

**Newark Housing Authority
Board of Commissioners
February 14, 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., who was present delegated the chairing of this meeting to Vice-Chair, Kevin Heitzenroder who called the meeting to order at approximately 5:00 pm.

I. Roll Call:

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

Absent Members: Sharon Smith

II. Approval of Minutes:

(a). Minutes from January 10, 2018

The Vice-Chairperson asked for approval of the January 10, 2018 meeting minutes. Before the minutes were approved, Mrs. Jordan noted several corrections that were needed. With the corrections, the Vice-Chairperson asked for a motion to approve the meeting minutes. Ms. Lane made a motion and the motion was 2nd by Mr. Hartranft.

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

(b). Executive Session Meeting Minutes from January 2018

The Vice-Chairperson asked for approval of the Executive Session meeting minutes from January 10, 2018. Before the minutes were approved, Mrs. Jordan noted some corrections that were needed. With the corrections, the Vice-Chairperson asked for a motion to approve the meeting minutes. Mr. Ram Ray made a motion and the motion was 2nd by Ms. Shand.

Aye 4 (Mr. Lloyd Harris Sr., Ms. Shand, Mr. Hartranft and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 4 to 0
Abstain: 1 Mrs. Lane was not present for this part of the meeting

(c). Minutes from December 13, 2017

The Vice-Chairperson asked for approval of the December 13, 2017 meeting minutes. Before the minutes were approved, Mrs. Jordan noted the minutes were revised to reflect some changes after referring to the recorded minutes. The changes allowed for the minutes to be read with motions that were made and voted on to enter into Executive Session to discuss a real estate transaction and record the acceptance of an offer to purchase 26 N. Chapel Street from English Creek LLC. Another motion was made and voted on to return to Executive Session to discuss the evaluation of the Executive Director. Ms. Shand made a motion to accept the revised minutes. The motion was 2nd by Mr. Hartranft.

Aye 4 (Mr. Lloyd Harris Sr., Ms. Shand, Mr. Hartranft and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 4 to 0
Abstain: 1 - Mrs. Lane was not present for the entire

(d). Executive Session Meeting Minutes from December 2017

The Vice-Chairperson asked for approval of the December 13, 2017 meeting minutes. Before the minutes were approved, Mrs. Jordan mentioned the minutes were revised to reflect some changes after referring to the recorded minutes. A motion/vote was made to enter into Executive Session to discuss a real estate transaction; to note when a board member left and to note that board members present were receiving a copy of the appraisal for review and discussion purposes. Mr. Ram Ray made a motion to accept the revised minutes. The motion was 2nd by Mr. Hartranft.

Aye 4 (Mr. Lloyd Harris Sr., Ms. Shand, Mr. Hartranft and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 1 to 0
Abstain: 1 - Mrs. Lane was not present for this part of the meeting

(e). Revised minutes from August 2017

The Vice-Chairperson asked for approval of the revised meeting minutes from August 2017. Before the minutes were approved, Mrs. Jordan mentioned the minutes were revised to reflect a change after referring to the recorded minutes. A motion/vote was made to enter into Executive Session to discuss a real estate transaction. Mrs. Lane made a motion to accept the revised minutes. The motion was 2nd by Ms. Shand.

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

(d). Revised minutes from June 2017

The Vice-Chairperson asked for approval of the revised meeting minutes from June 2017. Before the minutes were approved, Mrs. Jordan mentioned the minutes were revised to reflect a change after referring to the recorded minutes. A motion/vote was made to enter into Executive Session to discuss a real estate transaction. Mrs. Lane made a motion to accept the revised minutes. The motion was 2nd by Mr. Ram Ray.

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

III. Report of the Executive Director:

(a). Staff Report for January 2018:

The Vice-Chairperson called for the report from the Executive Director. Mrs. Jordan reported the following as part of the Executive Director's Report:

2018 Annual Plan Submission:

NHA submitted the plan to HUD on January 11, 2018. HUD approved the plan on February 8, 2018.

Staff Vacancy:

NHA filled the vacancy of an Administrative Assistant with a previous employee, Mr. Baldwin, who was the most qualified to fill this position out of four candidates considered for this position.

Bid Dispute:

NHA has not received a response from HUD regarding the bid dispute. NHA was informed the dispute was forwarded to Headquarters for their review.

Operating Reserve Litigation:

NHA received correspondence from the Law Firm handling the damages from the Operating Reserve Offset. The government has begun paying the damages to plaintiffs named in the lawsuit. NHA is expecting our award within the next few weeks.

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

HUD has not provided an opinion yet.

The Vice-Chairperson asked for approval of the Staff Report. A motion to approve the report was made by Mrs. Lane. The motion was 2nd by Ms. Shand.

5 (Mr. Lloyd Harris Sr., Ms. Shand, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
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, was not present. However, in her absence committee member Mrs. Lane was able to present/provide a report for this committee.

a). **On Boarding Informational Manual/Process in filling board vacancies/re-appointments of board members:** Mrs. Lane reported, Mrs. Smith will be emailing section #12 from the Information Manual for review and acceptance at the next meeting.

b). **CDBG Appointments:** Mrs. Lane asked Mrs. Jordan to distribute the information received from the City of Newark regarding the process in their CDBG appointments. She allowed time for all board members to read the information. It was the recommendation from this committee for future appointments to be Staff Members and not Board Members. A motion to accept this recommendation was asked. Mr. Ram Ray made a motion to accept the committee’s recommendation. The motion was 2nd by Ms. Shand.

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

c). **Executive Director Contract Amendment:** - Mrs. Lane mentioned the contract amendment for the Executive Director will be discussed in Executive Session.

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

The Chairperson of this sub-committee, Mr. Heitzenroder, was present for the meeting. He mentioned there would be a follow-up discussion regarding 26 N. Chapel Street during Executive Session but asked Mrs. Jordan to provide a general update on any developments from this committee.

RFQ 2017-01 Agency Representative:

In response to the RFQ to procure an Agency Representative, NHA received one proposal. The proposal will be reviewed to determine if the proposal meets the criteria outlined. Although a review committee was created to review the proposals, the committee may not be needed.

CSG Advisors are based out of San Francisco. They offer a broad range of services including Tax Credit and HUD RAD assistance. They offer expertise in detailed understanding of public housing requirements and HUD approvals and years of experience in structuring low income housing tax credits for public agencies and non-profit housing developers. Some of their services include:

- Acquisition and Disposition Analysis
- Long Term Financial Strategies
- Strategic Planning and Portfolio Review
- Capital Fund Borrowing
- LIPH RAD Conversions

CSG is currently assisting Delaware State Housing Authority (DSHA) with a RAD conversion strategy that includes a feasibility study to convert five of their LIPH properties into Section 8. Their current scope of work includes some of the following:

- Completion of the initial RAD application
- Follow through with HUD on any questions or issues
- Development and submission of their LIHTC application for Liberty Court which was approved for utilizing the 4% tax credits.
- Assisting the RAD closing with HUD and addressing any issues

CSG is also assisting the Philadelphia Housing Authority in creating a comprehensive strategy for its aging assets by developing a model that measures capital need, operating efficiency and the potential to leverage multiple funding sources so the authority can compare its developments to make strategic funding decisions. This will include the need for future new construction projects and other development priorities.

The motion to accept this proposal was tabled until next month. Copies of CSG proposal will be distributed to all board members for their review and approval at next month's meeting. NHA will also follow-up with questions raised from the board members.

26 N. Chapel Street:

NHA successfully relocated the tenant from 26 N. Chapel Street into a single family home in a residential development as of February 1, 2018. We have submitted an electronic request to HUD to show this unit is vacant due to an approved disposition: pending sale so the vacancy does not impact our management score until it is removed from inventory completely.

A further discussion regarding the threat of litigation involving this real estate transaction will be discussed later on in the meeting during Executive Session.

101 New London Road:

NHA had the property appraised on January 26th as soon as the appraisal is complete, NHA will move forward with listing the property and submitting the disposition application for HUD/SAC approval.

Mr. Gouge added we have changed our requirement in our next property listing to include the following:

- No Escalation Clauses will be accepted
- Last, best and final offers only
- NHA reserves the right to reject any offer(s) received for any reason

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 for the period covering April 2017 – December 2017. She noted nothing unusual from previous months reporting other than to note the CFP income operation (budget line item 3692.70) is lower than what is budgeted for. This income is requested by NHA when needed and approved by HUD. She opened the floor to allow for questions from the board. There were none.

Reference was made to the Profit Loss report for the Section 8 program for the same reporting period. Again, there was nothing unusual from previous months reporting. There were no questions on this report as well.

(b) FY 2019 Proposed Budget

The FY 2019 Proposed Budget was introduced for the purposes of discussion and review only. The budget introduction included the following:

- A Narrative Summary to illustrate significant increases and decrease of revenues and expenses for the proposed budget as compared to the authority's project FY 2018 actuals.
- A copy of the Proposed budget for 2019
- A copy of FY 2019 budget compared to the FY 2018 budget

The board of commissioners was asked to review the proposed budget presented and if there are any questions that they reach out to her or the Executive Director as the budget will need board approval at the next meeting.

Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, referred to the draft outline of Phases for Implementation of “Goals” related to the performance in meeting the objectives within the 3-year plan (2017-2019) presented last month. She asked if there were any questions relating to what is proposed. After a brief discussion for clarification purposes, she asked for a motion to accept. Mr. Heitzenroder made a motion to accept the outline. The motion was 2nd by Mr. Harris Sr.

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

V. Attorney Issues:

Attorney issues will be mentioned later in the meeting.

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:
 - 1. **Controlled Substance Act – Use of Medical Marijuana in Multifamily Assisted Properties:** The commissioners were made aware of NHA having its first case that involves a LIPH tenant who is approved for the use of Medical Marijuana. For discussion purposes only, reference was made to a memorandum from HUD intended to serve as guidance for PHA’s on admissions, continued occupancy, and termination policies in states that have enacted laws that allow the use of medical marijuana which now includes Delaware. State laws that legalize medical marijuana directly conflict with the admission requirements set forth in QHWRA and are thus subject to federal preemption as it relates to a new admission. PHA’s have discretion to determine, on a case-by-case basis, the appropriateness of program termination of existing residents for the use of medical marijuana. PHA’s in states that have enacted laws legalizing the use of medical marijuana must therefore establish a standard and adopt written policy regarding where or not to allow continued occupancy or assistance for residents who are medical marijuana users. The decision of where to allow continued occupancy or assistance to medical marijuana users is the responsibility of PHA’s not the Department.

In the interim, NHA will handle each case associated with medical marijuana individually based on its own merits. The formal adoption of a written policy and the possibility of an amendment to NHA's Smoke free Policy (adopted in 2010) will be tabled to allow further community outreach and legal research to determine a path moving forward.

2. **FYE 3/31/2018 Write-offs Resolution #394 – No Action Item:**

For discussion purposes only reference was made to the projected write-offs for FYE 3/31/2018. The projected write-off are estimated to be under \$800.00 which is achievement from last year's write-offs totaling a little over \$7,000.00. Resolution #394 will be presented next month for approval of this year's write-offs.

3. **FY 2019 Proposed Operating Budget Resolution #395 – No Action Item:**

The budget was introduced under the report from the Chairperson of the Finance Committee. Resolution #395 will be presented next month for approval and submission to HUD.

C. From Legal Counsel:

1. Attorney filed court action for a debt action for rent/damages owed from a former tenant.
2. Attorney/NHA attended a de novo trial on a tenant who is disputing rent owed based on an interim change vs. the annual recertification process. A decision is pending.
3. Attorney/NHA was able to reach an agreement with a tenant who has agreed to move-out on March 15, 2018 to avoid court action.
4. HUD is still reviewing the bid dispute regarding 26 N. Chapel Street. The board will discuss further the threat of litigation related to this real estate transaction more in Executive Session.

VIII. Visitors and/or Petition:

The Vice-Chairperson opened the floor to the visitors.

Visitors Present:

Jean White
Nick Baldini Sr.
Nick Baldini Jr.
Gabe Baldini
Chris Baldini
Mitch Slijepcevic

There were no questions or comments from our visitors.

IX. Executive Session:

The Vice-Chairperson asked for a motion to enter into Executive Session to discuss the contract amendment for the Executive Director. Mr. Hartranft made a motion to enter into Executive Session for the purpose mentioned. The motion was 2nd by Mr. Ram Ray.

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

At approximately 6:01 pm the board of commissioners entered into Executive Session to discuss the contract amendment for the Executive Director. This section of the meeting was closed to the public. Mrs. Jordan was not present for this session.

At approximately 6:21 pm the board of commissioner came out of Executive Session. The Vice-Chairperson asked for a motion for the meeting to become public and to table this agenda item until next month. Mrs. Lane made a motion to make the meeting public again. The motion was 2nd by Mr. Hartranft.

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

The public was made aware that the amendment to the Executive Director's contact was tabled until next month to allow for additional documentation to be submitted and reviewed by the board.

Note: The minutes will reflect that at approximately 6:22 pm Mrs. Lane left the building and was not returning. She will not take part in the discussion regarding the real estate transaction of 26 N. Chapel Street and the threatened litigation.

The Vice-Chairperson asked for a motion to enter into Executive Session again to discuss a real estate transaction (26 N. Chapel Street). Mr. Hartranft made a motion to enter into for the purpose mentioned. The motion was 2nd by Ms. Shand.

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

At approximately 6:24 pm the board of commissioners entered Executive Session to discuss the recent developments relating to the real estate transaction for 26 N. Chapel Street whereas NHA is threatened with litigation. This section of the meeting was closed to the public.

At approximately 6:41 pm the board of commissioner came out of Executive Session. The Vice-Chairperson asked for a motion for the meeting to become public and to table this discussion until next month. Mr. Hartranft made a motion to make the meeting public again. The motion was 2nd by Ms. shand.

The public was made aware that due to the legal ramifications on the matter involving 26 N. Chapel Street and HUD's involvement in reviewing the bid dispute, a further discussion is needed. Mr. Gouge and Mrs. Jordan will continue to move this along and report next month.

XI. Adjournment:

The Vice-Chairperson asked for a motion for the meeting to adjourn. Mr. Hartranft made a motion for the meeting to adjourn. The motion was 2nd by Mr. Ram Ray.

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

Meeting adjourned at approximately 6:42 PM

Minutes Submitted by: Marene M. Jordan, Executive Director

Note:

- Executive Session Summary of Minutes (Minutes from the closed session relating to the contract amendment for the Executive Director were taken by Mr. Ram Ray)
- Executive Session Summary of Minutes (Minutes from the closed session relating to the Real Estate Transaction of 26 N. Chapel Street were taken by Mrs. Jordan)

APPROVED