

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

Summary of Meeting Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at 5:00 PM by the Board Chairperson, Lloyd Harris.

I. Roll Call:

Board of Commissioners present: Mark Doughty, Emile Brown, Nikki Lane, Janaki Ram Ray, Donna Shand and Lloyd Harris. Marene Jordan (Executive Director) and Donald Gouge Jr. (NHA's attorney) were also present.

Absent: Kevin Heitzenroder

II. Guest Steven N. Kutsuflakis, CPA Partner from Barbacane, Thornton & Company

The Chairperson opened the floor to our guest. Mr. Kutsuflakis began the presentation of the FYE 3/31/2018 audit by referring to the hard copy provided to all board members present.

Mr. Kutsuflakis acknowledged:

- The auditing firm was also able to issue an unmodified opinion on compliance related to the authority's internal controls over compliance and the authority's compliance with federally awarded program rules and regulations. "A (CLEAN) audit opinion is the best assessment you can receive", stated Mr. Kutsuflakis as he referenced pages 1-4 of the audit.

Reference was made to the analysis of entity-wide net position from 2018 vs. 2017 (page #5):

- 2018 - \$1,462,417
- 2017 - \$1,441,493

Reference was made to the analysis of entity-wide revenues from 2018 vs. 2017 (page #6):

- 2018 - \$1,687,712
- 2017 - \$1,581,095

Reference was made to the statement of revenues, expenses and change in net position for FYE 3/31/2018 (page #10)

- Total Operating Revenues - \$1,634,382
- Total Operating Expenses - \$1,666,788

- Net Position, Beginning of Year - \$1,441,493
- Net Position, End of Year - \$1,462,417

Reference made to pages 12-19 were the footnotes of the final audit.

Reference made to pages 20-35 was the financial information that will be submitted to HUD for their review and approval. He referenced this part of the financial information as the "FDS" which is an electronic submission to HUD that will be submitted next week.

Mr. Kutsuflakis mentioned that the two programs that NHA administers were audited; the Housing Choice Voucher Program and the Public Housing Program. Both were audited to determine compliance with HUD regulations. Files were pulled to determine proper rent calculations, HAP payments and the participant's share of the rent. If any exceptions were found in the files pulled, they would have pulled more files to determine if there were any recurring issues. However, there were none.

Mrs. Lane asked how many files they audited. Mr. Kutsuflakis responded that they pulled 40 files.

Mrs. Lane asked for clarification as to what were noncurrent liabilities. Mr. Kutsufalakis responded with, "The noncurrent liabilities represent ground lease payments that NHA recognizes annually (1/3 of the lump sum payment they received at settlement) and compensated absences."

Since there were no additional questions regarding the audit, this concluded the presentation from Mr. Kutsufalaskis.

The Chairperson of the board thanked Mr. Kutsufalaskis for his report of the FYE 3/31/2018 audited financials.

Visitor Present:

Jean White, Resident of Newark

III. Approval of Minutes:

(a). Minutes from September 12, 2018

The Chairperson asked for approval of the September 12, 2018 meeting minutes. Mrs. Lane made a motion to approve the minutes. The motion was 2nd by Mr. Ram Ray.

Aye 5 (Ms. Shand, Mr. Ram Ray, Ms. Lane, Mr. Brown and Mr. Doughty)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 0

(b). Executive Session Minutes from September 12, 2018

The Chairperson asked for approval of the Executive Session Meeting Minutes from the September 12th meeting. Ms. Shand made a motion to approve the minutes. The motion was 2nd by Mr. Brown.

Aye 5 (Ms. Shand, Mr. Ram Ray, Ms. Lane, Mr. Brown and Mr. Doughty)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 0

IV. Report of the Executive Director:

(a). Staff Report:

The Chairperson asked for the report of the Executive Director.

Mrs. Jordan provided the following report covering the months of September and October respectfully.

Low Income Public Housing Tenant:

As a follow-up to the tenant who attended the board meeting in September; she did not take the board's recommendation to contact the Executive Director to schedule an appointment in an attempt to resolve her issues regarding her housing. However, she did attend her grievance hearing with legal counsel representing her. The hearing officer presiding over the hearing upheld NHA's decision to terminate the lease and her participation in the Low Income Public Housing Program for lease violations. As a result, the tenant's termination notice was revised from September 30 to November 30 (as the date of termination).

Legal Aid also attended an informal settlement (requested the tenant) to dispute new charges as a result of her annual inspection. There were some charges that were observed to be beyond normal wear and tear. A settlement was reached to lower the amount owed. However, the tenant has not made a payment and the monies are still outstanding.

Note: for the convenience of new board members, Mrs. Jordan explained the due diligence process afforded to tenants which may include an informal settlement and a grievance hearing. Both were requested and held at the request of the tenant.

Mr. Gouge added that in this case the tenant will probably not surrender possession voluntary so this will end up in JP court as a landlord/tenant case.

Mrs. Lane made reference as to whether the tenant's debt remains outstanding. Mrs. Jordan responded, "Yes. The informal settlement was held in October and as of today (November 14th), payment has not been received."

101 New London Road Historical Marker as required under the MOA: In an effort to update the new board members, Mrs. Jordan made them aware that part of the process in HUD approving the sale of 101 New London Road involved a specific agreement. Due to the property being located in a historical area, NHA entered into an agreement since HUD and the DE SHPO determined that the selling of the property would have an adverse effect on the area. Under this agreement the seller (NHA) and the buyer (Kevin Mayhew) agreed to the fabrication and installation of an interpretive sign/historical marker. This marker/sign would display the history related to 101 New London Road and the surrounding area. This is being done by both parties as a good will gesture and a way of giving back to the community.

Mrs. Jordan made reference to providing all present board members with a copy of where the historical marker may be placed. She mentioned one option was a location toward the intersection of New London Road and Hillside Road (near the church on the corner). This option was being considered. Since the church is applying for or has applied for its own historical marker, they did not support this location. Mrs. Jordan mentioned that the other proposed location (at the corner of Corbit Street and New London Road – in the grassy area) is a great location. She asked if there were any objections for this location.

Mrs. White (a Newark Resident) who attends NHA's BOC meetings regularly had some concerns regarding where the interpretive sign maybe placed. Her concern was that other signs or banners that may be displayed or are currently in place may "distract" from the placement of our sign.

Mrs. Lane asked if she had an alternative site for where the sign could be placed. Mrs. White did not have any other location but wanted us to be aware of potential distractions that may interfere with the proposed sign placement.

Mr. Doughty added, "Given the photo we are looking at, we do not know the space in between the existing sign (the Campus Walk sign), the pole (where banners may be displayed) and where we are considering placing our sign. It's a matter of perception."

Mr. Brown asked: "Why didn't we have a sign made that could be mounted to the house; a sign similar to what was mounted and displayed at the Elk's Lodge?" Mrs. Jordan responded, "That was an option discussed during the consultation in drafting the MOA. However, we thought that an interpretive would serve the community better."

Mrs. Lane asked if there were any time constraints on when the sign needed to be installed. Mrs. Jordan responded, "No, the sign is still being fabricated."

Mrs. White asked if NHA was fabricating the sign or is the consultant (Dovetail) working with a designer. Mrs. Jordan responded, "NHA's consultant is having the sign fabricated and NHA is responsible for payment."

Mrs. Lane asked Mrs. White if she wanted to do further research into a location for the sign and report back to the board. If so, that would be fine. Mrs. White responded she didn't believe any other research is needed. She suggested that all board members walk the area to determine if this location is appropriate.

CDBG:

Mr. Ram Ray (appointed representative for NHA as a committee member for the City of Newark's CDBG funds) attended the meetings to review applications submitted for funding under this grant. He informed that NHA will receive \$35K; maximum permitted for a planning grant. He also stated that NHA's request for redirecting last year's grant is pending with the County.

Mrs. Jordan recalled from the staff report of the September meeting that the last re-allocation request of funds awarded was due to a developer purchasing 299 E. Main Street. To avoid losing these funds, it is best to submit an application to have said funds re-allocated.

Councilman Meeting:

Mrs. Jordan reported that she met with a councilman to voice concerns NHA has with the potential development plans (which appear to include student housing) for the property (299 E. Main Street) recently acquired by a local developer. If the plans materialize, we could have some opposition from residents. Mrs. Jordan informed the councilman of our proposed redevelopment plans which will be adjacent to proposed new construction for student rentals. An update is pending.

Meeting with a Representative from the Planning Department:

Staff members from NHA met with a representative from the City of Newark’s planning department to discuss and receive clarification on the Federal Opportunity Zone designated for the Star Campus in Newark, DE. The purpose of “designation” was understood to be: to help with the overlapping of the downtown development districts. That is supposed to give investors additional tax incentives to develop. There appears to be some controversy regarding this concept.

The meeting allowed for a discussion regarding NHA’s proposed redevelopment plans for George Reed Village: the portion which is under the authority’s management. Currently, the 2.43 parcel is zoned “RD” (which is in-appropriately zoned) but of high density single family residential use. We could be rezoned to “RA” which would only allow for a 36 apartment high rise per acre, a community room, laundry room and office space. However, we have the option of being rezoned “BB” to include retail space which is more suitable to our redevelopment plans (with the other amenities mentioned under “RA”). Being rezoned “BB” would also allow for up to 50 units per acre with the apartments above non-residential use.

NHA attended a kick-off meeting on 11/14/2018 with other agencies to discuss the Opening Doors to Public Housing Initiative. As previously reported the initiative will include collaboration with all PHAs, the Department of Corrections and other agencies. The initiative is to implement a unified statewide policy to assist people being released from prison with families already in housing. It is also to bring about revision of policies as to how we admit people with criminal backgrounds into our programs. Today was the first of many meetings. NHA hosted guests from Vera Institute of Justice and allowed them to tour our senior development and Alder Creek to get a feel for where our developments are located.

Reminder – No Meeting for December:

Mrs. Jordan reminded the board members that we do not meet next month (December). She referenced that the board of commissioners voted to not to meet in the months of July and December. Reference was made to the By-laws (for the sake of the new board members) that only require meetings to be held six times out of a calendar year although we schedule ten.

The Chairperson asked for approval of the Staff Report for the months of September and October. Mr. Brown made a motion to accept the Staff Reports. The motion was 2nd by Ms. Shand.

Aye 5 (Ms. Shand, Mr. Ram Ray, Ms. Lane, Mr. Brown and Mr. Dougherty)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 0

V. Committee Reports:

A. Report of Policies & Procedures & Compliance & Personnel Committee – Chairperson (Mr. Doughty):

(a). Annual Review of the Executive Director:

The Chairperson of this sub-committee, Mr. Doughty, was present and reported that he is a newly re-appointed board-member and has not worked with the Executive Director during the year prior to her annual review. He felt it appropriate for him to get feedback from another board member to assist him with the evaluation process of the Executive Director. Therefore, a meeting did take place between him and a board member. The review with the Executive Director will take place within the next few weeks. Mr. Doughty asked Mrs. Jordan to provide him with some updated goals to discuss at the review.

Note: No Executive Session was held (No Action Taken – Tabled)

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

The Chairperson of this sub-committee, Mr. Heitzenroder, was not present for the meeting. Mrs. Jordan provided the following as a report from this committee:

(a). Overview – Update:

Mrs. Jordan reported that the development committee met. The current implementation plan schedule and some modifications made to coincide with the current progress in our planning process were discussed. Specifically, concern was expressed that we do not believe we will meet the tax credit deadline. We also discussed the layout of one of the schematics prepared by our A&E firm.

Mrs. Jordan reported that the housing authority was able to enter into a contract with our Environmental Consultant after addressing HUD's minor concerns with the Scope of Services. We anticipate the review to begin at the end of the month and should be completed mid-January of next year.

Mrs. Jordan reported our agency representative was given approval to move forward with the Section 18 Application for our proposed redevelopment plans even though we do not have a viable project yet. The Section 18 Application is for federal funding of demo/dispo application related to voucher assistance. The reason for the submission is to make sure we are in the cue before the regulations change that could affect the scattered site justification. If we get the application in by the end of the year, we may be able to be “grandfathered” in under the current notice.

Mrs. Jordan reported that we are currently working on an RFQ to procure a developer. A draft of the RFQ is being reviewed.

(b). RFP 2018-01 – Appraisal Services:

Mrs. Jordan reported that we solicited the services for Appraisal Services (RFP 2018-01). Responses were due on November 9th. We did not receive any responses. Mr. Gouge reached out to interested parties (at the request of the Executive Director) to inquire as to why there were no responders. Mr. Gouge reported that from the one response he received the interested party felt the requirements were too cumbersome. We are working on revising the RFP to allow for more flexibility while also ensuring compliance.

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

(a) Monthly Financials

The Chairperson of this sub-committee, Ms. Shand, was present and informed the board that the financial reports are not available as our fee accountant had minor surgery. This report was tabled until the next scheduled meeting.

D. Strategic Planning Committee – Chairperson (Ms. Shand):

(a) Strategic Plan 2017-2019 Update:

The Chairperson of this sub-committee, Ms. Shand, was present for the meeting. She acknowledged that the committee had met and discussed the goals outlined in the plan. The goals were amended to identify specific steps toward completion of the goals outlined in the plan. However, at the request of Mrs. Jordan, the addendum was not discussed (No-Action Taken) so that a follow-up meeting can be held with the development committee to discuss some updates regarding the “Implementation Plan” that will affect the addendum.

The Chairperson asked for a motion to table the action required under this committee. Mrs. Lane made a motion to table the discussion to amend the goals outlined in the strategic plan. The motion was 2nd by Mr. Ram Ray.

Aye 5 (Ms. Shand, Mr. Ram Ray, Ms. Lane, Mr. Brown and Mr. Doughty)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 0

VI. Attorney Issues:

Mr. Gouge updated the board on an ongoing case regarding a tenant caused fire. A court date is scheduled for January 7, 2019 where NHA is seeking possession and monies owed.

Mrs. Lane asked, “Were there any payments made toward the damages?” Mrs. Jordan responded, “No.”

VII. Old Business:

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

VIII. New Business:

- A. From Commissioners: None

- B. From the Executive Director:

1. **Board Terms Expiring:**

Mrs. Jordan reported that Mr. Ram Ray and Mrs. Lane's board terms will be expiring in January of 2019. She mentioned the Mayor was aware. Mrs. Jordan also noted that Mr. Heitzenroder's term expires in June of 2019.

2. **2019 Annual Plan:**

Mrs. Jordan referenced that the 2019 Annual Plan is out for public comment. The plan is a boiler plate document (referenced for new board members) that is submitted every year for HUD to review and approve. The plan includes *policy changes, lease changes, development plans, and agency goals* planned for the next calendar year.

Key points mentioned as policy changes included in the Annual Plan:

- Owners of properties must maintain covered housing without deteriorated paint if there is a child under 6 in the family. HUD updated the reporting requirements for children found to have elevated blood lead levels from 14 calendar days to 5 business days.
- NHA has clarified that an interim change (reported by the participant) will not be processed during an annual recertification.
- NHA has changed its disabled veteran preference to include all veterans (if eligible) with a DD214 form.
- HUD is now publishing over-income limits annually for participants. The limits are not used at admission to the program but are used to determine if participants are over income after one-year of participation. Terminating tenancy of over-income participants is permissible if they do not agree to pay the rent increase. However, over-income families are given a two-year grace period before the rent increases to the FMR.
- Due process for participants may be excluded from NHA's grievance procedure for any grievance concerning the termination of tenancy or eviction that involves any criminal activity that results in a felony conviction of a household member.
- VAWA – HUD revisions state that perpetrators under VAWA should only be given 30 days or less of a notice of termination.

Key points mentioned as lease changes included in the Annual Plan:

- Inoperable smoke detector violations and fees will be “per” smoke detector. Violations and fees are as follows: 1st-\$100, 2nd-\$250, 3rd-\$500 then lease termination. We are seeing multiple smoke detector violations during our inspections. We feel a more stringent policy is needed to deter the residents from disabling the smoke detector and/or removing the device altogether.
- Monies owed beyond 30 days will be considered unpaid rent. This was a standard operating procedure but was not clear in the residential lease agreement.

Key points mentioned regarding development included in the Annual Plan:

- NHA will solicit the services for Appraisal Services, a Developer Partner, Legal Consulting Services (mixed finance/RAD/Land use attorney) via RFP/RFQ.
- NHA will also be submitting an application to HUD for consideration in receiving Section 18 disposition approval.

This review process also includes the use of CFP funds. Mrs. Jordan mentioned she met with the RAB members to discuss the plan and CFP use and they are in agreement with what is proposed. Lastly, Mrs. Jordan mentioned a Public Hearing is scheduled for Friday, December 28, 2019 at 5:00 PM at NHA.

3. Procurement Policy Updates:

Mrs. Jordan advised that the Procurement Policy was updated to comply with HUD’s Uniform Guidance Standards. Reference was made to the proposed changes to the thresholds for purchases and acquisitions.

- C. From Legal Counsel: Mr. Gouge reported that he was selected to participate in a panel discussion on landlord-tenant issues. There were a number of JP court judges present as the discussion included the understanding of the different types of affordable and low-income housing and the related laws governing them. He mentioned getting reference documents from NHA to discuss at the conference. He spoke very highly of NHA in following policy, procedures and mandates from HUD which shows in their maintaining the “high performance” status for a number of years.

IX. Visitors and/or Petition: See previous noted questions and comments.

X. Executive Session: No Executive Session was held.

XI. Adjournment: The Chairperson asked for a motion to adjourn the meeting. Mrs. Lane made a motion for the board to adjourn. The motion was 2nd by Mr. Ram Ray.

Aye 5 (Ms. Shand, Mr. Ram Ray, Ms. Lane, Mr. Brown and Mr. Dougherty)
Nay 0
Motion passed, Vote: 5 to 0
Abstain: 0

Meeting adjourned at approximately 6:17 PM
Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED