

**Newark Housing Authority
Board of Commissioners
December 13, 2017
REVISED 1/5/2018**

Summary of Meeting Minutes

Opening:

Before the regular meeting of the Board of Commissioners was called to order the Board Chairperson, Lloyd Harris Sr., asked the Vice-Chair, Kevin Heitzenroder to chair the meeting. He accepted and the meeting was called to order at approximately 5:02 pm by Vice-Chair, Kevin Heitzenroder.

I. Roll Call:

Board of Commissioners present: Janaki Ram Ray, Peter Hartranft, Sharon Smith, Donna Shand, Kevin Heitzenroder and Lloyd Harris Sr. Marene Jordan; Executive Director and Donald Gouge Jr. NHA's attorney were also present.

II. Approval of Minutes:

(a). Minutes from October 11, 2017

The Vice-Chairperson asked for approval of the October 11, 2017 meeting minutes. Before a motion was made, Mrs. Jordan noted typos of Page 4 and Page 6. Mrs. Smith made a motion to accept the minutes with the noted corrections. The motion was 2nd by Mr. Hartranft.

Aye 4 (Mr. Harris Sr., Mrs. Smith, Mr. Hartranft, and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 4 to 0
Abstain: 1 (Ms. Shand)

Note: Ms. Shand requested a copy of the Final Audit.

III. Report of the Executive Director:

(a). Staff Report:

The Vice-Chairperson asked for the report from the Executive Director. Before the report was given, Mrs. Jordan noted a typo on page on the first page last paragraph of the October Staff Report. Mrs. Jordan provided the following update:

Independence/Delaware Circle:

City of Newark Curb and concrete improvements are complete. A date is pending as to when the stripping will take place.

CDBG Application:

NHA's application for the 44th year was approved for \$35,000. The contract agreement is pending for the 43rd and 44th year.

City of Newark's CDBG Appointments and process for board appointments:

Mrs. Smith (Chairperson of the Policies Procedures & Compliance & Personnel Committee) will provide an update under her committee report.

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

HUD has not provided an opinion yet.

Proposed Annual Plan:

The annual plan 45 day review period has begun. With the review period, the public can review and or submit written comments regarding any update or changes which will be considered prior to final approval. Mrs. Jordan mentioned the proposed plan was updated to include lease and policy changes due to a recent court case. Mr. Gouge (NHA Attorney) added the changes are due to a recent non-payment of rent case involving a tenant who was represented by legal aid. The changes are minor but necessary. For instance, the policy refers to documents mailed by certified mail vs. certificate of mailing that was challenged in court but was thrown out by the court. A public hearing is scheduled for December 29th at 5:00 pm. As part of the process, NHA met with the RAB members on November 14th and the members support the plan.

Tax Credit Training:

NHA attended tax credit training sponsored by DE NAHRO. The training was held for 2-days and a certificate of completion was received.

FYE 3/31/2017:

NHA electronically submitted its FYE 3/31/2017 audited financials on October 26th. As of November 1st HUD has reviewed the submission and received a hard copy. Their review contained no audit findings or questionable cost.

Employment Opportunity:

An employment opportunity to hire an Administrative Assistant will be advertised and posted on our Website as of December 15th. NHA is hopeful to have the vacancy filled by January 15th.

HUD REAC Inspections:

I'm pleased to report; NHA received its physical scores for Alder Creek and NHA. Both property inspections scored individual inspection scores of a 92 and 90 respectively. HUD has also released our Public Housing Assessment Systems (PHAS) Score for the LIPH program. NHA received a score of 96 and our designation status remains a high performer.

Mr. Gouge asked: did NHA receive the funds awarded from the Operating Reserve Litigation? Mrs. Jordan responded, not yet.

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

Motion passed, Vote: 5 to 0
Abstain: 0

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

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

IV. Committee Reports:

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

The Chairperson of this sub-committee, Mrs. Smith, reported the following:

a). Executive Director Review:

Mrs. Smith reported the committee has completed its annual evaluation of the Executive Director. The results of the review will be discussed during closed executive session today.

b). On Boarding Informational Manual:

Mrs. Smith reported the on boarding information manual, section #12: Process in Filling Board Vacancies and the Process for re-appointments of board members is currently being reviewed. We were waiting on a response from the City Secretary as the process they use in filling and re-appointing board members. We did receive a response. A proposed update will be submitted at next month's board meeting.

She did provide a copy of the new section that explains the annual evaluation procedure of the Executive Director. This section will be added to the On Boarding Informational Manual.

General Committee Update:

She mentioned a contract amendment is needed to clarify some sections of the Executive Director's contract the covers earned vacation and sick time. This topic will be a new agenda item to be discussed at the next board meeting during closed session.

Lastly, she updated the board on the City Secretary's response to our inquiry into CDBG appointments. The code says there must be at least one at-large member representing NHA. The code does not specify between a board member vs. a staff member filling this seat. However, the nominee is the Mayor's choice. So we have to follow-up with the Mayor to determine if the member will be a staff member or a board member.

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

The Chairperson of this sub-committee, Mr. Heitzenroder, was present for the meeting. He mentioned we will be discussing and possibly voting on 26 N. Chapel Street today. He asked Mrs. Jordan to provide any updates regarding 26 N. Chapel, 101 New London and any other developments since our last meeting.

26 N. Chapel Street:

Mrs. Jordan referenced hopefully the board will be able to take action in reviewing and accepting an offer received to purchase this property a little later.

She reported having a discussion with HUD today regarding this property and the current tenant. As a result, NHA will start the process in relocating the family from this property. The process includes ensuring the family is in good standings (not owing any rent) and NHA assisting the family with moving and finding another affordable unit under the housing choice voucher program.

101 New London Road:

NHA has fully executed the MOA agreement for 101 New London Road. NHA and its consultant are working on the stipulations of addressing the adverse effects. Which include the following:

- Within two (2) years of the MOA, NHA shall fund the fabrication and installation of one interpretive sign to disseminate information about the history of the New London Road Historic District.
- Within two (2) years of the MOA, NHA or its consultants shall craft an abbreviated narrative on the history of the New London Road Historic District and the House at 101 New London Road and any details of the undertaking and post the narrative on the website for at least 2 years.

HUD has issued the approval letter indicating the environmental review for this property is complete. NHA can now publically list the property for sale and submit the disposition application to the SAC Office for their review and approval. The next step would be for the board to vote on listing the property for sale and submitting the disposition application for approval.

The Vice-Chairperson asked for a motion. A motion was made by Mrs. Smith to authorize Mrs. Jordan to list the property for sale and to submit the disposition application for review and approval. The motion was 2nd by Mr. Ram Ray.

Aye 5 (Mr. Harris Sr., Mrs. Smith, Ms. Shand, Mr. Hartranft, and Mr. Ram Ray)

Nay 0

Motion passed, Vote: 5 to 0

Abstain: 0

Lastly, she reported NHA will be soliciting the service of an Agency Representative to identify all funding sources to fund the project and to assist in developing a master plan using the conceptual plan(s) prepared by the A/E firm. The RFQ will be available to firms and individuals on December 18th. Responses are due on January 10, 2018.

Note: Mrs. Lane attended the meeting late arriving at approximately 5:25 pm.

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

The Chairperson of this sub-committee, Ms. Shand, provided a report.

(a) Monthly Financials

Reference was made to the Budget vs. Actual Report for the Low Income Public Housing Program. The report shows a positive net income for the period covering April 2017 – October 2017. She opened the floor to allow for questions from the board. There were none.

The Profit Loss report for the Section 8 program for the same reporting period, continue to show a negative net income. The loss is due to the pro-ration of admin fees relating to income. The expenses are consistent with prior months reporting. There were no questions on this report as well.

Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, reported the committee did meet on November 1st and discussed the process in evaluating the items outlined in the 3-year strategic plan. She will have a report at next month’s meeting.

V. Attorney Issues: None

VI. Old Business:

- A. From the other Commissioners: None
- B. From the Executive Director:
 - 1. Public Vote on A Real Estate Transaction (Tabled until Executive Session then Public Vote)
- C. From Legal Counsel: None:
 - 1. Mr. Gouge noted a court decision is pending in a non-payment of rent case. A report of the court’s ruling will be provided next month.

VII. New Business:

- A. From Commissioners: Executive Session, Annual Review of Executive Director (Tabled Executive Session then a generic report to the public)
- B. From the Executive Director:
 - 1. An update regarding the Process of the 2018 Annual Plan – The plan was previously discussed earlier in the meeting under the Report from the Executive Director.
 - 2. An update regarding the solicitation of RFQ 2017-01 Agency Representative was previously discussed earlier in the meeting under the Report from the Development Committee provided by Mrs. Jordan.
- C. From Legal Counsel: None

The Vice-Chairperson opened the floor to the visitors.

IX. Visitors and/or Petition:

Mrs. Slijepcevic asked for clarification into the process of reviewing and voting on 26 N. Chapel Street. Mr. Gouge explained the board of directors will drop down in Executive Session to discuss the process of

moving forward in reviewing the appraisal and accepting an offer from one of the interested parties. All visitors will have to leave the room and will be welcomed back once the meeting becomes a public meeting again.

X. Executive Session: The Vice-Chairperson asked for a motion and a vote to enter into Executive Session to discuss at this point 26 N. Chapel Street. A motion was made by Mrs. Smith to enter into closed session. The motion was 2nd by Mr. Ram Ray.

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

At approximately 5:32 pm the board of commissioners dropped down into Executive Session to discuss the process that will be used in the possibility of discussing a Real Estate Transaction since HUD has not provided a response to our ACC Waiver or Section 8 Exception for a Conflict of Interest Prohibition submitted in June. This section of the meeting was closed to the public.

Note: the minutes will reflect that at approximately 5:52 pm Mrs. Lane left the building and is not returning. She will not take part in the review, the discussion or vote on any aspect of 26 N. Chapel Street during closed session. Mrs. Lane was only present to discuss the process to ensure transparency.

At approximately 6:06 pm the board of members opened the meeting to the public. Mr. Gouge informed the public of the following:

The Newark Housing Authority listed 26 N. Chapel for sale and the property was appraised. An appraisal report was provided by Steven A. Sachs. As a result of public awareness of the property listing, three offers were received by the due date. There were no late offers. The sealed bids were only seen by myself and staff members. The bids were open in the presence of myself and staff members.

The board members present during Executive Session are only reviewing the appraisal and offers for the first time today.

Mr. Hartranft made a motion that the \$385,000 offer from English Creek LLC be accepted. The motion was 2nd by Mr. Ram Ray.

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

The board members have voted to accept the offer received from English Creek LLC, Nick Baldini in the amount of \$385,000.

The floor was opened to the visitors to ask any questions.

Mr. Slijepcevic who was present after closed session and asked: Why was his offer passed over with an escalation clause? Mr. Gouge replied: The escalation clause in its current context was not proper. The offer

was asking for an opportunity to amend the original purchase price (which was below FMV) and if a higher offer was made by another party, the party wanted extra time to consider amending the original offer which may lead to public auction which was not proper because sealed bids were requested.

Mrs. White asked: Was Mr. Slijepcevic's offering the 2nd highest? Mr. Gouge didn't think it was appropriate to answer that question. There were no other questions.

The Vice-Chairperson asked for a motion to return to Executive Session to discuss the Evaluation of the Executive Director without the Director present. A motion was made by Mrs. Smith to enter into closed session. The motion was 2nd by Ms. Shand.

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

At approximately 6:11 pm the board of commissioners dropped down into Executive Session to complete the Annual Evaluation of the Executive Director. This section of the meeting was closed to the public. Mrs. Jordan was not present for the session.

At approximately 6:33 pm the board members opened the meeting to the public. Mrs. Jordan was not present for this public session.

XI. Adjournment:

Meeting adjourned at approximately 6:40 PM

Minutes Submitted by: Marene M. Jordan, Executive Director

Note:

- **Executive Session Summary of Minutes (Minutes from the closed session relating to the Real Estate Transaction were taken by Mrs. Jordan)**
- **Executive Session Summary of Minutes (Minutes from the closed session relating to the Executive Director's Evaluation were taken by Mr. Ram Ray)**