

**Newark Housing Authority**  
**Board of Commissioners**  
**May 9, 2018**  
REVISED JUNE 15, 2018

**Summary of Meeting Minutes**

**Opening:**

The regularly scheduled board meeting was called to order by the Board Chairman, Lloyd Harris Sr. at approximately 5:00 PM.

**I. Roll Call:**

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

Absent Commissioners: Kevin Heitzenroder, Donna Shand, Sharon Smith (letter of resignation submitted)

**II. Approval of Minutes:**

**(a). Minutes from April 11, 2018**

The Chairman asked for a motion to approve the April 11, 2018 meeting minutes with corrections. Before the minutes were approved, Mrs. Lane asked for clarification of what the Administrative Fees are used for under the Housing Choice Voucher Program. Mrs. Jordan responded, "these fees are used for expenses incurred in the administering the program. Housing Assistance Payments are restricted for landlord payments only." Mr. Ram Ray made a motion to accept the minutes. The motion was 2<sup>nd</sup> by Mrs. Lane.

Aye 3 (Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)  
Nay 0  
Motion passed, Vote: 3 to 0  
Abstain: 0

**(b). Executive Session Meeting Minutes from April 11, 2018:**

The Chairman asked for a motion to approve of the Executive Session meeting minutes. A motion was made by Mr. Hartranft and 2<sup>nd</sup> by Mrs. Lane.

Aye 3 (Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)  
Nay 0  
Motion passed, Vote: 3 to 0  
Abstain: 0

**(a). Staff Report for April 2018:**

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

**Statewide Housing Assistance:**

NHA will be joining the other housing authorities in Delaware and other partners in submitting a joint application in applying for technical assistance to plan and implement reentry programs and/or change their admissions policies regarding applicants with conviction histories. The goals are to:

- Safely increase access to housing for people with conviction histories.
- Improve the safety of public housing and surrounding communities through the use of reentry housing strategies.
- Promote collaboration between public housing authorities, law enforcement agencies, and other criminal justice stakeholders to effectively reduce crime and improve reentry outcomes for people leaving prisons and jails.

The State of Delaware has taken the lead on this with each housing authority and other partners submitting letters of support and other requested documents for submission of applications due on May 2, 2018.

**Board Term Expiring:**

NHA has notified our State Representative, Paul Baumbach of two board terms expiring. Both are Governor Appointments. Mr. Hartranft’s term expires on June 10th. He will not be seeking a re-appointment. Mr. Harris’ term expires on May 21, 2018. He has expressed interest in another 3 year term. NHA also asked State Representative Baumbach to inquire into the confirmation letter for Ms. Shand whose term expired in October of 2017.

On behalf of the Newark Housing Authority, Mrs. Jordan thanked Mr. Hartranft for his service, commitment and interest in the Newark Housing Authority.

NHA received Mrs. Smith’s letter of resignation (due to health reasons) on May 3, 2018. The letter of resignation was forwarded to our Mayor.

**Alder Creek:**

NHA contacted the Regional Manager for Alder Creek regarding the community’s concern of the repair and upkeep of the monument sign at Alder Creek. The concern is being looked into. However, NHA was made aware that this isn’t their first time addressing this sign. “The letters don’t fall off but rather, the kids who wait for the bus literally pluck the letters off”.

**Issuance of Section 8 Vouchers:**

NHA held another Housing Choice Voucher Briefing on Wednesday, April 25th and issued 6 vouchers. We are hopeful that all the families lease-up in our jurisdiction. Currently there are 16 vouchers on the street. We have 4 Request for Tenancies with pending lease agreements and HAP contracts. In the event that the remaining families do not lease-up, due to affordability or available units, NHA will allow the families to port into New Castle County’s jurisdiction.

The Chairman asked for approval of the Staff Report for April. A motion to approve the report was made by Mrs. Lane. The motion was 2nd by Mr. Hartranft.

3 (Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)  
 Nay 0  
 Motion passed, Vote: 3 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 (resigned).

- a). **Executive Director Contract Amendment:** - No action taken. No Executive Session will be held to discuss this agenda item

**B. Report from Development Committee – Acting Chairperson (Mr. Ram Ray):** The committee did meet on Friday, May 4<sup>th</sup> to discuss recent developments regarding 101 New London Road. This real estate transaction will be discussed later on during the meeting.

Mrs. Jordan added:

**a). 26 N. Chapel Street:**

“NHA was made aware that no further legal action will be taken as a result of the bid dispute for 26 N. Chapel Street.”

Mr. Gouge added:

“The board voted last month to enter into a contract for the sale of this property. The contract date and revisions were modified as approved last month. The process is moving forward.”

**b). 101 New London Road:**

Our representative from Dovetail Cultural Resources Group (NHA’s historic consultant) prepared the rewrite of the webpage narrative and the signage for 101 New London Road. Copies were provided in board packets. The rewrite includes comments and edits from the Delaware State Historic Preservation (SHPO) office and Mrs. White. The rewrite and signage was forwarded to all including a copy provided to Mr. Mayhew. A final version is pending.

A tour of 101 New London Road took place on Friday, April 13<sup>th</sup> at 4:00 pm. Three (3) people toured the property (2 interested parties and Mrs. White). NHA received one (1) offer to purchase 101 New London Road. The offer was accepted by NHA. This real estate transaction will be further discussed during executive session.

**c). RFQ 2017-01 (Agency Representative):**

CSG Advisors (responders to RFQ 2017-01 Agency Representative) is working on the Feasibility Study as outlined in the Scope of Work dated for March 26, 2018. The model will be based on a minimum of 56 units and a maximum of 77. The funding will determine how many additional units we are able to fund as project based units.

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

The Chairperson of this sub-committee, Ms. Shand, was not present. In her absence, Mr. Hartranft provided the 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 – March 2018. Mr. Hartranft referred to the Budget vs. Actual Report. Under the Income Section, Budget Line Item 3690.00 – Other Income, Miscellaneous Fees; this line item shows income at \$51,471.50. Mr. Hartranft asked Mrs. Jordan to explain what is attributable to that net income. Mrs. Jordan responded: “the majority of the income is due to the Operating Reserve Lawsuit of \$47,120.00 under the Expense Section, Budget Line Item 4110.00 – Administrative Salaries. This expense was lower than what was budgeted.” Mr. Hartranft referenced the Net Operating Expense is \$81,181.26 and the Net Income is

-\$66,449.48. He asked Mrs. Jordan to explain the difference. Mrs. Jordan that explained the financial reports for this reporting period is a different report than what is usually provided. The reason being is that NHA is in the middle of our year-end close and the report you have now reflects our unaudited financial that will be submitted to HUD for their review and approval. The main difference is the report of depreciation which is a general accounting standard. Depreciation is not an operating expense. The budget vs. actual report represents operating revenues and expenses only as they relate to day-to-day operations of the authority.

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. For this year-end report, the net income is -\$5,934.52. There were no questions on either report.

### **Strategic Planning Committee – Chairperson (Ms. Shand):**

The Chairperson of this sub-committee, Ms. Shand, was not present. The report from this committee was tabled.

#### **V. Attorney Issues:**

None

#### **VI. Old Business:**

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

Mr. Gouge reported on two tenant landlord cases. The first case involved a former tenant whereas a debt action claim was filed to recoup money owed. The case was heard on Thursday, April 26, 2018

and a default judgement was entered. The second case was a non-payment of rent case filed on a current tenant. This case was heard on Tuesday, May8, 2018 and a default judgement was entered.

**VII. New Business:**

- A. From Commissioners: None
- B. From the Executive Director:
  - 1. FYE 2018 Year-end close. Mrs. Jordan reported that the Year-end close of the unaudited financials will be submitted by the end of next week for HUD’s review and approval. The third party independent audit is tentatively scheduled for the 2<sup>nd</sup> full week in August.
  - 2. Nominations/Vote of BOC Chairperson & Vice-Chairperson. Mrs. Jordan acknowledged that since this is the Newark Housing Authority’s annual meeting, that nominations/votes for Chairperson & Vice-Chairperson is on the agenda. She suggested that in the absence of several board members to table the agenda item until next month. A motion was made by Mr. Ram Ray to table this agenda item until next month. The motion was 2<sup>nd</sup> by Mrs. Lane.

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

- C. From Legal Counsel: None

**VIII. Visitors and/or Petition:**

The Chairman opened the floor to the visitors.

**Visitors Present:**

Jean White  
Kevin Mayhew

There were no questions or comments from our visitors.

**IX. Executive Session:**

The Chairman asked for a motion to enter into Executive Session to discuss 101 New London Road, a real estate transaction. Mr. Ram Ray made a motion to enter into Executive Session. The motion was 2<sup>nd</sup> by Mr. Hartranft.

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

At approximately 5:24 PM the board of commissioners entered into Executive Session to discuss 101 New London Road. This section of the meeting was closed to the public.

At approximately 5:49 PM the board of commissioners came out of Executive Session. The 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 2<sup>nd</sup> by Mrs. Lane.

3 (Mr. Hartranft, Mr. Ram Ray and Mrs. Lane)  
Nay 0  
Motion passed, Vote: 3 to 0

Abstain: 0

Board Member, Mrs. Lane mentioned the members present received and reviewed the appraisal, the offer letter and the acceptance letter from NHA to Mr. Mayhew regarding 101 New London Road. She noted this was the first opportunity afforded the board members the review of these documents. She mentioned that she is prepared tonight to vote on approving the only offer received in the amount of \$386,042 from Mr. Mayhew, the managing member of Terry Lane LLC. She referred to the offer letter that referenced an agreement and noted the agreement was not signed by NHA. So, there was no executed agreement. Mr. Ram Ray was also in agreement of voting to approve the offer for \$386,042. Mr. Hartranft noted being that the attorney has accepted the offer of \$386,042 he also supported the offer. Mr. Harris was also agreeable to the offer received. Before any action was taken on the offer, the floor was open to public. Mr. Mayhew mentioned an email chain regarding the preparation of an agreement to seek reimbursement for costs associated with payments made on behalf of this property. He did not know that the agreement was not signed by NHA until he requested a copy from NHA.

Mr. Gouge referred to the section of MOA that states:

***“To the extent that Mayhew does not obtain the Property and it is purchased by another party, NHA will use its best efforts to have the costs outlined in this agreement reimbursed to Mayhew”.***

Mr. Gouge added, “By signing the agreement, it would not make a difference in seeking reimbursement since you are the high bidder.”

Mrs. Jordan recalled Mr. Mayhew attending a public meeting where he expressed interested in purchasing the property and paying for all costs associated with this property. She added that it was not clear that he would be seeking reimbursement for expenses should his offer be the winning bid received. She added that when Mr. Mayhew expressed interest in the property, NHA had no interest in selling the property at that time. NHA decided to start the process because of the interest from the private sector.

Mrs. Lane restated her position in approving the offer at \$386,042 only. She mentioned, “The offer is a contingency offer.” Mr. Mayhew asked for clarification. Mrs. Lane responded, “There are two numbers mentioned in your offer letter of which makes your offer a contingency offer.”

Mr. Ram Ray asked Mr. Mayhew why didn't he make an offer of \$368 (+,-) if that was what he was willing to pay for the property.” Mr. Mayhew responded: “I wanted to make the board aware of the expenses paid on the property.” Mrs. Jordan commented on how the board was periodically updated on expenses paid by interested parties for both properties.

Mrs. White asked if the expenses paid were Dovetail invoices. Mrs. Jordan responded, “Yes and invoices from our Environmental Consultant. The invoices paid were all a part of the required reviews by HUD in order to move forward with the sale of the property.”

Mrs. Lane stated the offer of \$386,042 was clear to her as the offer intended. She made a motion to accept the contract offer for \$386,042. The motion was 2<sup>nd</sup> by Mr. Ram Ray.

Before the motions became a part of the record, Mr. Gouge asked that the motion be amended to allow for the standard Delaware Real Estate Agreement to be used.

Mrs. Lane amended her approval to allow for the standard agreement to be used in approving the offer of \$386,042. This motion was 2<sup>nd</sup> by Mr. Ram Ray.

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

Note: The minutes will reflect that Mr. Ram Ray left the meeting at approximately 6:02 PM leaving only three (3) board members present. No further motions/votes can be made. The meeting ended at approximately 6:05 PM.

**XI. Adjournment:** N/A

**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 101 New London Road were taken by Mrs. Jordan)**