

Newark Housing Authority
Board of Commissioners
April 11, 2018
REVISED May 10, 2018

Summary of Meeting Minutes

Opening:

In the absence of the Board Chairmen, Lloyd Harris Sr., the regularly scheduled board meeting was called to order by Vice-Chairman, Kevin Heitzenroder at approximately 5:01 pm.

I. Roll Call:

Board of Commissioners present: 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 Commissioners: Lloyd Harris and Sharon Smith

II. Approval of Minutes:

(a). Minutes from March 14, 2018

The Vice-Chairman asked for a motion to approve the March 14, 2018 meeting minutes. Mrs. Lane made a motion to accept the minutes. The motion was 2nd by Mr. Ram Ray.

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

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

The Vice-Chairman asked for a motion to approve of the Executive Session meeting minutes. A motion was made by Ms. Shand and 2nd by Mrs. Lane.

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

(a). Staff Report for March 2018:

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

2018 Funding

President Trump signed a massive Spending Bill that significantly increased Capital Fund Allocation and Expands Low Income Housing Tax Credits. Tax credits will increase by 12.5 percent beginning now and lasting until 2021. The funding levels for operating funds are estimated to be in the mid-90s. For the section 8 program, the HAP Payments are estimated to be funded at 100% and the admin fees are expected to be funded at 76% based on HUD calculations.

This is great news as we move forward with a feasibility study of our 56 LIPH units which includes available funds (from all sources) that we may have an opportunity to use as a funding source in our redevelopment efforts including converting our LIPH units to RAD

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

Note: The below update was read verbatim for the record

NHA is in receipt of HUD's written opinion dated for March 14, 2018 regarding the ACC Waiver or Section 8 Exception for a Conflict of Interest Prohibition NHA submitted in June for their perceived conflict of interest. As a result of the review of the waiver request, the waivers for both Mrs. Lane and Mr. Heitzenroder have been granted. HUD concluded there was no evidence or basis for determining that a conflict of interest exists under the U.S. Department of Housing and Urban Development's Regulatory Requirements.

Bid Dispute of 26 N. Chapel Street:

Note: The below update was read verbatim for the record

NHA is also in receipt of HUD's response dated for March 20, 2018 regarding the bid dispute for 26 N. Chapel Street. The response addressed each of the bid disputer's concerns separately that date back to December 15, 2017 and January 16, 2018 as well his most recent concerns dated for March 6, 2018. HUD concluded there was no further action to be taken by their office since the Special Application Center had already approved the sale of this property and the conflict of interest issue is resolved.

DE Congressional Delegation:

NHA reported last month that contact was made with the Congressional Delegation and State Representative Paul Baumbach for assistance in expediting the "written opinion" in the perceived conflict of interest waiver request. This waiver was submitted at the request of the OIG office. The bid dispute submitted to HUD/OIG for resolution. As a result, NHA received written response to both. Thank you letters were mailed on behalf on the Newark Housing Authority and its Board of Commissioners.

Note: Mrs. Lane asked for a copy of the letter sent to the Congressional Delegation

DE NAHRO:

NHA will be a presenter at DE NAHRO's Annual Meeting in May. There will be a session on innovative housing projects in DE and NHA will be discussing Alder Creek. The meeting will be held in Lewes, DE on May 18th.

The Vice-Chairmen asked for approval of the Staff Report for March. A motion to approve the report was made by Mr. Hartranft. The motion was 2nd by Mr. Ram Ray.

4 (Ms. Shand, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 4 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, Mrs. Lane will be discussing the contract amendment during Executive Session.

- a). **Executive Director Contract Amendment:** - This topic will be discussed during closed session.

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

a).26 N. Chapel Street:

The Chairperson for this committee noted the board will be discussing the property at 26 N. Chapel Street later on in the meeting.

Mr. Heitzenroder asked Mrs. Jordan to provide the update for 101 New London Road. Mrs. Jordan mentioned the following:

b). 101 New London Road:

NHA listed the property for sale on Tuesday, March 20th and offers are due on Monday, April 16th. A public tour of the property is scheduled for Friday, April 13th at 4:00 pm. The disposition application to dispose of the property was submitted to the SAC office on Friday, April 5th.

Mr. Heitzenroder clarified that the appraisal was received. Mrs. Jordan confirmed the appraisal was received. Mr. Ram Ray asked, “When will the board receive a copy”? Mr. Gouge replied, “A copy will be provided at the next board meeting”.

In regards to the MOA - Our Historic Consultant is reviewing the comments received from the DE State Historic Preservation office as well as suggestions from Ms. White regarding the Narrative for our website. A revised copy is pending.

c). RFQ2017-01 (Agency Representative):

Mr. Heitzenroder referenced the Engagement Letter and the Scope of Work proposed by CSG Advisors. He asked Mrs. Jordan to elaborate on the documents provided. Mrs. Jordan referred to the Scope of Work which outlines a proposal for a feasibility study for all of our remaining LIPH units. CSG will create a model utilizing the following public housing development tools as task #1.

- RAD
- Low Income Tax Credits 4% and 9%
- Section 18 Demo and Dipso process (Tenant Protection Vouchers)
- New Construction
- Acquisition/Rehab

Task #2 will include a presentation that discusses all redevelopment programs available for public housing authorities and present their findings as a result of the feasibility study. The Presentation will cover:

- Funding of Public Housing & terminology
- RAD Basis
- Low Income Housing Tax Credits 4% and 9%
- Section 18 Demo and Dispo Process
- Construction costs nationwide
- Recommendations

The cost estimated to complete these two tasks will not exceed \$17,000. Mrs. Jordan added that the Scope of Work is consistent and addresses the questions raised at last month's meeting. She asked if there were any questions with the Scope of Work. There were no questions. However, Mr. Heitzenroder noted that for him personally the Scope of Work covers funding's options which may not be known to the board members. Mrs. Lane added, that for her, the Scope of Work outlines a detailed breakdown of associated costs. Mrs. Jordan stated that, in conclusion of the findings from this exercise, we should be able to use this data in conjunction with the conceptual site plans prepared by the A&E firm to move to the next phase in our development plans.

The Vice-Chairman asked for a motion to accept the Scope of Work. Mr. Hartranft made a motion to accept the Scope of Work. The motion was 2nd by Ms. Shand.

4 (Ms. Shand, Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)
Nay 0
Motion passed, Vote: 4 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 – February 2018. She noted having reviewed the report prior to the meeting and noted nothing unusual from previous month's reporting. However, she referenced the Income Section of the report; budget line item 3690.01 and noted the income is inflated due to income received from the operating reserve litigation which is reflected in the Net Income. She asked if there were any questions. 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 month's reporting. There were no questions on this report as well.

Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand noted there is no activity to report from this committee. Mrs. Jordan mentioned the need for the committee to discuss a timeline in evaluating the progress of goals and objectives outlined in the 3-year Strategic Plan.

V. 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: Brief discussion raised on the possibility of filing a counter legal suit seeking damages to cover legal fees from the nuisance action regarding the bid dispute.
- B. From the Executive Director: None
- C. From Legal Counsel:
 - 1. Mr. Gouge noted a debt action hearing is scheduled April 26, 2018 for a former tenant who defaulted in a repayment agreement with NHA. The debt owed is \$715.85.
 - 2. Mr. Gouge reported the filing of a non-payment of rent case that is scheduled for May 8, 2018.

VIII. Visitors and/or Petition:

The Chairperson opened the floor to the visitors.

Visitors Present:

Jean White
Nick Baldini Jr.
Gabe Baldini
Mitch Slijepcevic
Emal Masond

There were no questions or comments from our visitors.

IX. Executive Session:

The Vice-Chairman asked for a motion to enter into Executive Session to discuss the contract amendment for the Executive Director. Mr. Ram Ray made a motion to enter into Executive Session. 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: 0

At approximately 5:39 pm the board of commissioners entered Executive Session to discuss the proposed contract amendment for the Executive Director, a personnel matter. This section of the meeting was closed to the public.

At approximately 6:01 pm the board of commissioner came out of Executive Session. The Vice-Chairman asked for a motion for the meeting to become public. Mrs. Lane made a motion to make the meeting public again. The motion was 2nd by Ms. shand.

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

The Vice-Chairman informed all that the amendment to the Executive Director's contract was discussed. The Policy and Procedure & Compliance & Personnel Committee members will work on the contract language and present the proposed language at the next meeting. This item will be tabled until the next meeting.

Note: The minutes will reflect that at approximately 6:03 pm Mrs. Lane left the building and will not be returning.

The Vice-Chairman asked for a motion to enter into Executive Session to discuss 26 N. Chapel Street, a real estate transaction. Mrs. Shand made a motion to enter into Executive Session. The motion was 2nd by Mr. Hartranft.

3 (Ms. Shand, Mr. Hartranft and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 3 to 0
Abstain: 0

At approximately 6:04 pm the board of commissioners entered into Executive Session to discuss 26 N. Chapel Street, a real estate transaction. This section of the meeting was closed to the public.

At approximately 6:08 pm the board of commissioner came out of Executive Session. The Vice-Chairman asked for a motion for the meeting to become public. Mr. Ram Ray made a motion to make the meeting public again. The motion was 2nd by Ms. shand.

3 (Ms. Shand, Mr. Hartranft and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 3 to 0
Abstain: 0

The Vice-Chairman informed all that as a result of HUD's favorable written reviews for both the conflict of interest and the bid dispute of 26 N. Chapel Street, Mrs. Lane was cleared. HUD has cleared myself of any conflicts regarding 101 New London Road. He confirmed that the board can move forward with the contract for 26 N. Chapel Street. Mr. Hartranft stated he would like to move forward with the offer of \$385,000 received from English Creek LLC.

Mr. Heitzenroder added after consultation with our attorney, the 2nd offer which included an escalation clause, the board did not accept. The Vice-Chairman asked for a motion to accept the contract for 26 N. Chapel Street. Before a motion was made, Mr. Gouge noted the contract and the settlement dates needed to be changed. However, the contract can be accepted with the understanding that the dates will change. Ms.

Shand made a motion to accept the contract noting the dates mentioned will change. The motion was 2nd by Mr. Ram Ray.

3 (Ms. Shand, Mr. Hartranft and Mr. Ram Ray)
Nay 0
Motion passed, Vote: 3 to 0
Abstain: 0

XI. Adjournment:

The 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.

3 (Ms. Shand, Mr. Hartranft, and Mr. Ram Ray.)
Nay 0
Motion passed, Vote: 3 to 0
Abstain: 0

Meeting adjourned at approximately 6:15 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