



NEWARK HOUSING AUTHORITY

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Newark Housing Authority Board of Commissioners

January 13, 2016

Revised 2.3.2016

Summary of Meeting Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order by Chairperson, Lloyd Harris on January 13, 2016 at 5:00 pm.

I. Roll Call:

Board of Commissioners present: Lloyd Harris, Kevin Heitzenroder, Donna Shand, Sharon Smith, Don DelCollo and Peter Hartranft. The Roll Call of the Commissioners was individually confirmed by an "I" response. NHA Staff present: Executive Director, Marene M. Jordan; Attorney, Don Gouge.

Absent:

Mark Doughty

III. Approval of Minutes:

The Chairperson asked for approval of the September 23, 2015 meeting minutes. Before a motion was made, Mr. DelCollo recommended some changes to the minutes to clarify some language summarized in the section relating to the FYE audit report. With the recommended changes, Ms. Shand made a motion to approve the minutes with the amended changes. The motion was 2nd by Ms. Smith.

Aye 6 (Mr. Harris, Mr. Heitzenroder, Ms. Shand, Ms. Smith, Mr. DelCollo and Mr. Hartranft)
Nay 0

IV. Report of the Executive Director:

(A). Staff Report:

The Chairperson asked for approval of the Staff Reports for the periods covering September thru December of 2015. Before the Staff Report was approved, Ms. Jordan made reference to the December's Staff Report to include the Report on Alder Creek from the Development Committee with whom Mr. Heitzenroder is the Chairperson of. She referenced the following:

- Leasing at Alder Creek – NHA was informed by Ingerman the leasing is complete and the last family moved in by December 31, 2015.
- Noise Level concern – In reviewing HUD's Environmental Assessment Completion notice dated for April 16, 2014 (the updated review), it was determined (in place of a sound barrier) and to

reduce the interior goal to 45 decibels (HUD's goal) was all building located in an area where the exterior noise level was 65 decibels day-night average must be provided additional attenuation beyond the 20 decibels affordable by standard construction materials. NHA raised the concern with Ingerman.

- Utility Allowances – Ingerman completed a utility analysis for the newly constructed units at Alder Creek. The analysis was agreed to be completed over a year ago. The analysis was just completed in November. Since the completion of the study, Ingerman is insisting on utilizing there study for the PBV units. Although there study is reported to be in compliance with IRS regulations, the study was not completed by underwriting per HUD Notice H-2015-04. The HUD PIH notice 2002-22 reference: if a family participating in the tenant-based option of the housing choice voucher program chooses to lease a unit in a development that receives a LIHTC, the rent to owner for the unit shall be determined in accordance with procedures outlined in 24 CFR regulations 982 subpart K. Additionally, if a family is assisted by project based rental assistance or is a housing choice voucher holder the PHA's allowance is used. There is no issue with Ingerman using the analysis for the LIPH units a completely different program.

In this case, the decrease in proposed utility allowances by Ingerman would increase the family's portion of the contract rent by the difference. HUD recently released an updated version of the utility schedule model to reflect new weather data and allowance calculations. NHA's consultants have already updated our properties to reflect this change.

- Monument Sign for Alder Creek – Ingerman provided NHA with a copy of the final design for Alder Creek requiring a payment from NHA to include NHA's logo in the base of the sign.
- Utility Reimbursement Payment (URP) – NHA was contacted by several residents from Alder Creek reporting they had not received their "URP" payment from the management office. NHA followed-up with HUD/Ingerman. Ingerman advised the families eligible to receive this payment will receive the payment retro-actively when they receive the operating subsidy from HUD. NHA concern was: what will happen if a tenants utilities are shut off while they wait for the payment from Ingerman????

As Chairperson of this sub-committee, Mr. Heitzenroder, added: Marene appears to be very frustrated with Ingerman's management and it appears the only way she gets what she needs is by her persistence; she reports: issues with receiving weekly, monthly and quarterly reports, the signage for Alder Creek and now the Utility Allowances. He asked: Is the monument sign installed at Alder Creek? She replied: No. Mr. Heitzenroder asked: did NHA pay their portion for the signage. She responded: Yes.

After a brief discussion, the Chairperson asked for a motion to approve the Staff Reports. Mr. DelCollo made a motion to accept the Staff Reports presented. The motion was 2nd by Ms. Shand.

Aye 6 (Mr. Harris, Mr. Heitzenroder, Ms. Shand, Ms. Smith, Mr. DelCollo and Mr. Hartranft)
Nay 0

V. Committee Reports:

A. Report of Policies and Procedures & Compliance & Personnel Committee:

Mr. Doughty, Chairperson of this sub-committee, was not present for an update. Ms. Jordan informed the board members that Mr. Doughty should be able to resume his duties as Vice-Chairperson of the Board by next month. She added: he has taken on some additional responsibilities and a new position at his job but has expressed continued interest in maintaining his position on the board. Ms. Jordan added in the absence of Mr. Doughty, Ms. Smith (committee member) was asked by Mr. Doughty to move forward with the on-boarding process procedure and the evaluation of the Executive Director. Ms. Smith and I met on Wednesday, January 6th. We discussed and finalized the on-boarding process and procedure which you all have a copy of. We were also able to complete the evaluation of myself which was shared with Mr. Doughty and will be discussed and hopefully approved when the board drops down in Executive Session later on in the meeting. Ms. Jordan then turned the report from this committee over to Ms. Smith. Ms. Smith stated that at the last board meeting we provided a draft copy of the "On Boarding Information Manual" and asked everyone to review and provide comments to Marene or myself prior to this meeting. Since there were no comments received by either one of us, we have prepared and provided everyone with their own personal manual. She added there were some additions she made; like including each board member's appointment date and when their term expires. She asked: are there were any questions or comments regarding the manual? There were no questions but Mr. DelCollo personally acknowledged the work and efforts that went into preparing the manual. He thanked Ms. Smith for her work and thought the manual will be a useful tool.

In conclusion Ms. Smith asked for board approval in accepting the manual and for the manual to be used when future board members are being appointed to the Newark Housing Authority's Board of Commissioners. Mr. DelCollo made a motion to accept and implement the On Boarding Information Manual tonight and in the future. This motion was 2nd by Mr. Harris.

Aye 6 (Mr. Harris, Mr. Heitzenroder, Ms. Shand, Ms. Smith, Mr. DelCollo and Mr. Hartranft)
Nay 0

Ms. Jordan asked everyone to sign the form acknowledging their receipt of the manual and she will provide a copy to all. She mentioned there are also two (2) other forms that require signatures from the board. A conflict of interest disclosure form; and, A non-disclosure of board information. She asked for those to be signed (if members are comfortable) if not, they can take the forms with them and return the forms at the next board meeting.

B. Report of Alder Creek:

See update and comments referenced under the section IV – Report of the Executive Director (A) Staff Report.

C. Report of Finance Committee:

Chairperson of this sub-committee, Ms. Shand, referred to the Budget vs. Actual Report for the period covering April through November of 2015. She reported that the budget shows we're in the "black" with a \$17,263 year to date total. She mentioned the finance committee met and discussed the budget. As a result there were some questions asked of Ms. Jordan regarding the increase in accounting fees since the fees appear to be increasing. Ms. Shand acknowledged and confirmed a response from Ms. Jordan which was accepted by the committee members. Ms. Shand asked, if anyone from the board had any questions regarding the financials presented and reported on for the LIPH program? Mr. DelCollo noted the Fringe Benefit – Taxes (line item #4540.03) appear to be high. Mr. DeBeary answered by saying a budget revision is needed because the fees are understated. Ms. Shand then moved on to the Profit Loss Report for the Section 8 program. This is a straight forward report showing income vs. expenses with a net loss -\$1,315 but the reporting appears to be in order. She asked, if anyone had any questions regarding this report. There were none and that concluded her report.

VI. Attorney Issues:

Mr. Gouge provided follow-up to the last board meeting, where a question was raised by Mr. DeBeary. The question was: Who will be responsible for and digging that may occur at Alder Creek without approval or NHA from knowledge?" Mr. Heitzendroder asked Mr. Gouge to look into this question as he felt the question by Mr. DeBeary was a legitimate one.

Response:

Mr. Gouge reported, as owners current or past, the City of Newark, the Newark Housing Authority and Ingerman which is typical for all parties involved. He went on to say, as a result and with the assistance of Marty Walsh (NHA's mixed finance attorney) and once everyone involved were in agreement the amending the Environmental Covenant, the covenant and Reaffirmation and Continuance of Indemnification Agreement was amended and restated in order to properly reflect the ground lease. The Covenant was re-recorded on November 6, 2015 by NHA.

VII. Old Business:

A. From other Commissioners:

By-Laws – Don DelCollo mentioned the current By-laws have not been updated since 2011 and he is interested in developing a committee which he would like to be a member of to assist in updating them. There was a brief discussion amongst the board members and it was determined that no new committee needs to be established because the review and update of the By-laws would fall under the Policies and Procedures & Compliance & Personnel Committee.

B. From the Executive Director:

2016 Annual Plan - Ms. Jordan reported the Annual Plan process includes a 45 day public review period where written comments can be received from the public and taken into consideration prior to amending any proposed policy changes/updates or use of proposed capital fund use before final board approval. A Public Hearing was scheduled for Friday, December 18, 2015 which no one from the public attended. Ms. Jordan referenced one change since she circulated the proposed plan to the board members in September. She referenced PIH Notice 2015-19 issued on November 2, 2015 which provides guidance for public housing agencies (PHAs) and owners of federally-assisted housing on excluding the use of arrest records in housing decisions. The purpose of the notice was to inform PHAs and owners of other federally-assisted housing that arrest records **“may not”** be the basis for denying admission, terminating assistance or evicting tenants; and, an arrest is not evidence of criminal activity that can support an adverse admission, termination, or eviction decision. Ms. Jordan briefly explained the process and use of performing a criminal background check on applicants and current participants (over the age of 18) relating to current policies. She then sought the opinion of the legal counsel to provide appropriate language to amend the policy to incorporate HUD’s guidance as well as provide NHA with the means to perform background checks that would not impose or create any at risk concerns for other participants that will not interfere with their peaceful enjoyment while participating in the programs administered by NHA.

Mr. Gouge referred to the Notice, he referenced the notice says **“may not”** which is not **“shall or must”** so the language is not binding. The suggested language to included in both policies in determining eligibility and termination for activity of arrest(s) will be:

“Repetitive/repeated arrests for drug-related or violent criminal activity within the past 5 years **may be used to deny assistance.**”

The suggest language by Mr. Gouge allows NHA to ask for documentation, to communicate with the applicant(s), participant(s) to assist in determining admission or termination should there be a need to do so while taking into consideration HUD’s guidance.

A motion was made by Mr. DelCollo to approve the Annual Plan and the use of CFP for 2016. The motion was 2nd by Ms. Shand.

Aye 6 (Mr. Harris, Mr. Heitzenroder, Ms. Shand, Ms. Smith, Mr. DelCollo and Mr. Hartranft)
Nay 0

RFP 2015-01 Auditing Services – Ms. Jordan updated the board on the results acknowledging NHA received 3 responses to the RFP. She mentioned she met with the finance committee on Friday, October 30, 2015 to discuss her preliminary review. Within the review, one of the evaluation criteria’s asked each responder to provide a minimum of five (5) housing authorities agencies audited past or current. This particular criterion carried the most points in the evaluation because it deals with the experience in auditing housing authorities. Barbacane, Thornton & Company LLP listed approximately 25 housing authorities. The other two (Belfint.Lyons.Shuman & Gunnip & Company LLP) shared one within the two firms. As the most qualified and experienced auditing firm who responded timely, NHA issued a notice to proceed to

Barbacane, Thornton & Company LLP. Their auditing services will be under contract for 3 years with an option to renew for 2 additional 1 year periods.

C. From the Legal Counsel:

Property Swap – 101 New London: Mr. Gouge reported that the sale of 101 New London may not be an easy deal to close. It will take some time. The State has determined it eligible for listing as it is a contributing building within a potentially eligible New London Road Historic District. The historic eligibility determination would not prevent the NHA from selling the property, but it would impact on what the new owner could do. If the Newark Housing Authority plans to dispose of the property, then we must proceed through the entire Section 106 review process in accordance with the regulations. In order to obtain a no adverse effect determination, then placing a covenant on the property would be required. This would bind subsequent owner(s) for a period of years (to be determined), and would require the new owner to maintain the property during that time.

Ms. Jordan added: If the sale is still something NHA would like to move forward with, the environmental review will need to be complete and submitted to our field office for review and approval before NHA can submit an application to the SAC for dispo/demo, (since the ER has to cover both the disposition and the use after disposition).

Mr. Gouge added: He will prepare a notice to be placed in the News Journal informing the public of the sale of the property.

VIII. New Business:

A. From other Commissioners:

None

B. From the Executive Director:

Mrs. Jordan mentioned a discussion needed to be had regarding board meetings. She reminded everyone the importance of meeting so that the business of the authority is not without delay. She added the board members will need to meet in February (receive proposed budget for 2017) and in March (approved budget). The discussion regarding how often the board will meet after March was tabled until the next meeting.

C. From Legal Counsel:

None

IX. Visitors or Petitions

Mr. Mayhew was in attendance and has interest in purchasing 101 New London Road.

X. Executive Session

At 6:11pm the board members dropped down into Executive Session to discuss the annual evaluation of the Executive Director.

XI. Adjournment

Meeting adjourned at approximately 6:45 PM

Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED