

**Newark Housing Authority
Board of Commissioners
March 13, 2019**

Summary of Meeting Minutes

Opening:

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

I. Roll Call:

Board of Commissioners present: Marguerite Ashley, Nikki Lane, Donna Shand, Kevin Heitzenroder and Lloyd Harris. Marene Jordan; Executive Director and Donald Gouge Jr. NHA's attorney were also present.

Absent: Emile Brown & Mark Doughty.

II. Approval of Minutes:

(a). Minutes from February 2019

Before the Chairperson asked for approval of the February 13, 2019 meeting minutes, Mrs. Jordan noted some typos. Mrs. Jordan also mentioned that she misinformed the board last month regarding a question that Mrs. Lane had asked about the cost associated with CSG's review of the RFP 2018-01 being included in their current budget. Ms. Jordan answered "Yes" but after review of their current budget, it was determined that it was not. However, the CSG review was capped. With the noted corrections, the Chairperson asked for approval of the minutes from last month. Mrs. Lane made a motion to approve the minutes with corrections. The motion was 2nd by Ms. Shand.

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

(b). Executive Session Minutes from February 2019

The Chairperson asked for approval of the Executive Session minutes from the February 13, 2019 meeting taken by Mrs. Lane. Mrs. Lane made a motion to approve the minutes. The motion was 2nd by Ms. Shand.

Aye 3 (Ms. Shand, Mrs. Lane and Ms. Ashley)
Nay 0
Motion passed, Vote: 3 to 0
Abstain: 1 (Mr. Heitzenroder was not present for the meeting)

III. Report of the Executive Director:

(a). Staff Report:

The Chairperson asked for the report of the Executive Director for the month of February. Before Mrs. Jordan provided the Staff Report, she informed the board that Mr. Doughty had expressed concerns of his inability to meet his future commitments to the board. She mentioned that she suggested he contact the Mayor and expresses his concerns to her before her (mayoral) term ends so that she is aware and could

possibly pursue finding a replacement. If she cannot find someone prior to her term ending, at least the City Secretary is aware and can make the incoming Mayor aware of the vacancy should Mr. Doughty not be able to fulfill his board term.

Mrs. Jordan provided the following report:

City of Newark On-site Meeting at Alder Creek:

NHA attended a meeting at Alder Creek with representatives from Ingerman, the City of Newark's Public Works Department and Del-DOT to discuss an upgrade the City would like to make at the Alder Creek site in conjunction with the road work that is being completed by Del-DOT. It is proposed that in addition to the "lane diet" on East Cleveland Avenue that consideration be given to explore the possibility of adding steps and an opening in the fencing closer to the crosswalk making it easier for the residents to access the crosswalk. Everyone in attendance was in agreement as to what is being proposed. The site improvements will be paid for by the City when the plans are finalized. Since Alder Creek is a Brownfields Development, all digging at the site must be approved by DNREC. Therefore, any further meeting will include a representative from their office.

FYE 3/31/2018 Audit:

In a recent correspondence from HUD dated February 22, 2019, HUD acknowledged receipt of NHA's FYE 3/31/2018 audit report prepared by Barbacane, Thornton & Company. The letter informed that HUD's review of the audited financials contained no audit findings or questionable costs.

Housing Choice Voucher (Section 8) – Increase Lease-ups:

HUD has communicated that NHA needs to increase its Section 8 lease-ups for CY 2019. As of February 27, 2019, NHA has begun the process of inviting families from its waiting lists to determine their eligibility to participate in the Housing Choice Voucher program and the issuance of a Section 8 vouchers. It is estimated that NHA will need to lease-up an average of 25 families. This is consistent with HUD's increase in HAP funds for CY 2019. In the event that families cannot lease-up in our jurisdiction, NHA will allow other agencies to bill us to ensure proper HAP funds are expended.

Mrs. Jordan mentioned NHA having mailed letters to all our landlords making them aware that vouchers will be issued for all bedroom sizes for lease-ups in our jurisdiction. NHA also made contact with the Landlord Association.

Mrs. Lane asked how long we allow our participants to find something before they port into the county's jurisdiction.

Mrs. Jordan responded that NHA issues its voucher for 60 days. NHA usually asks participants to search for 2-3 weeks. If within that period they are unable to find something, we ask them to provide their search logs (showing they have looked in our jurisdiction) before we allow them to port.

Ms. Ashley inquired as to how many families we think we can lease-up.

Mrs. Jordan responded, “It’s really hard to say. It really depends on what income they have (sustainable income) as well as what the asking contract is vs. what they can afford. But, if I had to guess, I would say an average of 25 families.”

The Chairperson asked for approval of the Staff Report from the February 2019 meeting. Mrs. Lane made a motion to approve the Staff Report. The motion was 2nd by Ms. Ashley.

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

IV. 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 not present. Mrs. Jordan confirmed that Ms. Shand will be presenting the Annual Review of the Executive Director during Executive Session. Mrs. Jordan noted that should Mr. Doughty not be able to fulfill his board term, another board member will need to chair this committee. Mrs. Jordan will follow-up with Mr. Doughty on his status and report back to the board next month.

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

(1). Overview – Update:

The Chairperson of this sub-committee, Mr. Heitzenroder, was present for the meeting. He reported that there is not much to report from this committee. He confirmed being made aware that NHA did not receive any responses from the 2nd solicitation of Appraisal Services.

(2). RFP 2018-01 (A&B) – Appraisal Services:

After a brief discussion, Mr. Heitzenroder suggested that since he and Mrs. Lane are in the real-estate business that perhaps they could make some additional phone calls to folks in the industry. This will be done in an effort to make them aware that NHA will be re-soliciting the RFP 2018-01 (A&B) for a 3rd time to increase awareness of the solicitation. He suggested that he and Mrs. Lane provide Mrs. Jordan with some contacts by March 20th so that she could re-solicit the RFP.

(3). RFP 2018-02 – Mixed Finance Housing Development Legal Counsel:

Mrs. Jordan reported that the review panel consisting of Don Gouge, Marc DeBeary and a representative from CSG have completed their reviews and evaluations of the three proposals received for the solicited services of a Mixed Finance Housing Development Legal Counsel (RFP 2018-02). Mrs. Jordan reported that each reviewer individually reviewed the proposals and the scores were pretty close. She reported taking an average of each of the reviewers’ evaluation of the three and determined a ranking for each. The breakdown is as follows:

1. Reno & Cavanaugh located in Washington, DC was ranked #1 with an average score of 95.
2. Klein Horning located in Boston, MA was ranked #2 with an average score of 82.
3. Conaty Law Office located in Newark, DE was ranked #3 with an average score of 44.

As a result of the reviews, Mrs. Jordan's recommendation to the board was to approve the proposal reviewed and ranked for services submitted by Reno & Cavanaugh as the agency's mixed finance attorney and to allow NHA to enter into an engagement letter.

Ms. Ashley asked why there was such a huge gap in the highest ranked vs. the lowest?

Mr. Gouge responded that for him it had to do with experience. The local firm did not have the experience in his opinion to handle a complicated deal such as what we are proposing. He also stated that was why he was not handling the legalities of this deal because it requires a specific skillset which he doesn't have.

Mr. Heitzenroder asked if the proposals were based on rate or a not to exceed fee?

Mrs. Jordan responded that their proposal was based on a not to exceed fee.

She added that NHA had used Reno & Cavanaugh services for the Alder Creek transaction and it worked out very well.

The Chairperson asked for approval for NHA to enter into a contract with Reno & Cavanaugh. Ms. Ashley made a motion to accept Mrs. Jordan recommendation to enter into a contract with Reno & Cavanaugh. The motion was 2nd by Ms. Shand.

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

(4). Scheduling of Development Committee Meeting:

Mr. Heitzenroder suggested that a meeting is not needed until after we get the properties appraised.

Ms. Jordan mentioned that Ms. Ashley is interested in becoming a member of the Development Committee. She asked that the Chairperson appoint her to this committee.

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

The Chairperson of this sub-committee, Ms. Shand, was present and presented the financial reports for the period covering April 2018 – January 2019.

(a) Monthly Financials

In presenting the monthly financial reports (Budget vs. Actual Report) for the LIPH program, she noted there were no unusual expenses indicated in the report. She allowed time for questions. Since there were none, she referred to the Profit & Loss report for the Section 8 program. In reviewing this report, there was nothing unusual about this report as well.

(b) 2020 Operating Budget

Ms. Shand referred to the proposed budget presented last month. She noted the revised report shows the budget comparison of 2020 vs. 2019 as requested at last month’s meeting. She asked if there were any additional questions or concerns regarding the budget. Reference was made to the increase in capital funds and maintenance fees which reflect an increase in an allocation of capital funds budgeted for operations as well as the maintenance fee increases in actual cost to make repairs to units.

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

Ms. Shand also asked for approval of the corresponding board resolution (Resolution #398) which grants approval for NHA to submit the 2020 Operating Budget and HUD form 5274 to HUD. Mrs. Lane made a motion to approve resolution #398. The motion was 2nd by Ms. Shand.

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

Strategic Planning Committee – Chairperson (Ms. Shand):

The Chairperson of this sub-committee, Ms. Shand, was present. Since this committee is based on the evaluation of the goals established in the 3 year plan, it was suggested that NHA remove this agenda item (timeline to meet goals established in the 3 year plan) until after the development committee meets.

V. Attorney Issues:

N/A

VI. Old Business:

- A. From the other Commissioners: None
- B. From the Executive Director: None
- C. From Legal Counsel:
 1. Mr. Gouge reported (as a follow-up from last month) on the former tenant who had filed a Human Resource complaint. NHA has not received a copy of the draft conciliation agreement. This case is still pending.
 2. Mr. Gouge reported the status of the tenant who had a fire in her the unit. He referenced the repairs were around \$7700. However, the tenant’s portion for damages was around \$4200. The case was heard and the judge ruled in NHA’s favor. Mr. Gouge acknowledged that Meghan (Housing Manager/Inspector) did a great job in her testimony.

Mrs. Jordan added that the tenant returned the keys to the unit and the inspection was complete.

Mrs. Lane inquired as to the condition of the unit after the tenant left.

Mrs. Jordan responded, “The unit was in fair condition: no additional damage. The tenant did leave items behind that will need to be disposed of.”

VII. New Business:

- A. From Commissioners: None
- B. From the Executive Director:
 - 1. Approval of Board Resolution #397 – Write-Offs for FYE /31/2019

Mrs. Jordan referenced resolution #397. The total amount of write-offs for this period is \$7,713.51 of which \$3,235.75 is for uncollected rent. The uncollected rent is a bit high due to unreported income and tenants leaving without giving notice. However, the total amount uncollected for this period was less than 4% of our total rents billed for this period.

The Chairperson asked for approval of resolution #397. Mrs. Lane made a motion to accept the resolution. The motion was 2nd by Mr. Heitzenroder.

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

- C. From Legal Counsel: None

VIII. Visitors and/or Petition:

Mrs. White was present but had no comments.

IX. Executive Session:

At approximately 5:46 p.m. the Chairperson informed the public that the board of commissioners will be entering into Executive Session to discuss the Annual Review of the Executive Director. He asked for a motion to enter into Executive Session. Mrs. Lane made a motion to enter into Executive session for the purpose mentioned. The motion was 2nd by Ms. Shand.

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

At approximately 5:54 p.m. the board of commissioners came out of Executive Session. The Chairperson asked for a motion for the meeting to become public. Mrs. Lane made a motion for the meeting to become public. The motion was 2nd by Ms. Shand.

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

Ms. Shand reported that the board of commissioners held an Executive Session for the purposes of continuing the Evaluation of the Executive Director. The evaluation was revised as discussed during last month's meeting. The revised evaluation was acceptable by the board commissioners.

X. 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 Ms. Shand.

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

Meeting adjourned at approximately 6:01 PM

Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED