUD for review and approval. Upon approval by the Board and the local office of HUD, staff will proceed with negotiating an agreement for real estate broker services consistent with the RFQ and the proposal submitted by Apartment Real Estate Professionals

III. RECOMMENDATION

It is recommended that the Board of Directors approve the selection of Apartment Real Estate Professionals for the provision of real estate broker services related to the sale of Woodridge Commons subject to HUD approval and successful negotiation of an agreement.

RESOLUTION NO. _____

RESOLUTION APPROVING SELECTION OF BROKER SERVICES FIRM

WHEREAS, the Board of Directors has previously taken action approving staff to proceed with tasks necessary to sell the Woodridge Commons apartment community; and

WHEREAS, staff has undertaken several steps to date such as submitting the proposal for the sale to the U.S. Department of Housing and Urban Development's local office and including plans for the sale in the Authority's annual plan document; and

WHEREAS, in order to effectively market the property and identify potential qualified buyers, staff recommends retention of a broker services firm to provide these services; and

WHEREAS, the industry standard for fees for broker services are calculated as a percentage of the final sale amount and staff has estimated a potential sale price based on the property's tax value that would result in a fee in excess of \$100,000; and

WHEREAS, based on the independent cost estimate staff determined a formal, competitive proposal process should be utilized for this procurement; and

WHEREAS, Development Ventures Incorporated issued a Request for Qualifications for interested vendors to provide these services, such Request being consistent with internal procurement policies, State laws, and Federal rules and regulations; and

WHEREAS, Development Ventures Incorporated received proposals on November 30, 2009, from interested service providers and evaluated those proposals.

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

1. That an agreement be awarded, upon successful negotiation, to Apartment Real Estate Professionals;
2. That, consistent with 24 CFR 85.36(b)(9) Procurement Standards, Development Ventures Incorporated maintains records sufficient to detail the significant history of the procurement, including the basis for the selection and contract prices;
3. That the Chief Executive Officer of The Housing Authority of the City of Durham is hereby directed to execute all contracts or other documents necessary to effectively award this contract;
4. That this approval and selection is subject to approval by the U.S. Department of Housing and Urban Development;
5. This Resolution shall take effect immediately.

Done this 24th day of February 2010.

RECORDING OFFICER'S CERTIFICATION

I, Harrison Shannon, the duly appointed Secretary of Development Ventures Incorporated, do hereby certify that this resolution was properly adopted at the regular meeting of the Board of Directors of Development Ventures Incorporated held on February 24, 2010.

(SEAL)

BY: _____
Harrison Shannon, Secretary