

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

Summary of Meeting Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at 5:00 p.m. sharp by the Board Vice-Chairperson, Marguerite Ashley.

I. Roll Call:

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

Note: NHA has one board vacancy.

Note: NHA's meeting agenda was re-arranged until the guest arrived.

III. Approval of Minutes:

(a). Meeting Minutes from October 9, 2019

The Vice-Chairperson asked for a motion to approve the meeting minutes from the October 9th meeting. Mrs. Lane made a motion to approve the minutes. The motion was 2nd by Mr. Brown.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
Nay 0
Motion passed, Vote: 4 to 0

IV. Report of the Executive Director:

(a). Staff Reports:

The Vice-Chairperson asked for the report of the Executive Director for the month of October 2019. Mrs. Jordan provided the following report:

Upcoming Meeting:

Delaware State Representative, Paul Baumbach, 23rd RD will be meeting with Mrs. Jordan on November 20th. He also wanted to confirm that NHA is in contact with the Food Bank to distribute food to the families at Alder Creek.

Holiday Cheer:

The former Mayor and the Newark Area Welfare Committee have confirmed \$75 holiday gift cards will be provided to all families at Alder Creek for Thanksgiving.

A representative from the St. John's Church has confirmed the church will provide holiday gift cards as well as toys for our scattered site families for the holiday. The representatives will be hand delivering the cards and toys from the conference room of NHA's administrative office.

At the request of our Resident Advisory Board Members to continue with the holiday cheer, NHA will provide gifts cards for our senior residents at Independence/Delaware Circle.

HUD Regional Administrator Visit:

A brief roundtable discussion took place at NHA's office on Friday, October 25, 2019 with the HUD Regional Administrator (Joseph DeFelice), the HUD Field Office Director (Maria Bynum), Mayor Clifton and City representatives. The Philadelphia HUD Director (Monica Hawkins) participated by phone. The purpose of the meeting was to discuss the City demographics, affordable housing and a possible EnVision Center. Mayor Clifton also scheduled a tour of the City for the HUD representatives.

Council Meeting held on October 28th:

NHA and program participants attended the Council Meeting held on Monday, October 28th. Two of our families (one senior resident from Independence Circle and a Section 8 participant) spoke during the "Public Period Comment" in support of affordable housing.

Issuance of Vouchers:

NHA issued 18 vouchers on October 11, 2019. As a result, 3 families have leased-up and one family was approved to port-out. We have two pending lease-ups. However, the remaining families will be granted (if requested) approval to port-out of NHA's jurisdiction given the housing shortage as long as they provide proof (search logs) and requested documents needed before the voucher expires.

Draft RFQ – Developer Partner:

NHA and its development team have prepared a draft RFQ to procure a developer partner. We anticipate the review, process and selection will afford us an opportunity to partner to negotiate the terms and conditions of redeveloping our aged housing stock. NHA will be seeking the approval to **solicit the services** for procuring a developer. This will not include the context simply because the wording is still being defined by the mixed-finance attorney.

A discussion took place with Commissioner Ashley who expressed opposition to the site plan that involves **new construction** of NHA's aged housing stock (56 Low Income Public Housing units inclusive of 36 1-bedroom units and 18 scattered sites). The plan proposes redevelopment on the existing parcel where the admin building and the 36 units are currently. She was not in favor of housing seniors with families. She referred to the site plan that proposes commercial space and new construction of 68 affordable units. She was not supportive of losing the green space, the added parking spaces and the increase in density that would be required for new construction. She felt the concept would change the site drastically.

However, she was more supportive of NHA renovating the 36 1-bedroom units so the site could remain the same. She reviewed the Green Physical Needs Assessment completed in June of 2019 (comprised of the 36 1-bedroom units) and noted that the cost reflected in the study showed there is a possibility that the units could be renovated instead of being demolished.

Mrs. Jordan mentioned that the Needs Assessment was only performed on the 36 1-bedrooms and that the study did not include the 18 scattered sites. She mentioned if the scattered sites were included, there would

be a huge increase when comparing the cost of renovation vs. demolition. The clarified the report is required to prove obsolescence in HUD approving a Section 18 demo application.

Mrs. Jordan also mentioned that Alder Creek is a multi-family site that includes seniors and families which is not uncommon.

Several board members asked what she is proposing in place of the current plans. She responded, "I have no alternative. I'm just stating my opinion about the plan which I should have informed the board of prior to today."

Board Chairperson Harris mentioned that he lives in one of the 36 1-bedroom units in George Reed Village and acknowledged that the units need to be demolished. He mentioned that sometimes in planning for renovations, the work (unknown) exceeds cost and you have a lot of unexpected overruns. Chairman Harris was very supportive of the redevelopment plan that calls for new construction.

Ms. Shand made a motion for NHA to proceed with the process/solicitation of the RFQ. The motion was 2nd by Dr. Lewis.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
Nay 1 (Ms. Ashley)
Motion passed, Vote: 4 to 1

Ms. Ashley raised further concern with the proposed board resolution #400. She was not supportive of the resolution that allows NHA to consider a Section 8 conversion under the Streamlined Voluntary Conversion Pursuant to HUD Notice PIH 2019-05.

Mrs. Jordan informed all that NHA is not taking any action on which conversion to move forward with. This resolution is being proposed today as another option only. She confirmed that board resolution #396 was approved authorizing NHA to submit a Section 18 demo/dispo application. However, resolution #400 authorizes the submission to convert all the low income public housing units (Alder Creek included) under a Streamlined Voluntary Conversion if this option is best overall.

Mrs. Jordan added that regardless of what conversion we choose, there is a funding gap. The analysis performed determined that the HAP funding based on our current PUC will have a shortfall in the first year of converting. Although NHA can make a request to HUD to re-evaluate our funds in the first year, the concern is the timing of when the request will be approved. With NHA moving forward with procuring a developer, we can engage our partner in that process of finding an alternative.

Ms. Ashley continued to express her reservations with the proposed development plan and the proposed resolution #400. However, Ms. Shand made a motion to approve the resolution. The motion was 2nd by Mr. Harris.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
Nay 1 (Ms. Ashley)
Motion passed, Vote: 4 to 1

The Vice-Chairperson asked for approval of the Staff Reports from the month. Ms. Shand made a motion to approve the Staff Reports. The motion was 2nd by Mrs. Lane.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
Nay 0
Motion passed, Vote: 4 to 0

II. Guest: Mr. Edmund Fosu-Laryea, CPA; Manager from Barbacane, Thornton & Company

The Vice-Chairperson opened the floor to our guest. Mr. Fosu-Laryea provided all board members with a copy of the Final Independent Audit for FYE 3/31/2019.

Some Key points mentioned as an Audit Summary for Fiscal year 2019 included:

- An acknowledgement of Barbacane, Thornton & Company being able to issue an unmodified (CLEAN) audit opinion. The auditing firm conducted the audit in accordance with GAP (Government Auditing Standards).
- The field work tested internal control systems surrounding the processing of transactions including cash receipts, cash disbursements and payroll to ensure that all are designed and operating effectively.
- The field work tested the authority's housing choice voucher program to ensure compliance with federal rules and regulations (a single audit).

Some Financial Highlights:

- Cash and cash equivalents: 2019 vs 2018 show an increase due to proceeds received from the sale of two properties.
- Expenses: 2019 vs. 2018 show the total expenses for each period were constant. Although the expenses remained that same for the most part, there was a noticeable difference in the HAP payments.

Mrs. Jordan explained the decrease in HAP payments being contributable to NHA not utilizing all HAP funds disbursed as a result of a decrease in lease-ups which did affect our SEMAP score for this reporting period.

Summary of Required Communications:

- Barbacane, Thornton & Company LLP has issued an unmodified opinion on the authorities financial statements and supplementary information for FYE 3/31/2019.
- Barbacane, Thornton & Company LLP is not aware of any significant accounting policies used by the authority in controversial or emerging areas of which there is a lack of guidance.
- There were no uncorrected misstatements for FYE 3/31/2019.
- There were no material weaknesses or significant deficiencies in internal controls identified.

At the conclusion of the presentation, Mr. Fosu-Laryea opened the floor for questions.

Question:

Mrs. Lane asked, "How many tenant files were pulled and reviewed?"

Answer:

Mr. Fosu-Laryea responded, “Approximately 40 files. The files were reviewed for compliance with HUD. The reason we pull so many files is to ensure the files are consistent. If there were concerns, we would have pulled additional files.”

Question:

Dr. Lewis asked, “Is the modified opinion expressed by the auditors included in the report?”

Answer:

Mr. Fosu-Laryea responded, “Yes.”

Question:

Dr. Lewis asked, “Are Barbacane, Thornton & Company independent auditors?”

Answer:

Mr. Fosu-Laryea responded, “Yes, all Public Housing Authorities who receive federal funds must have an annual independent audit.”

Mrs. Jordan added: “Barbacane, Thornton & Company responded to NHA’s solicitation of auditing services and was awarded the contract.”

Question:

Mrs. Lane asked, “Are there were any recommendations?”

Answer:

Mr. Fosu-Laryea responded, “Any recommendations made are communicated to Marene during the course of the audit.”

Question:

Mr. Brown asked, “On a scale of 1 to 10, how would you rank the overall audit for NHA?”

Answer:

Mr. Fosu-Laryea responded, “The audit was good.”

In closing, Mr. Fosu-Laryea informed the Board that the final audit was submitted electronically to HUD’s Real Estate Assessment Center and the Federal Audit Clearinghouse today.

The Vice-Chairperson thanked Mr. Fosu-Laryear for the presentation.

VIII. Visitors and/or Petition:

See comments under Section II: Guest

After the presentation from the auditor, The Vice-Chairperson opened the floor the public. The visitors included Mr. Aj Panaccione and Mrs. White both residents in Newark.

Mr. Panaccione introduced himself to the board members after being invited to attend the meeting by Mrs. Jordan. He mentioned reaching out to Mrs. Jordan by phone to express interest in affordable housing but is meeting her for the first time. He shared knowing absolutely nothing about our program prior to his listing of a rental property in our Section 8 program. He shared how listing properties in the program is an easy process and he welcomes an opportunity to do more.

Mr. Panaccione informed the board that NHA's inspections are thorough and the inspector (Ms. George) is very knowledgeable. He continued to express support in the need for affordable housing and the work that is being done by NHA staff.

Mr. Panaccione spoke briefly about a proposed new development for 3 bedroom units that he hopes may interest NHA in the future.

Mrs. White asked, "Why does the housing authority need to include Alder Creek in the redevelopment?"

Mrs. Jordan responded, "Under the Streamlined Voluntary Conversion, the PIH Notice 2019-05, it calls for a conversion under this notice to include the entire public housing inventory inclusive of the 42 units at Alder Creek and NHA's 54 units."

V. Committee Reports:

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

(a). Proposed Beg Bug Policy:

Mr. Brown acknowledged that this policy was tabled from last month to allow for edits suggested by the board members to be added. After reviewing the edits proposed, the commissioners found the suggested wording was acceptable. Therefore, Mrs. Lane made a motion to accept the Bed Bug Policy presented. The motion was 2nd by Dr. Lewis.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
Nay 0
Motion passed, Vote: 4 to 0

(b). Mr. Brown noted that the Annual Review of the Executive Director will be discussed in closed session later on in the meeting:

B. Report from Development Committee – Chairperson (Vacant):

(a). Overview – Update provided by Mrs. Jordan:

Mrs. Jordan informed all that the RFQ is in its draft form and maybe be available for solicitation in December subject to the final edits. She informed that the board only needed to approve NHA to start the solicitation process as the RFQ text is currently being defined by the mixed-finance attorney.

See comments under the staff report for a further update.

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

(a) Monthly Financials:

The Chairperson of this sub-committee, Ms. Shand, presented the financial reports for the period covering April 2019 – September 2019 for both the Low Income Public Housing Program and the Section 8 Program.

Mr. Brown asked, “What is the total cost for the financial audit?”

Ms. Shand responded, “The report you are reviewing today is to only illustrate expenses and revenues on a monthly basis as they occur (1/12).” She added, “The auditing cost is shared between the Public Housing and the Section 8 programs.”

Mrs. Lane inquired about NHA’s Annual Memberships.

Mrs. Jordan responded, “The Annual Memberships include NAHRO, PHADA and Nelrod renewals just to name a few.”

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

(a). Retreat:

After a brief discussion, it was agreed upon that an off-site informal retreat will be held on Wednesday, March 25, 2019 from 1 PM – 4 PM. Lunch will be served.

VI. Attorney Issues:

N/A

VII. Old Business:

- A. From the other Commissioners: N/A
- B. From the Executive Director: 2020 proposed Annual Plan. Mrs. Jordan referred to the plan informing that HUD updates and NHA modifications were included in the plan. She noted some proposed changes included:

- a. NHA revisiting application preferences to include: an applicant being eligible to receive a Veteran preference (upon verification) without being a Disabled Veteran; removed a local preference for working.
 - b. The plan allows for an updated description of our redevelopment plans as well as updates to NHA's residential lease, use of capital funds (already approved) and reference of newly adopted policies.
 - c. The proposal of the Statewide Family Reentry program for the Low Income Public Housing. The MOU is being reviewed by all parties involved.
- C. From Legal Counsel: N/A

VII. New Business:

- A. From Commissioners: N/A
- B. From the Executive Director: N/A
- C. From Legal Counsel: N/A

VIII. Visitors and/or Petition:

See comments under Section II: Guest

IX. Executive Session – Annual Review of the Executive Director – Closed to the Public:

The Vice-Chairperson asked for a motion to enter into Executive Session to perform the Annual Review of the Executive Director. Mr. Brown made a motion to enter into Executive Session. The motion was 2nd by Dr. Lewis.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
 Nay 0
 Motion passed, Vote: 4 to 0

At approximately 6:38 PM the board of commissioners entered into Executive Session.

At approximately 7:15 PM the board of commissioner came out of the Executive Session.

The Vice-Chairperson asked for motion for the meeting to become public. Mr. Brown made a motion for the meeting to become public. The motion was 2nd by Dr. Lewis.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
 Nay 0
 Motion passed, Vote: 4 to 0

Mr. Brown reported the Annual Review of the Executive Director was completed and will be finalized at the next meeting.

X. Adjournment:

The Vice-Chairperson asked for a motion to adjourn the meeting. Ms. Lane made a motion for the board to adjourn. The motion was 2nd by Dr. Lewis.

Aye 4 (Mrs. Lane, Ms. Shand, Mr. Brown and Dr. Lewis)
 Nay 0
 Motion passed, Vote: 4 to 0

Meeting adjourned at approximately 7:17 PM
Minutes Submitted by: Marene M. Jordan, Executive Director