

**Newark Housing Authority
Board of Commissioners
January 13, 2021**

Summary of Meeting (Virtual Zoom) Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at approximately 5:01 PM by the Vice-Chairperson, Marguerite Ashley.

I. Roll Call:

The Vice-Chairperson made a request for Roll Call. Board of Commissioners present: Marguerite Ashley, Nikki Lane, Donna Shand, Emile Brown, Paul Tillman and Denise Forman-Gaines. Marene Jordan (Executive Director) and Attorney Donald Gouge Jr. were also present.

Before the meeting commenced, the Vice-Chairperson acknowledged, for the record, that an Executive Session was held prior to this meeting at 4:30 PM to discuss a Merit Bonus for the Executive Director for CY 2020.

II. Guest: Marty Walsh and Sireen Tucker NHA's Mixed Finance Attorney's from Reno & Cavanaugh, PLLC.

Mrs. Jordan introduced Marty Walsh and Sireen Tucker to the commissioners. The purpose of their invite was to discuss some general legal aspects of the development structure for the Master Developer Agreement for the redevelopment of George Reed Village. A Q&A followed their presentation. Prior to the meeting Ms. Jordan provided the commissioners with a draft copy of the term sheet as well as a copy of the slide show presentation.

Mr. Walsh began the presentation with a brief introduction of the materials that would be discussed. He stated that we would be discussing general terms and Mrs. Tucker's role would be to provide details specific to the George Reed Village. Due to technical difficulties, reference was made to materials that were provided prior to the meeting. Some generic key points discussed were:

- Development Models:
 - a. Private Developer – This model would be similar to the Alder Creek model. The developer is responsible for all development services including design, construction, and construction/permanent financing.
 - b. Fee-based Developer – This model is consistent with LNWA/NHA co-developer deal structure.
 - c. PHA as developer – This model would be if an authority is acting as its own developer.
- Term Sheet:
 - a. The term sheet is the basic business transaction that will be incorporated into the Master Developer Agreement.
 - Some Key Items noted on the term sheet:

- ✓ Project Description
- ✓ Owner entity
- ✓ Developer
- ✓ Developer Fee
- ✓ Capacity Building Goal
- ✓ Ground Lease
- ✓ LIHTC Investors
- ✓ Guarantees
- ✓ Financing
- ✓ Pre-development Expenses
- ✓ Property Management
- ✓ Consent Rights
- ✓ Cash Flow
- ✓ Relocation
- ✓ Timing

Mr. Walsh added that LNWA did not think we had enough time to submit a solid application for the highly competitive 9% tax credits. We are waiting on land use approvals and there are some gaps in funding. The plans align with a tax credit application being submitted to DSHA in the spring of 2022.

Ms. Jordan added that we also need to have approvals from the City of Newark and HUD.

Note:

This presentation did not allow for a discussion regarding the specifics related to the George Reed Village given that the negotiations are ongoing. However, an Executive Session will be held at a later date.

Ms. Lane asked if our concerns were addressed specifically regarding Relocation & Property Management.

Mr. Walsh noted that the property management has mutually agreed to share the management responsibilities for the first 5-years. This is to ensure compliance during the initial leasing. After the 5 years and subject to the investor, DSHA approval and NHA's assumption of continuing guaranteed obligations, NHA has the right but is not obligated to become the property manager.

Ms. Jordan added, "We did clarify the responsibility of relocation. NHA will be responsible for offsite relocation and LNWA will be responsible for relocation costs to return the tenants to the development." Ms. Jordan confirmed that a cap in NHA's financial contributions to the deal was not discussed.

Ms. Forman-Gaines inquired as to our next steps in the process.

Mr. Walsh responded that finalizing a Master Developer Agreement is next.

Ms. Ashley inquired as to technical assistance from the state.

Mrs. Jordan responded that DSHA will not be providing any technical assistance during the tax credit application process. The state agency reviews and approves the tax credit applications.

The Vice-Chairperson asked if there were any additional questions. There were none. That concluded the presentation from Reno & Cavanaugh. The Vice-Chairperson thanked Mr. Walsh and Ms. Tucker for their presentation.

III. Approval of Minutes:

(a). Meeting Minutes from November 11, 2020

The Vice-Chairperson asked for a motion to approve the meeting minutes from the November 11, 2020 meeting. Ms. Lane made a motion to approve the meeting minutes. The motion was 2nd by Mr. Brown

Aye 5 (Mr. Brown, Ms. Lane, Ms. Shand, Mr. Tillman and Ms. Forman-Gaines)
Nay 0
Motion passed, Vote: 5 to 0

(b). Executive Session Meeting Minutes from November 11, 2020

The Vice-Chairperson acknowledged that this meeting was held to discuss the performance of the Executive Director. The approval of the minutes from this meeting was tabled until next month.

(c). Special Meeting Minutes from November 30, 2020

The Vice-Chairperson acknowledged that this meeting was held to proceed with a discussion regarding the performance of the Executive Director (Executive Session) and to perform the preliminary review of the Annual Plan. The approval of these meeting minutes was tabled until next month.

IV. Report of the Executive Director:

(a). Staff Reports from November and December 2020

The Vice-Chairperson asked for the report of the Executive Director for the month of November and December 2020. Ms. Jordan provided the following report.

November Staff Report

Holiday Cheer from the Newark Area Welfare Committee

NHA was contacted by Polly Sierer of the NAWC informing NHA that funds were available to spread some Holiday Cheer to our residents. Due to COVID-19, they were not able to provide Holiday Food Boxes this year. Instead, gift cards were mailed to each family. The gifts cards were extended to the 54 families at Alder Creek and our 18 Scattered Site families.

NHA provided each of our 36 1 bedroom senior housing program participants a \$25.00 gift card to ACME markets.

Newark Arts Alliance

The Newark Arts Alliance contacted the agency about the possibility of providing our families with gift bags of art supplies. The main focus was on providing these to our 18 Scattered Site families first. If there were any gift bags remaining after providing them to NHA, Family Promise and DE Food Bank participants, the Arts Alliance would then include families at Alder Creek.

Alder Creek

The Ingerman team requested an increase in rental contracts for the 14 Project Based units at Alder Creek. NHA has requested a synopsis of current rents vs. the proposed new rents to make a determination.

In order for the Newark Housing Authority (NHA) to approve/deny the request, the rent comparison is needed to determine the affordability and impact the increase will have on the tenants share vs. NHA's share in the total contract rent. It is important to note that the outcome of this comparison will impact NHA's future Housing Assistance Payments and its HUD funded Budget Authority moving forward.

The Ingerman team has also requested and received COVID-19 funds to help offset their operational deficit.

The Delaware Statewide Analysis of Impediments (AI)

All jurisdictions in Delaware receiving U.S. Department of Housing and Urban Development (HUD) funding, as well as public housing authorities (PHAs) operating in those jurisdictions established a Consortium to conduct a Statewide Analysis of Impediments to Fair Housing Choice (AI). The Consortium met on November 9, 2020 to discuss the final report.

The Consortium includes the following entities:

- Delaware State Housing Authority (DSHA)
Including Kent and Sussex Counties
- New Castle County
- New Castle County Housing Authority (NCCCHA)
- City of Newark
- Newark Housing Authority (NHA)
- City of Wilmington
- Wilmington Housing Authority (WHA)
- City of Dover
- Dover Housing Authority (DHA)

This analysis is a thorough examination of structural barriers to fair housing choices and access to opportunities for members of historically marginalized groups protected from discrimination by the Federal Fair Housing Act (FHA). The AI provides a planning process for the Consortium, individually and/or collaboratively, to take meaningful actions to overcome historic patterns of segregation, promote fair housing choices and foster inclusive communities.

The next step for the Consortium is to work on the goals and priorities that were a part of the report whether it is through the Fair Housing Task Force or the Fair Housing Consortium.

Family Re-Entry Pilot Program

The five Delaware Public Housing Authorities met on October 30, 2020 to discuss ways to increase the program's awareness and its success. The outreach strategies include:

- A flyer that will be distributed to our residents who may have close family members that could be eligible for the program.
- A flyer (focused on family reunification/bringing families back together) that will be distributed to landlords.
- Connecting with the DOC about getting the word out via virtual/social media platforms.

The Delaware State Housing Authority has provided a poster to distribute to DOC locations (prisons, probation and parole offices). They are looking to order another batch of these flyers to distribute to our sites, main offices, community rooms, etc. The meeting will be re-occurring on a monthly basis. We are also looking at ways to reach the landlords under the Section 8 Program.

Ms. Jordan acknowledged that the board members received a copy of the flyer with the board packets.

December Staff Report

HUD Notice of Funding Availability

The City of Newark may be pursuing a Hope VI Main Street Program Grant that is available to small communities to assist in the renovation of a historic or traditional central business district or "Main Street" by replacing unused obsolete, commercial space in buildings with affordable housing units. Some qualifiers are:

- The local government whose jurisdiction includes the Main Street area is the only entity that is eligible to receive an award.
- The population for this local government jurisdiction cannot exceed 50,000 residents.
- If the jurisdiction includes a Public Housing authority, the number of Public Housing units may not exceed 100.

With this publication, approximately \$1,000,000 is available with HUD expecting to make two awards under this notification up to \$500,000 per application. Applications are due on Tuesday, January 19, 2021.

Ms. Ashley stated that this was a missed opportunity and perhaps better planning and communication will lead to the possibility of submitting a joint application with the City next year.

Newark Arts Alliance

The Newark Arts Alliance gifted NHA's scattered site families with art supply gift bags. Each family was notified of this generous donation and was given a date and time to pick up the art supplies. The families received gift bags according to the number of children in the family under the age of 18.

The Newark Area Welfare Committee

NHA was contacted by a member of the NAWC and informed that funds are available to assist our program participants with rent due to hardships related to COVID-19. NAWC did request funds for a family with back rent due to a hardship related to COVID-19. The payment was received.

NAWC also assisted another tenant with unpaid utilities which were paid directly to the City of Newark to avoid eviction and paid the deposit for connection services.

Housing Manager Position

NHA has two scheduled interviews of potential staff to fill this position. The vetting has been a long involved process and NHA anticipates filling this position as soon as possible.

Ms. Lane asked if the candidates had any recent property management and/or tax credit experience.

Ms. Jordan responded, “Yes”.

FYE March 31, 2020 Independent Audit

NHA received notification from HUD acknowledging receipt of FYE March 31, 2020 audit. The letter informs that their review contained no audit findings or questionable costs.

Additional Operating Funds

NHA received notification that HUD released additional operating funds for CY 2020. The funds were available on December 10, 2020. The funds were disbursed prior to December 31st to close out 2020. NHA received \$22,404 and Alder Creek received \$27,027.

Low Income Public Housing High Performer List – Capital Funds

NHA received notification that our agency will receive a High Performer bonus for the 2021 formula calculation of Capital Funds. However, the amount of Capital Funds and bonus was not released.

Implementation of the New Deferred Annual Inspection Protocol

Initially, NHA was considering the implementation of a 3rd party remote video inspection process. However, this procedure did not materialize despite numerous efforts to acquire these services. Since then, NHA has developed a new procedure that will require the assistance from our landlords and program participants in complying with HUD’s annual inspection requirements. As of January 1, 2021, the Deferred Annual Inspection protocol will be introduced to our landlords and Section 8 Program participants with full implementation to begin on February 1, 2021. To incentivize our landlords, NHA is considering a one-time monetary incentive at the beginning of the process. The incentive “if implemented” will come from the CARES Act Funds awarded for the Section 8 program.

New process for submission of Demo/Dispo Repositioning Applications

NHA received notification from HUD that the process in submitting demo/dispo applications to the Special Applications Center has changed. This notification came after NHA submitted the Section 18 demo/dispo application for George Reed Village on October 31, 2020. The New process includes an “Expediter Protocol Procedure” which includes two preliminary reviews.

1. A field office review (Philadelphia HUD)-preliminary

2. A Headquarters review (DC HUD)-preliminary
3. A final SAC office review (Chicago HUD)

NHA learned that the Expediter Protocol was implemented to streamline the SAC office review process. NHA is in the process of resubmitting the application in HUD's required format.

The Vice-Chairperson asked for a motion to approve the Staff Report for the months of November and December 2020. Mr. Brown made a motion to approve the minutes. The motion was 2nd by Ms. Shand.

Aye 5 (Mr. Brown, Ms. Lane, Ms. Shand, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 5 to 0

V. Committee Reports:

A. Report of Policies, Procedures, Compliance & Personnel Committee – Chairperson (Mr. Brown): Annual Review of the Executive Director; Executive Session – Closed to the Public

The Chairperson of this sub-committee, Mr. Brown, had no additional report from this committee. The Executive Session was held prior to this meeting.

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

(a). Committee Update:

The Vice-Chairperson acknowledges that the legal representatives from Reno & Cavanaugh provided the committee report update. The Vice-Chairperson asked if Ms. Jordan had anything to add to their report. Mrs. Jordan replied that she had nothing else to add.

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

(a) Monthly Financials:

The Chairperson of this sub-committee, Ms. Shand, was present. She acknowledged that all commissioners received a copy of the financial reports for the period covering April – November of 2020. Ms. Shand acknowledged reviewing the reports and had no questions or concerns. She asked if there were any questions from the other board members.

There were no questions related to the financial reports for this period.

(b) Acceptance of FYE 3/31/2020 Audited Financials:

The Chairperson asked for acceptance of the audited financials for FYE 3/31/2020. Being that some time had passed since the board received a copy of the audited financials and the presentation from the auditor, the board members asked for another copy of the financials before action is taken. The acceptance of the audited financials was tabled until next month.

FDIC Limit (continued discussion):

The Chairperson reported that some follow-up and conversations did take place regarding NHA funds that exceed the FDIC limit. She referenced a conversation that took place with NHA's fee accountant and Ms. Jordan independent of a call Ms. Jordan had with the bank manager at Fulton Bank. She also acknowledged receiving a copy of the collateralized letter requested by the auditors for the audited financials for FYE 3/31/2020. She added that it's her understanding that it is not uncommon for housing authorities to have funds at one bank in excess of the FDIC limit. In her opinion, she believes the risk/exposure is low and does not feel it would be necessary to transfer funds to multiple banks; thus, creating an administrative burden for NHA to manage.

Mrs. Jordan added that in her conversation with the bank manager at Fulton Bank, there are options for NHA to consider.

1. The bank offers a Cedar Program that would allow funds to be liquidated and transferred to multiple banks with Fulton Bank being the controlling banking institution.
2. Another option presented less risk if NHA would invest in CD's at a fixed rate.

A brief discussion took place with Mr. Tillman supporting the option of NHA transferring some of the funds into a CD to gain some interest.

Ms. Forman-Gaines mentioned that there are similarities with the CD option that is used at her work place.

Ms. Jordan added, "NHA has several accounts. Three accounts (general fund account, security deposit account and the Section 8 account) are used daily as they relate to the day-to-day operations of the authority. However, we have two other CD's of which one could be moved into another CD at a different banking institution. This CD represents funds received from the sale of two scattered site properties and funds received as a result of a litigation settlement received from an operating funds class action suit. The funds could be separated into two CDs."

Ms. Jordan will inform the board of any action taken at the next board meeting.

Ms. Jordan added that the finance committee did meet and discussed the proposed budget for FY 2022. The budget will be introduced next month with the anticipation that it will be approved at the March meeting for a timely submission to HUD.

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

The Chairperson of this sub-committee, Ms. Shand, was present. There was no report from this sub-committee.

VI. Attorney Issues:

Mr. Gouge reported that he had no report.

VII. Old Business:

- A. From the other Commissioners:
 - (a). CDBG Follow-up (Nikki Lane) Ms. Lane reported that NHA was awarded a grant request but she did not know the amount. Ms. Jordan will follow-up with the City.
- B. From the Executive Director:
 - (a). Approval of the 2021 Annual Plan. Before any action was taken from the board, Ms. Jordan noted Ms. Ashely had provided her with some corrections. Ms. Ashley noted the edits were minor. Mr. Tillman asked the reason for the Annual Plan and if there is any responsibility from the commissioners. Ms. Jordan responded that every public housing authority must submit an annual plan to HUD for their review and approval. Although the plan is a boilerplate document, the plan outlines the mission of the authority, its goals and objectives, any updates or revisions to policy and procedures, development plans and waiting list needs (opening/closing; number of families on the list; the breakdown of families). The plan also includes the use of Capital Fund items and associated funds. There are Capital Fund Budget Line Items where funds are allocated to address any physical work that may include site improvements, dwelling structure improvement and non-dwelling structure improvements. Funds could also be used for operations and costs associated with redevelopment. It's important to note that since NHA operates fewer than 250 units (as a qualified housing authority) we may use 100% of Capital Funds for operations. Historically, NHA only uses a percentage.

The Annual Plan is due to HUD 75 days before the start of the PHA's new fiscal year. For NHA that would be April 1st (annually). The Annual Plan process also requires a public comment period for 45 days. The commissioners' responsibility is to ensure that the proposed plan is consistent with the mission of the authority, its policies and procedures and any development proposals (if any). Ms. Jordan noted that the commissioners approved the emergency operational changes (resolution #404) during the onset of COVID-19.

The Annual Plan does include a New Section 8 Admin Inspection Change for the Section 8 Program. The proposed deferred annual inspection protocol is as follows:

- a. Landlord/Owner will be mailed an inspection check off list monthly to be completed and signed by both parties within a specified date. If the inspection process is not completed within the time frame specified, rent may be abated.
- b. Landlord/Owner will provide NHA with a signed self-certification of repairs (if needed) to ensure repairs were addressed.
- c. Landlord/Owner/Participant will sign off on an Inspection Statement and Disclaimer not holding NHA responsible for any claim of liabilities resulting from the inspection.
- d. NHA is considering a one-time monetary incentive for the Landlord/Owner in completing the annual inspection.

Ms. Jordan noted that she is receiving feedback from some landlords for clarification purposes but not apparent opposition. In fact, some landlords have already started the new inspection protocol.

Mr. Tillman asked who prepares the annual plan.

Ms. Jordan normally prepares the annual plan as part of the planning process. NHA would seek input from the Resident Advisory Board (RAB) during our quarterly meetings. The meetings consist of recommendations for improvements, updates on development transaction and allow for concerns to be addressed (if needed). However, since the RAB has dissolved, that part of the process was not included. Ms. Jordan noted that in the proposed Annual Plan, under goals and objectives, NHA listed one of its goals is to revive a functioning RAB. As a side bar, in NHA's quarterly news-letters the residents are reminded of the need in having a functioning RAB for the NHA.

Ms. Ashley asked about a public comment period.

Ms. Jordan responded that the proposed Annual Plan has been out for public comment since the middle of November. No comments or questions have been received.

The Vice-Chairperson asked if there were any other questions or comments. Since there were none, she asked for approval of the plan. Ms. Gaines-Forman made a motion to accept the plan. The motion was 2nd by Ms. Shand.

Aye 5 (Mr. Brown, Ms. Lane, Ms. Shand, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 5 to 0

C. From Legal Counsel:

(a). Board Vacancies

Mr. Gouge reported that he requested a response from the Governor's office and is awaiting a response in regards to Mr. Harris' (Chairperson of record). Mr. Gouge will follow-up and report any activity at next month's board meeting.

VII. New Business:

A. From Commissioners: N/A

B. From the Executive Director: Ms. Jordan did not have any new business but wanted to make a comment regarding a complaint from an applicant. She acknowledged becoming aware of the complaint after receiving an email from Mr. Tillman that was sent to all board members. She expressed no real issue regarding the complaint but was concerned with how it was received and how some board member's personal phone numbers were provided to the applicant. Ms. Jordan explained to the board that standard operating procedures and policies are in place for inviting families off of the waiting list and determining eligibility. The applicant was scheduled for two appointments for which she did not attend. Nor did she provide the required documents to start the eligibility process. As a result, a letter was mailed informing her that her status with NHA was turned inactive due her not providing the documents or contacting NHA with any follow-up. Ms. Jordan added that complaints are not uncommon in administering Federal Programs to determine eligibility and continued participation in the LIPH program or Section 8. She emphasized that policies and procedures are in place for this reason.

Mr. Tillman responded that the Mayor has his number and contacted him. Mr. Tillman expressed no concern with the Mayor providing his number to this applicant. He asked if a policy needs to be put in place if someone disagrees with Ms. Jordan.

Ms. Shand stated complaints in the past were handled when complainants attended a board meeting. So a procedure is in place. She noted that personal contact numbers for board members should not have been provided.

Ms. Lane stated that she does not want her number given out. In regards to this complaint, she said the complaint should have been sent to Ms. Jordan to handle. "Ms. Jordan is the 1st point of contact. The way this complaint was handled undermines Ms. Jordan's authority and sends a wrong message as to the board's involvement. We have never had a complaint proceed this way." She added, "Not everyone is going to be happy and we cannot please everyone."

Ms. Jordan added, "When a complaint is received, I normally notify the board chairperson and invite the complainant to the next board meeting."

Ms. Forman-Gaines added that her number was given out and she plans to contact the Mayor and have a conversation with him. She agrees that the complaint should be fielded to NHA providing the complainant with an option of attending a meeting. She added that for this complaint, the complainant did not have internet access. She also stated that this complainant, in her opinion, just wanted to be heard.

- C. From Legal Counsel: Mr. Gouge reported some routine business of the authority. First, there were two filings for non-payment of rent. Second, NHA received a default judgement for a tenant who left owing money for damages.

Mr. Tillman asked, "What is a default judgment?"

Mr. Gouge responded, "A default judgment is entered when the party does not appear for their hearing. Due to COVID-19, all hearings are currently being held remotely."

Mr. Tillman also asked, "Does the judgement stay on their credit report?"

Mr. Gouge responded, "A judgement does stay on their credit report. In some cases (if not paid in full) the amount owed will prohibit them from participating in another rental assistance program aside from NHA."

Ms. Lane added, "And in some cases their rental history may land on my desk."

VIII. Executive Session: Executive Session was held prior to this meeting.

IX. Visitors and/or Petition: N/A

X. Adjournment:

The Vice-Chairperson asked for a motion to adjourn the meeting. Mr. Brown made a motion for the meeting to adjourn. The motion was 2nd by Mr. Tillman.

Aye 5 (Mr. Brown, Ms. Lane, Ms. Shand, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 5 to 0

Meeting adjourned at approximately 6:56 PM

Minutes Submitted by: Marene M. Jordan, Executive Director