

# AVON PARK HOUSING DEVELOPMENT CORPORATION

Board of Directors Regular Meeting  
North Central Heights Community Center  
709 Juneberry Street, Avon Park, Florida  
Tuesday, April 19th, 2016; 6:00 P.M.  
Meeting Agenda

**ROLL CALL;**

**PREVIOUS MINUTES:** Regular Board Meeting Minutes; March 15, 2016

**COMMUNICATIONS:** None

## **I. OLD BUSINESS;**

- A. 695 Palmetto Ave property; Secretary will provide a briefing on the status of development Site Plan by Coe & Cobb Engineering.
- B. Cornell Colony Project Status/Update; The Secretary will provide a project construction progress & status report.
- C. APHA- RAD Conversion: Secretary will provide the Board with an update on the APHA's progress in completing conversion process.
- D. NCH II LLC Restructure; Secretary will provide the Board with an update on the restructure of NCH II; HCHO replacing AHS as majority shareholder.
- E. Executive Search/Strategic Planning Committee; ED will report out on an update status of the Executive Search by consultant Leo Dauwer.

## **II. NEW BUSINESS;**

- A. 2015 Fiscal Year End Audit Report; ED present the 2015 FYE Audit Report on the APHA's Financial Statements and respond to questions related.
- B. Resolution No. 16-01; Net Cash Flow Distribution; NCH I & II.
- C. 2016 Budget Committee; Chair to appoint Budget Committee Members.
- D. Director Roberts to address supplemental compensation for staff related to 2015/16 operational performance & funding availability.
- E. Michael Eldred; Member Candidate

Other matters to come before the Board:

Next Board Meeting(s): April 19, 2016, Regular 6:00pm Board Meeting.

## **VI. ADJOURN**

In accordance with the American Disabilities Act and Section 286.26 Florida Statutes, any person with disabilities requiring reasonable accommodations to participate in this meeting should call the Housing Authority offices five days prior to the meeting.

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709 Juneberry Street, Avon Park, Florida  
Tuesday, March 15, 2016; 6:00 P.M.

## Meeting Minutes

**ROLL CALL;** Chairperson Wade requested the Secretary to call the roll, with the following results: Directors Present; Roberts, Wade, Barnard (via phone), Johnson, Harris, Stukes, Brojek and Daffner. Director Absent; Windsor. Secretary Shoeman declared Quorum present.

**PREVIOUS MINUTES:** Regular Board Meeting Minutes; February 16, 2016 were circulated by the Secretary in advance of the Meeting; Moved by Director Brokek, seconded by Director Roberts to approve the minutes; Motion carried unanimously.

**COMMUNICATIONS:** Secretary Shoeman informed the Board that the application submitted for Sparta Cove, a 2016 HOME funding for a 33 unit affordable multifamily project in Sebring, FL., with the APHDC co-developer with Marmer construction, was submitted but that the ranking of applications placed the project in 9<sup>th</sup> position. As only three projects will be funded, it was highly unlikely that the project would be selected for funding.

## OLD BUSINESS;

- A. 695 Palmetto Ave. Property; The Secretary requested and received a general consensus by the Board to proceed with Cool & Cobb Engineering of preliminary site plan development for the 20 single family home site. The ED will report progress status on this item at the next Board Meeting.
- B. Cornell Colony Project Status/Update; The Secretary informed the Board that the project was moving forward timely with construction according to project plans and milestones. A pictorial array was displayed to the Board providing insight of various stages of the project's development @ 65% completion.
- C. APHA-RAD Conversion; The Secretary provided the Board with an update of the APHA's progress on their conversion process.

- D. North Central Heights II Restructure; The Secretary provided the Board with an update on the progress of replacing AHS with HCHO as majority shareholder.
- E. Executive Search/Strategic Planning Committee; The ED briefed the Board on the March 14<sup>th</sup> ES&SP Committee Meeting with Consultant Leo Dauwer regarding E.D. Search Advertisement & candidate screening process. With National advertising occurring March end and, depending on quality & quantity of applicants received by Dauwer through April end, the expected timeline for final candidate Board interviews are tentatively scheduled for early May.

**II. NEW BUSINESS;** None

Other matters to come before the Board: None

The Board elected to schedule the next Regular Board Meeting March 15th, 2016; APHDC Regular Board Meeting, 6pm

**VI. ADJOURN** ; Chairman Wade adjourned the meeting at 6:28pm.

ADOPTED THIS 19th DAY OF April 2016

\_\_\_\_\_  
Accepted

\_\_\_\_\_  
Attest

SEAL

Avon Park Housing Development Corporation  
**RESOLUTION NO. 16-01**

**Resolution Authorizing North Central Heights LLC (NCH I) and North Central Heights II LLC (NCH II) to issue disbursements of 2015 Net Cash Flow funds for operating year 2015, in accordance with the supplemental schedules calculated by Malcolm Johnson, CPA in conjunction with the 2015 Audited Financial Statements circulated and in accordance with the terms and conditions stated in the respective NCH I & II Operating Agreements**

- Whereas, both North Central Heights LLC and North Central Heights II LLC are included and identified as Discrete Component Units within the context of the Avon Park Housing Authority 2015 Audit Report generated by Malcolm Johnson, CPA: And,
- Whereas, A supplement schedule issued by the referenced Auditor indicates that Net Cash Flow funds are available for distribution consideration to the Member parties: And,
- Whereas, The Avon Park Housing Development Corporation, as the sole Member of North Central Heights LLC (NCH I) and 49% Member of North Central Heights II LLC (NCH II) determines that, in accordance with the Operating Agreement executed in April 2006 between NCH I and April 2006 between NCH II, a Net Cash Flow fund distribution shall be considered for distribution within 90 days following Fiscal Year End if such funds are available: And,
- Whereas, Affordable Housing Solutions for Florida, Inc., 51% Member of NCH II LLC also concurs & is agreeable to fund an eligible distribution from available 2015 Net Cash Flow funds:

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Avon Park Housing Development Corporation and Affordable Housing Solutions for Florida, Inc. have determined that it is in the best financial interests of the related Member parties to authorize the distribution of 2015 Net Cash Flow funds, the respective Boards hereby authorize the Member's Board Secretary to dispatch the afore referenced available funds to the Member parties, in accordance with the recommendation made by Malcolm Johnson & Company 2015 Computation of Cash Distribution letter Statement of Cash Flow Schedule issued April 11, 2016, attached hereto and incorporated herein and in accordance with the afore referenced Operating Agreements between the parties.

ADOPTED THIS 19th DAY OF APRIL 2016.

Accepted \_\_\_\_\_  
North Central Heights LLC  
and APHDC North Central II Corp.  
North Central Heights II LLC (49%) Member

Accepted \_\_\_\_\_  
Affordable Housing Solutions for Florida, Inc;  
North Central Heights II LLC  
(51%) Member

Attest \_\_\_\_\_  
Board Secretary  
SEAL

MALCOLM JOHNSON & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
P.O. Box 530848  
210 N. Highway 17-92  
DeBary, Florida 32753-0848

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Phone (386) 668-6464 Fax (386) 668-6463  
malcolmjohnson@mpinet.net

April 11, 2016

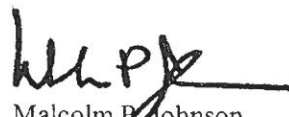
Mr. Larry P. Shoeman  
Executive Director  
Avon Park Housing Authority  
P.O. Box 1327  
Avon Park, Florida 33826-1327

Dear Mr. Shoeman:

Enclosed please find the Computation of Cash Distribution results based on the agreement as set out in Article 7. We do not offer an opinion on whether or not the Authority has to make the drawdowns as required by the computation. The amount of the drawdowns remains the decision of the Authority.

Thank you for this opportunity to be of service to you and the Avon Park Housing Authority. Please do not hesitate to contact us concerning this or any other matter that may come to your attention.

Sincerely,  
MALCOLM JOHNSON & COMPANY, P.A.



Malcolm R. Johnson  
Certified Public Accountants

MPJ:msj  
Enclosures

AVON PARK HOUSING AUTHORITY  
Avon Park, Florida

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	North Central Heights Mgmt I	North Central Heights Mgmt II
<b>Cash Flows From Operating Activities</b>		
Receipts from dwelling rentals	219,406.41	186,739.41
Other receipts	2,758.00	1,529.00
Payments to employees and suppliers	(127,243.68)	(98,753.76)
Interprogram transfers	(10,799.00)	(14,625.00)
Net cash provided (used) by operating activities	84,121.73	74,889.65
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of capital assets	0.13	0.39
Principal paid on capital debt	(3,135.31)	(2,836.47)
Interest paid on capital debt	(42,601.00)	(38,538.00)
Net cash provided (used) by capital and related financing activities	(45,736.18)	(41,374.08)
<b>Cash Flows From Investing Activities</b>		
Increase in restricted cash	(34,209.30)	(26,744.80)
Increase in notes receivable	(16,000.00)	0.00
Interest on restricted cash	37.00	29.00
Interest	0.00	47.00
Net cash provided (used) by investing activities	(50,172.30)	(26,668.80)
Net increase (decrease) in cash and cash equivalents	(11,786.75)	6,846.77
Balance - beginning of the year	51,314.75	78,557.23
Balance - end of the year	39,528.00	85,404.00
Unrestricted cash balance at December 31, 2015	39,529.00	85,404.00
<b>Article 7, 7.1.(a)</b>		
Fifteen percent of Net Cash Flow shall be deposited in a reserve account	0.00	(1,027.00)
Available for distribution	39,529.00	84,377.00
Twenty percent of Operating and Maintenance costs - See below	(37,334.00)	(31,480.00)
<b>Recommended distribution not exceed this amount</b>	<b>2,195.00</b>	<b>52,897.00</b>

The USDA Asset Management Handbook, HB-2-3560, Section 2, paragraph 4.11 addresses the allowable Return on Investment.

"The Agency considers excess cash to be the portion of the ending cash balance on Form RD 3560-7, Multiple Family Housing Project Budget/Utility Allowance that exceeds 20 percent of annual operating and maintenance expenses, that taxes and insurance escrow, and 2 percent money, if applicable."

The "2 percent money" referred to deals exclusively with the initial development costs of the project and would not apply to ongoing operations.

Total Operating and Maintenance costs for 2015	186,669.00	157,398.00
Twenty percent of Operating and Maintenance costs	37,334.00	31,480.00