

**Newark Housing Authority
Board of Commissioners
August 9, 2017
REVISED 9/13/2017
REVISED 1/12/2018**

Summary of Meeting Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at 5:00 pm sharp by the Board Chair, Lloyd Harris Sr.

I. Roll Call:

Board of Commissioners present: Kevin Heitzenroder, Donna Shand, Peter Hartranft, Janaki Ram Ray and Sharon Smith. Nikki Lane arrived after roll call was taken. Marene Jordan, Executive Director; Donald Gouge Jr., NHA's attorney; and Marc DeBeary, NHA's fee accountant were also present.

NHA RAB Members Present:

Shirley Warrington
Helen Greer
Jessieann Breakley

Visitors Present:

Mayor, Polly Sierer
Landlord, Mico Slijepcevic
Resident, Jean White

II. Guest. Haley Donovan/Landmark Science & Engineering

Mr. Heitzenroder, Chairperson of the Development, welcomed our guest. He provided a brief overview as to purpose of the presentation. The overview was the A/E firm here today responded to the RFP and was awarded the contract to provide four (4) separate concept/site plans to include re-developing the administration building, 56 affordable housing and some retail space. He noted, the meeting today will not require any action from the board but will help determine what is possible. He asked for feedback from all in attendance.

Mrs. Jordan also welcomed the guest to the Newark Housing Authority and opened the floor to Mr. James Haley, the representative from Haley Donovan.

Mr. Haley began the presentation by providing some background. Haley Donovan is a full service architectural firm specializing in affordable and sustainable residential design and site planning. Hailey Donovan services were useful in the redeveloping of Alder Creek through our development partner, Ingerman. Mr. Haley presented each plan individually.

1st Plan: Mid-Rise Towns over Flats, Alder Creek Type

Community Design

- 52 Mid-Rise Apartments (including: retail, lobby, office and community space)
- 24 Garden Style Apartments

76 Apartments Total and 65 Parking Spaces

2nd Plan: Mid-Rise Towns over Flats, Reliance Type

Community Design

- 21 Mid-Rise Apartments (including: retail, lobby, office and community space)
- 54 Apartments

75 Apartments Total and 64 Parking Spaces

3rd Plan, Option 1: Mid-Rise Towns over Flats – Flemington Type

Community Design

- 21 Mid-Rise Apartments (including: retail, lobby, office and community space)
- 56 Garden Style Apartments

77 Apartments Total and 68 Parking Spaces

3rd Plan, Option 2: Mid-Rise Towns over Flats – Flemington Type

Community Design

- 21 Mid-Rise Apartments (including: retail, lobby, office and community space)
- 45 Garden Style Apartments (including: a community building)

66 Apartments Total and 68 Parking Spaces

3rd Plan, Option 3: Mid-Rise Towns over Flats – Flemington Type

Community Design

- 36 Mid-Rise Apartments (including: retail, lobby, office and community space)
- 32 Garden Style Apartments (including: a community garden)

68 Apartments Total and 69 Parking Spaces

3rd Plan, Option 4: Mid-Rise Towns over Flats – Flemington Type

Community Design

- 36 Mid-Rise Apartments (including: retail, lobby, office and community space)
- 32 Garden Style Apartments (including: a community building)

68 Apartments Total and 69 Parking Spaces

In conclusion, the presentation afforded everyone in attendance an opportunity to ask questions. Some questions asked and answered:

Question:

How Many stories will the mid-rise apartments have?

Answer:

The plans allow for 4 which is the common trend here in Newark.

Question:

What will the retail space include?

Answer:

The use of the retail space has not been determined but future planning will allow for best use and services for our residents.

Question:

What will be the bedroom configuration?

Answer:

The bedroom configuration has not been determined yet.

Question:

Was the density of the site factored into the plans?

Answer:

Density was considered as well as per unit parking.

Question:

Will the redevelopment include families and senior living together?

Answer:

The proposed plans show various options in redeveloping all 56 units currently under NHA's management on one parcel which is approximately 2.7 acres. The plans show up to 77 units fitting comfortable with all the amenities seen on other affordable housing site plans.

Question:

It is NHA's plan to sell all of the scattered sites?

Answer:

Yes and No, There are units that can be sold and some that could be renovated.

Mr. Heitzenroder mentioned the plans you see today are expensive. We have not considered our funding options and the details are still being worked out.

Some comments:

Ms. Warrington (RAB Member) expressed her concern that the plans include senior and families on one parcel. She thought the plan would cause a lot of problems. She was receptive to change since she has lived in Newark for well over 30 years. However she preferred things to stay the same with NHA continuing to make capital improvement when needed.

Ms. Greer (RAB Member) expressed appreciation and gratitude for her unit located at Independence Circle and did not want change.

Ms. Breakley (RAB Member) welcomed the idea of a new unit as long as its sound proof so she does not hear her neighbor flushing the toilet.

Ms. White expressed a mid-rise of 3-stories is more than enough. She also recommended that the retail area be used for services to assist with the needs of the residents.

Mayor, Polly Sierer mentioned we need to take full advantage of all opportunities here to increase the number of affordable units.

Mrs. Jordan added we are capped at 98 units (our Faircloth Limit) in terms of HUD associated funding (42 LIPH Units at Alder Creek and 56 Units under NHA's management). We could possibly Project Base some units under the voucher program (expand the units managed under section 8) but will need additional funding. We have challenges but also opportunities. We need to figure out what will work even if it means increasing the affordable units by five or ten.

Mr. Haley (representative from Haley Donovan – A/E firm) asked if the seniors in attendance had interest in touring a senior mid-rise complex to see a newly constructed senior building and its amenities? The residents were very interested. A tour of the Elkton Housing Authority's senior mid-rise center will be scheduled and anyone interest can join the tour. A date and time will be confirmed.

Mr. Heitzenroder thanked the representatives for their presentation.

III Approval of Minutes:

(a). Minutes from June 14, 2017

The Chairperson asked for approval of the June 14, 2017 meeting minutes. Mr. Hartranft made a motion to approve the minutes. The motion was 2nd by Ms. Shand.

Aye 5 (Mr. Heitzenroder, Ms. Shand, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 1 (Ms. Smith)

IV. Report of the Executive Director:

(a). Staff Report:

The Chairperson asked for approval of the June and July 2017 Staff Report. Before any action was taken, Mrs. Jordan mentioned the following as an update:

Website:

NHA provided Zest Social Media Solutions with the information needed to recreate the website. We should be live within weeks.

REAC Physical Inspections:

Alder Creek Inspections are confirmed for Monday, October 16th and NHA's inspections are confirmed for November 2nd. NHA toured the site at Alder Creek after receiving a call from a tenant from Alder Creek concerned about the ground upkeep. NHA notified Ingerman of our findings asking that they address the concerns prior to the REAC inspections.

NHA procured a Heating and A/C company to inspect all heating furnaces. A total of 36 furnaces were inspected and only 3 had to be replaced (2 gas and 1 oil).

2017 Capital Fund Award:

NHA will received funding in the amount of \$173,725 of which 8,262 was awarded as a high performer. The bonus as a high performer notes NHA obligates and expends our dollars timely and within the regulatory requirements.

Operating Reserve Litigation:

The courts rule in favor of housing authorities who were part of the Operating Reserve offset that took place in 2012. NHA is expected to receive \$47,120 in damages even though the offset totaled \$67,026. HUD has until August 14th to appeal the decision if not housing authorizes should start to receive their damages shortly after that date. We have asked for clarification of how these funds should be treated. The damages will not be paid by HUD but payment will come from the Department of Treasury to pay judgments against the United States. Therefore the attorney considers the damages to be non-federal dollars. He suggested that we not mix the funds with any other federal dollars but perhaps open a separate bank account. We also asked for clarification in the amount of the damages. NHA is expected to receive \$47,120 vs. the amount off the initial offset in 2012. We were informed the courts determined the damages using their own methodology.

Please note the funds to become a part of the litigation had to be **non-federal** dollars. On behalf of NHA, I thank former Mayor Vance Funk III and our attorney, Don Gouge for donating the funds.

CDBG/Revenue Sharing Funds:

NHA submitted an application to the City of Newark for consideration in receiving funds to help fund the possibility of acquisitions of nearby properties to expand the footprint of our redevelopment plans.

SEMAP:

NHA maintains its High Performance ranking for the Section 8 Program although the overall score in percentages has dropped ***from 100% to 96%***. The drop in percentage was due to errors made by management at Alder Creek in not providing accurate information submitted electronically to HUD resulting in NHA not receiving any points (max points of 5) for indicator #11 (Pre-contractor HQS Inspections).

Due to the loss in points, HUD is requesting NHA to submit a certification that the deficiency has been addressed and identify the action taken to address the deficiency or submit a corrective action plan describing the corrective actions we will take to ensure compliance with program requirements for this indicator. NHA notified Ingerman that training will be required. NHA asked for proof of training (Certificate of completion and Certification) to show the corrective action taken that NHA can certify to; OR, a date, time and the name of trainer for the scheduled training to provide as a corrective action plan describing the corrective actions to be taken noting NHA MUST address this failed indicator within 45 days from the date of the notice.

Mrs. Lane stated; so because of Ingerman's lack of management, our score was reduced. Mrs. Jordan responded, yes. She asked what is being done to hold them accountable? Mrs. Jordan responded, although Ingerman is managing the company, NHA is responsible for all reporting requirements to HUD. Mrs. Jordan added, the R&O agreement allows for a 1 year period for management to cure the issues. If not, we can ask the investor to remove and replace them. If that occurs, NHA would propose co-managing leaving that decision to be made by the investors.

Traffic Committee Recommendations:

City Council members approved some of the recommendation made by the Cleveland Avenue Task Force Committee on July 10th. Specifically, recommendation #8 (Alder Creek Crossing) summary suggest that if the "road diet" is approved, a crosswalk will be installed on E. Cleveland Avenue West of McKees Lane (as close as possible to the intersection) with a central pedestrian refuge island amber rectangular rapid flashing beacon system. The option of a Florida T was an option but city staff determined it would likely result in not being approved by City Council and remove the recommendation which may be considered at another time. If the "road diet" is not approved it will be difficult to provide a safe mid-block crossing and an alternative would be needed. NHA has asked for a meeting with someone from DelDot to discuss a contingency plan.

FSS Wavier Request:

HUD approved NHA's request for a waiver in creating an FSS program. The wavier expires 2020.

ACC Waiver or Section 8 Exception for a Conflict of Interest Prohibition:

HUD/OAG/Headquarters has not provided an opinion yet.

FYE 2017 Audit:

The field work for FYE audit 2017 starts on Monday, August 14th. The field work is expected to last a week. NHA should have a draft copy of the audit by mid-September.

Back 2 School Giveaway and BBQ:

The New Heart Ministries in partnership with the Newark Housing Authority planned the event to help program participants with the supplies needed for the children to return to school. The event included: book bags, food, face painting activities & arts-n-crafts sponsored by the Newark Arts Alliance Group, a moon bouncer for the children and raffles. A representative from Fulton Bank was present offering signs for free financial literacy workshops. The Mayor was present and provided families with \$25 vouchers to shop at K-Mart.

(b). Report of Contract Awards:

Mrs. Jordan provided all board members with a list of contracts awarded and the source funding for the period covering 4/1/2016 – 3/31/2017.

Mrs. Jordan asked if any board had any questions or comments regarding the staff report? There was none.

The Chairperson asked for approval of the Staff Report. Mrs. Lane made a motion to accept the Staff Report. The motion was 2nd by Ms. Smith.

Aye 6 (Mr. Heitzenroder, Ms. Shand, Mrs. Smith, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 6 to 0
Abstain 0

V. Committee Reports:

A. Report of Policies & Procedures & Compliance & Personnel Committee – Chairperson (Mrs. Smith):

The Chairperson of this sub-committee, Mrs. Smith, mentioned it's that time of year where we perform the Annual Evaluation of the Executive Director. A meeting will be scheduled with the Director and the committee sometime next month.

B. Report form Development Committee – Chairperson (Mr. Heitzenroder):

The Chairperson of this sub-committee, Mr. Heitzenroder, was present for the meeting but deferred the update from this committee to Ms. Jordan and Mr. Gouge.

Development Update:

a). 26 N. Chapel Street:

Mrs. Jordan informed the board that the Special Application Center approved the disposition of 26 N. Chapel Street. The official notification was received today. Mr. Gouge opted to add to Mrs. Jordan's update later on in the meeting.

b). 101 New London Road:

Mrs. Jordan informed NHA is waiting on a reply from the Advisory Council on Historic Preservation inquiring into their interest in review/providing comments in the sale of 101 New London Road (ACHP). NHA is also waiting on HUD and the SHPO comments on the MOA.

C. Report of Finance Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, presented the financial reports to the board.

(a) Monthly Financials

Ms. Shand mentioned she reviewed the reports in both programs and did not see anything out of the ordinary. She opened the floor to any board member to ask questions regarding the financial reports. There were no questions or comments from any board member present.

D. Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, mentioned the committee will need to meet again to discuss how to evaluate the progress made by the development committee in addressing the action items mentioned in the 3-year action plan. She noted one of the action items calls for participation from all board members in the revision of a part of the Mission Statement.

VI. Attorney Issues:

None

VI. Old Business:

- A. From the other Commissioners: None
- B. From the Executive Director: None
- C. From Legal Counsel: None: None

VII. New Business:

- A. From Commissioners: None
- B. From the Executive Director: Public Vote on real estate transaction (if applicable)
- C. From Legal Counsel:
 - 1. Mr. Gouge reported an Informal Review Settlement was held with a tenant who had some non-compliance issues. The settlement agreement was reached avoiding a possible Grievance Hearing and a possible court filing. The agreement was fair. The agreement affords the tenant additional time to vacate the unit with the understanding that she must comply with all program rules until she vacates the property as of October 2nd. The tenant was represented by legal counsel.
 - 2. Mr. Gouge reported the filing of a tenant who failed to pay rent timely reached a settlement prior to entering the court room. The JP court judge spent time explaining to the tenant her responsibility in complying with the program requirements and the importance of having shelter for her family. The case was withdrawn and the tenant paid the balance owed in court.

VIII. Visitors and/or Petition:

The Chairperson of the Board opened the floor to our visitors. Ms. Warrington thanked the board for allowing her to voice her opinion during the presentation. Mr. Slijepcevic attended the meeting in hopes there would be a discussion/vote regarding 26 N. Chapel Street. He was informed no discussion or action would be taken tonight regarding that property. Ms. White thanked everyone for a very informative meeting and mentioned the presentation was interesting.

IX. Executive Session – A motion was requested to enter into Executive Session. Ms. Shand made the motion. The motion was 2nd by Mrs. Smith

Aye 6 (Mr. Heitzenroder, Ms. Shand, Mrs. Smith, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 6 to 0
Abstain 0

CLOSED TO THE PUBLIC

At approximately 6:50 pm the board of commissioners entered in an Executive Session to discuss the process to be taken in the review/discuss and perhaps acceptance of a real estate transaction after receiving written notice from HUD.

At approximately 7:09 pm the board of commissioner came out of Executive Session. Mr. Gouge the attorney for NHA provided a brief update stating:

It is the consensus of the board of commissioners to “table” the review and discussion relating to the real estate transaction to allow for further administrative duties to be completed by HUD prior to the board discussing, reviewing or taking any action.

X. Adjournment:

Mr. Heitzenroder made a motion for the board to adjourn. The motion was 2nd by Mr. Ram Ray.

Aye 5 (Mr. Heitzenroder, Ms. Shand, Ms. Smith, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 0

Meeting adjourned at 7:12 PM

Minutes Submitted by: Marene M. Jordan, Executive Director