

**Newark Housing Authority
Board of Commissioners
February 10, 2021**

Summary of Meeting (Virtual Zoom) Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at approximately 5:03 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, Paul Tillman and Denise Forman-Gaines. Marene Jordan (Executive Director) and Attorney Donald Gouge Jr. were also present.

Note: Commissioner Emile Brown was not present for the meeting.

II. Approval of Minutes:

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

The Vice-Chairperson acknowledged that the meeting minutes from this meeting were tabled last month. Since Mr. Brown was not present for the meeting, Ms. Lane (who is a committee member of the Policies, Procedures, and Compliance & Personnel Committee) asked that the approval of Executive Session Meeting Minutes from November be tabled until next month.

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

The Vice-Chairperson acknowledged that the meeting minutes from this meeting were delayed to introduce the Annual Plan and was followed by an Executive Session to discuss Ms. Jordan's evaluation. Since Mr. Brown was not present, the approval of these meeting minutes was also tabled until next month.

(c). Meeting Minutes from January 13, 2021

The Vice-Chairperson noted that the meeting minutes for this meeting were included in our board packets. She asked if there were any corrections or if further discussion is needed prior to the approval of these meeting minutes. Since there were no corrections or further discussion, the Vice-Chairperson asked for a motion to approve the meeting minutes. Ms. Lane made a motion to approve the meeting minutes. The motion was 2nd by Mr. Tillman.

Aye 4 (Ms. Lane, Ms. Shand, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 4 to 0

(d). Executive Session Meeting Minutes from January 13, 2021

Since Mr. Brown was not present, the approval of these meeting minutes was also tabled until next month.

Ms. Lane made a motion to table the meeting minutes for items (a), (b) and (d). The motion was 2nd by Ms. Gaines.

Aye 4 (Ms. Lane, Ms. Shand, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 4 to 0

III. Report of the Executive Director:

(a). Staff Report from January 2021

The Vice-Chairperson asked for the report of the Executive Director for the month of January, 2021. Ms. Jordan provided the following report:

CDBG:

NHA received notification from the City of Newark Planning Department that NHA will receive \$54,000 in CDBG funds for the 46th year allocation. These funds have to be expended prior to June 30, 2021. NHA inquired into if the timeframe to utilize the funds will be extended given the late notice of the award. The response received was, "There is some flexibility. However, to avoid recapture of the funds NHA needs to expend the funds by July 1, 2021.

As for the 47th year, NHA will receive an additional \$12,400.

Commissioner Training:

NHA contacted the DE NAHRO (National Association of Housing and Redevelopment Officials) and inquired into the possibility of providing Commissioner Training as a group; offering a virtual training to all interested agencies to minimize the cost.

For the new Commissioners, Ms. Jordan stated that NAHRO represents the needs and interests of individuals and organizations working in the housing and community development field. They offer commissioner training. She added that the request for Commissioner Training will be discussed tomorrow during the DE NAHRO meeting.

Implementation of the New Deferred Annual Inspection Protocol:

NHA is pleased to report that our new annual inspection process is working very well. There was some initial resistance from landlords in the private sector (excluding the apartment complexes). Otherwise, all landlords are on board with the new inspection protocol. Ms. Jordan noted that we are about 50% complete in our Section 8 inspections putting NHA ahead of HUD's projected timeline of when all inspections are to be current. HUD is requiring all inspections to be current by December of 2021.

Annual Plan:

NHA submitted its Annual Plan to HUD (Philadelphia office) on Friday, January 15, 2021. The plan is currently under review and approval is pending.

Coronavirus Vaccinations:

NHA was presented with an opportunity to provide our senior residents with an opportunity to get the COVID-19 vaccine. The Delaware Department of Public Health has reached out offering to set up a vaccination site here at NHA, specifically for our senior program participants. The vaccinations will be given onsite in our community room for all seniors 65 years of age or older.

NHA reached out to our senior Section 8 Program participants and our senior residents of Independence /Delaware Circles. We have 16 people interested so far. During our outreach, we learned that some residents have already received or have been scheduled to receive their vaccinations. Others are still on the fence as to making a decision on wanting to take the vaccination.

Once we have an accurate head count to report back to the Delaware Department of Public Health, a date and time will be scheduled.

Ms. Lane inquired as to how many seniors we have at our senior site. Ms. Jordan responded, “We have 36.” Ms. Jordan added that the Delaware Department of Public Health has an age limit of 65 and older to receive the vaccinations which would exclude our seniors who are 62-64 years of age.

Ms. Lane suggested that we contact the Governor’s office (task force) to make them aware that we have seniors who may be interested but do not qualify based on their age.

Ms. Lane asked if we provided our residents with a timeframe in which to respond. Mrs. Jordan responded, “The deadline is Friday, February 12, 2021.”

Ms. Lane added that the Wilmington Housing Authority has already started their vaccinations.

Mrs. Jordan will report to the board any progress made on the age restrictions for seniors who want the vaccinations.

Ms. Ashely asked about the Housing Manager’s position. Ms. Jordan responded that a compensation offer was made and that we are waiting on a response.

Mr. Tillman asked, “Are waiting on acceptance?”

Ms. Jordan responded “Yes.”

The Vice-Chairperson asked if there were any more comments or questions regarding Ms. Jordan’s staff report. Since there were none, she asked for a motion to approve the Staff Report for January of 2021. Ms. Lane made a motion to approve the minutes. The motion was 2nd by Ms. Shand.

Aye 4 (Ms. Lane, Ms. Shand, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 4 to 0

IV. Committee Reports:

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

The Chairperson of this sub-committee, Mr. Brown, was not present for this meeting. However, the Vice-Chairperson did acknowledge receiving Ms. Jordan's written notification (sent to her and Mr. Brown) of her interest in another 5-year contract. The Vice-Chairperson noted the negotiations have commenced.

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

The Vice-Chairperson asked Ms. Jordan to provide the report for this committee.

(a). Committee Update:

Development Committee Update:

Ms. Jordan reported the following:

NHA received notification from HUD on January 20, 2021 informing the agency that the Environmental Review under 24 CFR, Part 50, for the proposed George Reed Village II redevelopment is approved. NHA has environmental clearance to proceed.

NHA also received notification from the HUD SAC office (Special Application Center) on January 27, 2021 that the review of our Section 18 application demo/dipso application submitted on October 30, 2020 for the senior units/admin building will require additional information. Of the additional information requested, we are only waiting on an updated report from Nelrod who performed the Physical Needs Assessment. Nelrod is working on revising the report to resubmit to HUD SAC to show the physical obsolescence cost test meets or exceeds the required threshold for an approval.

(b). Board Resolution #405 – Creation of a 501(c)(3):

The purpose of this resolution is to authorize NHA to file the formation documents in creating a Delaware nonprofit corporation with the Delaware Division of Corporations. Its purpose is to allow NHA to file the federal tax-exemption application with the IRS to obtain federal tax exemption under the name of **NHA Development Corporation**. The NHA Development Corporation is to serve as a development entity for the Newark Housing Authority for affordable housing development including but not limited to the redevelopment of George Reed Village.

In creating a 501(c)(3), it qualifies NHA to apply for grants assuring private foundations and other persons that their grants or contributions are made to a governmental agency or a public charity. With the status,

NHA plans to resubmit an application to the Delaware Community Foundation to help fund our proposed redevelopment. We may also apply for grants with the Longwood Foundation. Both require an IRS designation of a 501(c)(3).

With this filing status we would be able to “reposition” the scattered site properties under the new development entity “NHA Development Corporation” affiliate. Thus, NHA would be afforded the option of rentals at fair market rent; keeping them affordable units or a combination of the two once the proposed redevelopment is approved and completed.

Ms. Jordan acknowledged the Commissioners were in receipt of the following documents (prepared by Reno & Cavanaugh) as they relate to the creation of the 501(c)(3):

- A copy of the SS-4 form; application for Employer Identification Number
- A copy of the Certification of Incorporation of NHA Development Corporation
- Board Resolution No. 405

A brief discussion took place with some Q&A to follow.

Ms. Ashley asked for additional information on the creation of the 501(c)(3); Pros and Cons.

Ms. Lane commented that we are behind the ball in creating a 501(c)(3). She added that most state agencies in DE have a 501(c)(3) status. She added, “Both the Wilmington Housing Authority and the Kingswood Community Center (REACH Riverside) have 501(c)(3) status.”

Ms. Shand stated she was in favor of creating the 501(c)(3) and sees no downside in doing so.

Ms. Gaines stated that without an IRS designation of a 501(c)(3) status most grants would be denied. She mentioned all development agencies have a 501(c)(3) status. She was in favor of creating the 501(c)(3).

Mr. Tillman asked if there will be different responsibilities in forming this Corporation. He asked if the governance will be separate and if there will be a separate board.

Ms. Lane stated that we are in the beginning process and that we are a long way away from establishing roles and responsibilities under this status.

Mr. Tillman was concerned that Ms. Jordan may not be in a position (due to limited staff) to take on additional responsibilities that would be required of the 501(c)(3) organization status.

Ms. Jordan commented that at some point she would be reaching out to the board members for assistance; once the 501(c)(3) is approved.

She added that once the board votes to move forward with the 501(c)(3) application, then the attorney will begin the creation of the By-laws.

Mr. Gouge added that the 501(c)(3) status creates a vehicle to obtain more grants in providing more services for our residents. He added that the concept of selling the rental properties to the new entity is great; should there be no interest from the public to purchase them.

Ms. Gaines asked, “What is timeframe of the approval?”

Ms. Lane stated she is not sure of how long the process would take. However, she suggested that Ms. Jordan reach out to some agencies in DE to inquire into the process and their purpose in having a 501(c)(3) status.

The Vice-Chairperson asked if there was a motion on the floor to approve Board Resolution No. 405 authorizing the creation of NHA Development Corporation as a nonprofit entity in the State of Delaware and further authorizing an application to be submitted to the Internal Revenue Service for a federal tax-exemption. Ms. Shand made a motion to approve Resolution No. 405. The motion was 2nd by Ms. Gaines.

Aye 4 (Ms. Lane, Ms. Shand, Mr. Tillman and Ms. Forman-Gaines)
Nay 0
Motion passed, Vote: 4 to 0

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 – December 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.

Mr. Tillman asked if an additional column could be added to the report to compare the monthly expenditures to the current FY budget.

Ms. Shand responded as to how the budget report was simplified over the years with new board members coming and going. She had no objections in adding an additional column if the rest of the board members are in agreement.

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

The Chairperson of this sub-committee, Ms. Shand, asked if there were any additional comments or questions before a motion was made for acceptance of the audited financials for FYE 3/31/2020. She noted receiving another copy of the audit in our board packets. Since there were no additional comments or questions, Ms. Shand asked for a motion to accept the audited financials for FYE 3/31/2020. Mr. Tillman made a motion to accept the audited financials. The motion was 2nd by Ms. Ashley.

Aye 4 (Ms. Lane, Ms. Ashley, Mr. Tillman and Ms. Forman-Gaines)
Nay 0
Motion passed, Vote: 4 to 0

(c) Introduction FY 2022 Operating Budget:

The Chairperson of this sub-committee, Ms. Shand introduced the proposed FY 2022 Operating Budget. She referenced the 2nd page as the consolidated budget which shows revenue and expenses for the Low Income Public Housing Program, the Housing Choice Voucher Program (Section 8) and the Capital Funding program for a housing authority wide budget of \$1,321,862 respectfully. She asked each board member to review the proposed budget and to direct any questions or comments to her or Ms. Jordan as the budget will need to be approved next month.

Ms. Jordan wanted to provide an update on the FDIC discussion held last month.

FDIC Limit (continued discussion):

Ms. Jordan acknowledged receiving further clarification from Fulton Bank of all deposit accounts (listed as public funds) in excess of the amount of the Federal Deposit Insurance Corporation's (FDIC) deposit insurance of \$250,000 is collateralized.

Since NHA is a public customer, Fulton Bank is required to pledge collateral/securities to cover what FDIC does not cover to guarantee that NHA would be made whole if something were to happen to the bank. The funds are monitored on a daily basis to make sure NHA is covered. As of February 10, 2021 all of NHA's funds were collateralized by marketable securities. **The collateralization funds include our CD's as well.**

In regards to the CD's, NHA called several banks to inquire into the interest rates on CD's as a comparison to the rates we are earning with Fulton Bank. The rates we are receiving from Fulton Bank appear to be competitive and comparable. Moving some funds to another bank is not necessary. However, as we discussed last month, opening two CD's to separate the proceeds from the sale of two rental properties from the litigation funds is something we should proceed with.

Mr. Tillman noted that the market is depressed right now. He asked if NHA was receiving interest on the current CD's. Ms. Jordan responded, "Yes" and confirmed, "The overall market is not good right now." Mr. Tillman thanked Ms. Jordan for the follow-up

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. Reference was made that Ms. Jordan is looking into Commissioner Training.

V. Attorney Issues:

Mr. Gouge reported that he had no report.

VI. Old Business:

- A. From the other Commissioners:
- B. From the Executive Director:

Ms. Gaines reported that the same person who made a complaint against Ms. Jordan contacted her again. Ms. Gaines advised that she kept the conversation short but did encourage the person that if she is still interested in our programs that she should re-apply. "She thanked me for my time and mentioned that she will be calling the Mayor again."

Mr. Tillman acknowledged receiving another call from the person as well. He noted having a longer conversation with her than he had with her the first time. He welcomed her to attend the board meeting to further discuss her grievance with the board. He suggested that if she is still interested that she should pursue her concerns. She mentioned having an issue with being ruled out by a deadline and thought there should have been some additional consideration, given her situation.

Ms. Jordan asked, “Was that the basis of the complaint because she missed the deadline?” Mr. Tillman responded that he believed so. He acknowledged seeing the complaint from both sides.

Ms. Gaines noted that this person does not have internet access. Therefore, attending a virtual meeting was not something she could do.

- C. From Legal Counsel:
 - (a). Board Vacancies

Mr. Gouge reported that his initial letter to the Governor’s office to inquire into Mr. Harris’ position was sent on November 12, 2020 with a follow-up letter sent on January 14, 2021 and he is awaiting a response.

Mr. Gouge also provided an update on court cases. He acknowledged receiving a judgment for damages for a former tenant. He reported that we have two court cases filed for non-payment of rent. One was paid and the other is pending.

VII. New Business:

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

- (a). FYE Write-offs (uncollected money owed)

Ms. Jordan reported that our FYE is approaching. As part of the close out, a resolution will be presented at next month’s board meeting to write-off uncollected money owed from former tenants. Ms. Jordan stated that for this reporting period (April 1, 2020 – March 31, 2021), it is estimated that our write-offs will be around \$4,300.00; representing four tenants. The majority of the write-offs are for damages to the unit after a move-out.

Mr. Tillman asked if this year’s write-offs are consistent with previous years.

Ms. Jordan responded, “Last year’s write-offs were around that number. However, the amount owed was for one tenant.”

- C. From Legal Counsel: N/A

VIII. Visitors and/or Petition: N/A

IX. Adjournment:

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

Aye 4 (Ms. Lane, Ms. Ashley, Mr. Tillman and Mrs. Forman-Gaines)
Nay 0
Motion passed, Vote: 4 to 0

Meeting adjourned at approximately 6:18 PM
Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED