

**Newark Housing Authority
Board of Commissioners
March 14, 2018**

Summary of Meeting Minutes

Opening:

The regularly scheduled board meeting was called to order by the Board Chairperson, Lloyd Harris Sr. 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.

Commissioners Janaki Ram Ray and Kevin Heitzenroder were not present during the initial roll call but they arrived at approximately 5:05 pm and 5:25 pm respectfully.

II. Approval of Minutes:

(a). Minutes from February 14, 2018

The Chairperson asked for approval of the February 14, 2018 meeting minutes. Mrs. Lane made a motion to accept the minutes. The motion was 2nd by Mr. Hartranft.

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

(b). Executive Session Meeting Minutes from February 14, 2018:

The motion was made by Mrs. Lane and 2nd by Mr. Hartranft to accept the minutes.

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

(a). Staff Report for February 2018:

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

Meet and Greet:

The meet and greet that took place on March 1, 2018 went well. I was able to meet the new HUD regional administrator for our region. In attendance were Mr. Joe DeFelice (New Administrator); Mr. Elvis Solivan (His Senior Advisor); Mrs. Byrum (the HUD Director from the Wilmington Office); Ms. Axter (the HUD Deputy Director from the Philadelphia office); Marc DeBeary and myself. The meeting allowed for a discussion about the pending waiver request submitted 8 months ago and mentioning of the bid dispute.

Mr. DeFelice was briefed before our meeting and was fully aware that both items required attention. He noted that 8 months is too long to be waiting on a response. He shared NHA should receive a response within a few weeks.

Everyone in attendance was given a tour of our senior development and Alder Creek.

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

HUD has not provided an opinion yet.

State Representative Paul Baumbach informed NHA that our full congressional delegation was involved in pushing for an opinion regarding the pending waiver request. He shared NHA should be receiving an opinion shortly.

Bid Dispute:

NHA has not received any communication regarding this issue.

Community Out Reach:

With the assistance of our Mayor, the Newark Area Welfare Committee was able to provide all 56 families at Alder Creek with \$25 ACME gift cards through a grant. The cards were delivered to each family by NHA staff members.

Section 8 Vouchers:

With the approval of our HUD field office, NHA will be issuing vouchers to approved families off our waiting lists. We are planning for a March 15th briefing.

Operating Reserve Litigation:

NHA received its award of \$47,120 on Monday, February 26th. I have asked Marc to join us today to share some options of moving the funds for future use. This topic will be discussed further during the course of the meeting.

The Chairperson asked for approval of the Staff Report for February. A motion to approve the report was made by Mrs. Smith. The motion was 2nd by Mrs. Lane.

4 (Ms. Shand, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 4 to 0
Abstain: 1 (Ms. Smith was not present for the meeting)

(b). Staff Report from December 2017:

The Chairperson asked for approval of the December 2017 Staff Report. Mrs. Lane made a motion to accept the report. The motion was 2nd by Ms. Shand.

5 (Ms. Shand, Mrs. Smith, 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, referred to the narrative of the proposed process for reappointments of board members and the process in filling board vacancies prepared by the committee. She asked if there were any questions or comments regarding these amendments. Since there were none, she asked for a motion to accept these amendments that will be included in the On Boarding Information Manual.

- a). **On Boarding Informational Manual/Process in filling board vacancies/re-appointments of board members:** Ms. Shand made a motion to accept the amendments. The motion was 2nd by Mrs. Lane.

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

- b). **Executive Director Contract Amendment:** - Mrs. Smith reported this topic will be discussed during closed session.

B. Report from Development Committee – Chairperson (Mr. Heitzenroder) was not present. Mrs. Jordan provided the report on his behalf.

26 N. Chapel Street:

Mrs. Jordan reported the property is routinely checked to make sure the property maintenance and upkeep are being maintained.

Mrs. Jordan reported during the meet and greet with Regional Administrator, Mr. DeFelice, information of the relocation regarding the former tenant at 26 N. Chapel Street. He was pleased to hear we had resolved that issue and the family is in a much more desirable setting.

101 New London Road:

Mrs. Jordan reported that NHA has not received the written appraisal for this property. Once the report is received, NHA will list this property for sale. The Bidding Instructions will include:

- No Escalation Clauses
- Last, best and final offers only will be accepted
- Minimum bid \$\$
- NHA Reserves the Right to Reject any offer(s) received for any reason
- Proposals/Bids/Offer due by March 30th by 3:00 p.m.

Mrs. Lane suggested allowing at least 3 weeks for interested parties to submit their proposals/bids/offers for this property. Mr. Gouge added, “The due date should be 3 weeks from the date the property is listed publically for sale.”

As far as addressing the conditions of the MOA, a draft of the narrative (to be displayed on NHA’s website) was forward to everyone. Mrs. Jordan has a copy of the content that may be included on the sign and informed all that this information was forwarded to the SHPO for their review and comments.

Ms. White (who attended this meeting) is a city of Newark Resident who also attended the Public Meeting held on March 22, 2017. She provided written comments regarding the sale of 101 New London Road and will be contacted to see if she has any other comments to include as a part of the NHA meeting the conditions outlined in the MOA.

RFQ2017-01 (Agency Representative):

Since our last meeting, NHA contacted a representative from CSG to discuss cost and contract terms in the possibility of moving forward with a contract. CSG is open to entering into a smaller contract with an option to increase the fee based on services we request.

A brief discussion took place with concerns of the cost, fees, etc which are not clearly defined. NHA is to inquire into if expenses such as travel and hotel will be included; should there be a need for these expenses. However, Ms. Shand made a motion for NHA to begin contract negotiations in the possibility of entering into a contract with CSG Advisors. This motion was 2nd by Mrs. Lane.

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

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 – January 2018. She noted having reviewed the report prior to the meeting and noted nothing unusual from previous months reporting. However, she asked for clarification from Mrs. Jordan regarding the Property Insurance (budget line item 4510.00) that appeared higher than expected. Mrs. Jordan informed the actual expense is a timing issue (bill vs. expense). 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

Ms. Shand noted the FY 2019 Proposed Budget was introduced for the purposes of discussion and review at the last meeting. This afforded everyone an opportunity to ask any questions or seek clarification prior to accepting and approving the budget today. She opened the floor for any questions. There were none. Ms. Shand asked for a motion to approve the budget and submit to HUD. Mr. Hartranft made a motion to accept and submit the budget. The motion was 2nd by Mrs. Smith.

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

As part of the finance committee’s report, Mrs. Jordan asked Mr. DeBeary (NHA’s fee accountant and consultant) to join the meeting to advise the board of some options that may be helpful in where to place the \$47, 120 NHA received in damages as a result of the operating reserve recapture litigation. Mr. DeBeary provided the following; “The attorney who handled the lawsuit has informed us that the funds are “non-federal dollars” since the funds were paid by the U.S. Department of Treasury. The attorney who handled the lawsuit had recommended that the funds be separated from other federal dollars and can be used for any activity.” As a recommendation Mr. DeBeary suggested opening up a CD, a money market account, another bank account with the same or different bank avoiding comingling the funds with federal dollars. He discussed using the funds as part of our redevelopment opportunity which would support business activity designated for this project.

Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand noted there is no activity to report from this committee.

V. Attorney Issues:

Mr. Gouge reported on two tenant/landlord cases.

1. The JP courts ruled in favor of the tenant as a result of the trial de novo court case for non-payment of rent. Although the authority followed the policy regarding timing in processing an annual recertification vs. an interim change; the court felt the reduction in rent should have occurred independent of when the process had started to recertify the family. Mr. Gouge advised that we review the policy to make it clear of the process and differentiate the difference between the two processes as they are unrelated.
2. NHA was able to settle out of court (avoiding court action) with a tenant who failed to report income and a change in family composition during their annual recertification. The family will be returning possession to NHA as of March 15th.
3. In terms of the family who vacated and left owing money as part of this year’s write-offs, a court date is pending to hopefully resolve the issue.

VI. Old Business:

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

- 1. **A continued discussion regarding the use of Medical Marijuana in Multifamily Assisted Properties:** Mr. Gouge reported doing some research on this topic and found:
 - a). medical-marijuana laws do not and cannot supersede federal law as that criminalizes the possession of marijuana.
 - b). courts shall give weight to HUD’s conclusion that a medical marijuana accommodation is not reasonable under the Fair Housing Act because it would constitute a fundamental alteration in the nature of a PHS or owner’s operations.
 - c). courts find that a defendant is not entitled to a reasonable accommodation for medical marijuana use under the FHA.
 - d). The state courts have jurisdiction to determine whether, and under what circumstances, a landlord may evict a tenant for violation of lease provisions.

Mrs. Jordan added, that she had received a response from DHSA regarding her inquiry into their having any cases involving medical marijuana; they have not. As we know, according to HUD’s policy, we cannot admit anyone into a federally subsidized housing program if they are found to be using medical marijuana. We do have leeway in adopting policies involving existing residents who are found using medical marijuana. Our policy and the non-smoking policy will have to be amended. Mr. Gouge noted continued research will be done and findings will be reported to the board.

- 2. **FYE 3/31/2018 Write-Offs Resolution #394:** Mrs. Jordan acknowledged this year’s write off is significantly less than the previous year. The total amount is \$715.85. The total included unpaid rent and damages to the unit. The Chairperson asked for a motion to approve the resolution. Mr. Hartranft made a motion to approve the resolution. The motion was 2nd by Mrs. Smith.

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

- 3. **FYE 3/31/2018 Write-Offs Resolution #395:** The budget for 2019 was previously approved by the board under the finance committee. This resolution allows NHA to submit the approved budget to HUD along with HUD form 52574. The Chairperson asked for a motion to approve the resolution. Mr. Heitzenroder made a motion to approve the resolution. The motion was 2nd by Mr. Hartranft.

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

- 4. **CDBG – New Developments: (Action Required)** Mrs. Jordan reminded the board of their vote passed last month allowing for all future appointments to the CDBG committee appointed by the City to be staff members. In an attempt to implement the board’s decision, a conversation was held with the Mayor to inquire into the steps needed to change the city’s code

to specify that the at large member seat reserved for NHA will be a staff member. The conversation determined that the city is moving away from appointing staff members as representatives of organizations that may submit an application for consideration in funding due to conflicts. Mrs. Jordan noted that the board's vote from last month would need to be reversed to comply with how the city is currently appointing members to this committee.

Mrs. Shand asked, "Did the policy change or is this an interim decision on how these appointments will be handled?" Mrs. Jordan responded that she did not know for sure but could follow-up to be sure and advise next month.

The Chairperson asked for a motion to withdraw the motion passed last month regarding appointments to fill the seat reserved for NHA. Mrs. Lane made a motion to return to original CDBG appointment process where the representative appointed by the city will be a board member. The motion was 2nd by Mrs. Smith.

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

C. From Legal Counsel: None: None

Note: The minutes will reflect that at approximately 5:45 pm Mrs. Lane left the building and will not be returning.

VII. New Business:

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

VIII. Visitors and/or Petition:

The Chairperson opened the floor to the visitors.

Visitors Present:

Jean White
Nick Baldini Jr.
Gabe Baldini
Mitch Slijepcevic

There were no questions or comments from our visitors.

IX. Executive Session:

The Chairperson asked for a motion to enter into Executive Session. Mr. Heitzenroder made a motion to enter into Executive Session to discuss a real estate transaction. The motion was 2nd by Ms. Shand.

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

At approximately 6:01pm the board of commissioners entered Executive Session to discuss the recent developments relating to the real estate transaction. This section of the meeting was closed to the public.

At approximately 6:13 pm the board of commissioner came out of Executive Session. The Chairperson asked for a motion for the meeting to become public. Mr. Heitzenroder made a motion to make the meeting public again. The motion was 2nd by Ms. shand.

Note: The minutes will reflect that at approximately 6:14 pm Mr. Ram Ray left the building and would not return.

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

Mr. Heitzenroder asked the board how they wanted to proceed in moving forward with 26 N. Chapel Street since Mrs. Jordan mentioned earlier in the meeting that she expects to have the decision from HUD regarding the perceived conflict by our next meeting.

A brief discussion was had amongst the attorney and the commissioners about the possibility of holding a “Special Meeting” or waiting until next month to vote on the property. Several board members thought that holding a special meeting was not necessary after waiting over 8 months for the HUD’s decision.

Mr. Heitzenroder stated for the record that the real estate transaction that was discussed during Executive Session pertained to 26 N. Chapel Street only and 101 New London Road was not mentioned at all. Mr. Heitzenroder confirmed that the board has decided to table any decision making regarding 26 N. Chapel Street until the April Meeting. He made a motion to table the discussion/vote until next month. The motion was supported by all board members present at this time.

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

The minutes will reflect that the board did not hold an Executive Session to discuss the contract amendment for the Executive Director. This agenda item will be tabled until next month.

XI. Adjournment:

The Chairperson asked for a motion for the meeting to adjourn. Mr. Heitzenroder made a motion for the meeting to adjourn. The motion was 2nd by Ms. Shand.

4 (Ms. Shand, Mrs. Smith, Mr. Hartranft, and Mr. Heitzenroder.)
Nay 0
Motion passed, Vote: 4 to 0
Abstain: 0

Meeting adjourned at approximately 6:30 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 of 26 N. Chapel Street were taken by Mrs. Jordan)**

APPROVED