

**DEVELOPMENT VENTURES INCORPORATED**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY, NOVEMBER 18, 2009**

DEVELOPMENT VENTURES INCORPORATED

MEMORANDUM

TO: Board of Directors

FROM: Thomas M. Niemann, Chairman

SUBJECT: Regular Meeting Held November 18, 2009

DATE: November 10, 2009

OFFICERS: Chairman – Thomas M. Niemann; President – Harrison Shannon; Vice President – John S. Ramsey; Secretary – Harrison Shannon; 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 of The Housing Authority of the City of Durham, on Wednesday, November 18, 2009, at the Central Office of the Durham Housing Authority, located at 330 East Main Street, Durham, North Carolina.

AGENDA

	<u>Page(s)</u>
I. Call to Order	
II. Comments from the Public	
III. Additions to the Agenda	
IV. Deletions to the Agenda	
V. <u>Information Items</u>	
1. President's Report	1-2
a. Financial Report for the Period Ending October 31, 2009 <b>(To be submitted under separate cover)</b>	
VI. <u>Action Item</u>	
1. Minutes - Board of Directors Meeting Held October 28, 2009	3-12

## **PRESIDENT'S REPORT**

### **DEVELOPMENT VENTURES INCORPORATED**

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

##### **Edgemont Elms**

- No leases were signed this month; however, there are five applications being processed for occupancy.
- The management office received 15 telephone inquiries (telephone/walk-ins), and 94 applications were distributed during the month of October. Of the 94 applications distributed, seven were received.

##### **Woodridge Commons**

- Two leases were signed this month; however, there are six applications being processed for occupancy.
- The management office received 17 inquiries, (telephone/walk-ins/online) during the month of October.

##### **Preiss-Steele Place**

- Four leases were signed for this month, and currently there are five applications being processed for occupancy.
- The management office received a total of 19 inquiries, (telephone/walk-ins/online).

Oct-09

DEVELOPMENT AND NUMBER	TOTAL UNITS	BEGINNING VACANT	MOVE OUTS	MOVE INS	NUMBER VACANT	PERCENT OCCUPIED	PERCENT VACANT
EDGEMONT ELMS - 13-21	58	20	0	0	20	65.52%	34.48%
PREISS-STEELE PLACE - 13-30	102	27	2	4	25	75.49%	24.51%
WOODRIDGE COMMONS - 13-31	38	6	0	2	4	89.47%	10.53%
TOTALS	198	53	2	6	49	75.25%	24.75%

MINUTES OF REGULAR MEETING  
 DEVELOPMENT VENTURES INCORPORATED  
 330 EAST MAIN STREET  
 DURHAM, NORTH CAROLINA  
 OCTOBER 28, 2009

**AGENDA ITEM I**

Call to Order

The regular monthly meeting was called to order by the Chairman, Thomas M. Niemann, at 7:25 p.m.

Present:

David J. Haley  
 Barbara F. Lofton  
 Isaac A. Robinson

Absent:

Paige A. Farrington (excused)  
 George K. Quick (excused)  
 John S. Ramsey (excused)

Staff Present:

Harrison Shannon	Willie "Sonny" McMahan
Brenda Edwards	Walter McMiller
Kelvin Macklin	Sabrina Sinegal
Shannon McLean	Rhega Taylor

Also Present:

Eric Pristell

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

There were none.

**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 September 30, 2009, was contained in the board package. There being no additional comments or questions the report was accepted as distributed.

**AGENDA ITEM VI**  
Action Items

**ACTION 1** – Approval of Minutes – Board of Directors Regular Meeting Held September 23, 2009.

On motion of Isaac Robinson, seconded by Barbara Lofton, the minutes of the regular meeting, held September 23, 2009, were approved as distributed.

**ACTION 2** – Review and Consider Resolution Authorizing the Write-off of Collection Losses for Development Ventures Incorporated

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

**RESOLUTION NO. 142**

**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 **\$6,136.63** for the period of July 1, 2009 thru August 31, 2009.

This resolution shall take effect immediately.

Done this 28th day of October 2009.

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

AYES

David J. Haley  
Barbara F. Lofton  
Thomas M. Niemann  
Isaac A. Robinson

NAYS

None

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

**ACTION 3** – Review and Consider Resolution approving the Substantial Renovation of the Edgemont Elms Property

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

**RESOLUTION NO. 143**

**RESOLUTION AUTHORIZING THE RENOVATION OF THE EDGEMONT ELMS COMMUNITY**

**WHEREAS**, the Edgemont Elms community (the "Property") has suffered substantial declines in its physical condition, occupancy and financial performance, and cannot continue to operate as such; and

**WHEREAS**, the Property consists of 58 market rate rental units in 11 dwelling buildings, with a 66% occupancy rate as of September 30, 2009; and

**WHEREAS**, the Property was originally built in 1989 and is now in dire need of a substantial renovation and modernization; and

**WHEREAS**, a Physical Needs Assessment with updated costs by an architectural and engineering firm identified over \$2.4 million of site and dwelling improvement repairs for the Property; and

**WHEREAS**, staff proposes to renovate 57 of the 58 units and occupy one as a management office; and

**WHEREAS**, The Housing Authority of the City of Durham received written authorization from the U.S. Department of Housing and Urban Development to utilize Turnkey III funds as a financing source for the substantial renovation of the Property (Exhibit A); and

**WHEREAS**, The Housing Authority of the City of Durham desires to utilize approximately \$1,728,915 of the Turnkey III funds; and

**WHEREAS**, The Housing Authority of the City of Durham is proposing to utilize 16 of the 58 units as new public housing units through the use of Replacement Housing Factor funds to acquire and/or renovate those units; and

**WHEREAS**, Replacement Housing Factor funds are Capital Fund Grants that were awarded to The Housing Authority of the City of Durham because it has removed units from its inventory for the sole purpose of developing new public housing units. The Housing Authority of the City of Durham has removed from its inventory, units at the former Few Gardens and Fayette Place public housing sites; and

**WHEREAS**, The Housing Authority of the City of Durham desires to utilize the 2008 Replacement Housing Factor fund allocation of \$520,223 (Exhibit B). It also anticipates utilizing a portion of the 2009 Replacement Housing Factor funds allocation of approximately \$520,223; however, it may be less and contingent upon the U.S. Department of Housing and Urban Development's allocation; and

**WHEREAS**, The Housing Authority of the City of Durham must also amend its Replacement Housing Factor Fund Plan and obligate the funds no later than June of 2010; and

**WHEREAS**, The Housing Authority of the City of Durham also desires to utilize Bond funds of approximately \$50,000; and

**WHEREAS**, the current service debt on the Property is approximately \$118,376 annually or \$9,865 monthly; and

**WHEREAS**, Development Ventures Incorporated desires to renovate 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 renovations 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 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 28th day of October 2009.

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

AYES

David J. Haley  
Barbara F. Lofton  
Thomas M. Niemann  
Isaac A. Robinson

NAYS

None

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

**ACTION 4** – Review and Consider Resolution Authorizing Applications for HOME Investment Partnerships and Community Development Block Grant Program Funding for the Renovation of the Edgemont Elms Community

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

**RESOLUTION NO. 144**

**RESOLUTION AUTHORIZING APPLICATIONS FOR HOME INVESTMENT PARTNERSHIPS AND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDING FOR THE RENOVATION OF THE EDMONT ELMS COMMUNITY**

**WHEREAS**, the Edgemont Elms community (the "Property") has suffered substantial declines in its physical condition, occupancy and financial performance, and cannot continue to operate as such; and

**WHEREAS**, the Property consists of 58 market rate rental units in 11 dwelling buildings, with an 66% occupancy rate as of September 30, 2009; and

**WHEREAS**, the Property was originally built in 1989 and is now in dire need of a substantial renovation and modernization; and

**WHEREAS**, a Physical Needs Assessment with updated costs by an architectural and engineering firm identified over \$2.4 million of site and dwelling improvement repairs for the Property; and

**WHEREAS**, staff proposes to renovate 57 of the 58 units and occupy one as a management office; and

**WHEREAS**, The U.S. Department of Housing and Urban Development through the HOME Investment Partnerships and the Community Development Block Grant Programs provide grants to localities (the "City of Durham"); and

**WHEREAS**, the City of Durham's HOME Investment Partnerships and Community Development Block Grant Programs applications were released October 13, 2009 and are due November 16, 2009;

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

**WHEREAS**, Development Ventures Incorporated desires to apply for HOME Investment Partnerships and Community Development Block Grant Program funds to renovate the Property; and

**WHEREAS**, The Housing Authority of the City of Durham received written authorization from the U.S. Department of Housing and Urban Development to utilize Turnkey III funds as a financing source for the substantial renovation of the Property (Exhibit A); and

**WHEREAS**, The Housing Authority of the City of Durham proposes to utilize 16 of the 58 units as new public housing units through the use of Replacement Housing Factor funds; and

**WHEREAS**, Replacement Housing Factor funds, which are Capital Fund Grants, were awarded to The Housing Authority of the City of Durham for the sole purpose of developing new public housing units.

**WHEREAS**, The Housing Authority of the City of Durham identified Bond funds of approximately \$50,000 to assist with the Property renovation; and

**WHEREAS**, upon completion, the Property will consist of 41 market rate and 16 public housing quality and competitive rental units; and

**WHEREAS**, Development Ventures Incorporated desires to renovate 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 applications of funds to perform renovations 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 28th day of October 2009.

Isaac Robinson moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by Barbara Lofton and unanimously carried by the board. The “Ayes” and “Nays” were as follows:

AYES

David J. Haley  
Barbara F. Lofton  
Thomas M. Niemann  
Isaac A. Robinson

NAYS

None

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

**ACTION 5** – Review and Consider Resolution Authorizing Applications for Home Investments Partnerships and Community Development Block Grant Program Funding for the Renovation of the Preiss-Steele Place Community.

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

**RESOLUTION NO. 145**

**RESOLUTION AUTHORIZING APPLICATIONS FOR HOME INVESTMENT PARTNERSHIPS AND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDING FOR THE RENOVATION OF THE PREISS-STEELE PLACE COMMUNITY**

**WHEREAS**, the Preiss-Steele Place community (the “Property”) consists of 102 market rate rental units in one dwelling building with common space; and

**WHEREAS**, the Property was originally built in 1993 and has not received a major rehabilitation since then; and

**WHEREAS**, a 2006 Physical Needs Assessment identified \$851,100 of site and dwelling improvement repairs for the Property; and

**WHEREAS**, staff proposes to renovate the 102-unit rental development that serves elderly and disabled persons; and

**WHEREAS**, The U.S. Department of Housing and Urban Development through the HOME Investment Partnerships and Community Development Block Grant Programs provide grants to localities (the “City of Durham”); and

**WHEREAS**, the City of Durham's HOME Investment Partnerships and Community Development Block Grant Program applications were released October 13, 2009 and are due November 16, 2009;

**WHEREAS**, the HOME Investment Partnerships and Community Development Block Grant Program funds can be used to rehabilitate affordable rental housing and to assist with infrastructure and landscaping items; and

**WHEREAS**, Development Ventures Incorporated desires to apply for HOME Investment Partnerships and Community Development Block Grant Program funds to assist with the renovation of the Property; and

**WHEREAS**, The Housing Authority of the City of Durham has submitted a preliminary Economic Development Initiative funding request of \$350,000; and

**WHEREAS**, Development Ventures Incorporated desires to renovate 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 renovations 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 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 28th day of October 2009.

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

AYES

David J. Haley  
Barbara F. Lofton  
Thomas M. Niemann  
Isaac A. Robinson

NAYS

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 7:30 p.m.

\_\_\_\_\_  
Chairman

ATTEST:

(SEAL)

\_\_\_\_\_  
Secretary