



313 East Main Street • Newark, Delaware 19711 • Telephone/TDD 302-366-0826 • Fax 302-366-8212

Newark Housing Authority
Board of Commissioners
March 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, Emile Brown, Paul Tillman. Marene Jordan (Executive Director) and Attorney Donald Gouge Jr. were also present. Commissioner Gaines joined the meeting after roll call was taken.

Absent: Donna Shand

II. Guest: Commissioner Vincent White from the Wilmington Housing Authority (WHA) – Invited Guest of Newark Housing Authority’s Commissioner (Nikki Lane) presented the benefits of creating a 501(c)(3).

The Vice-Chairperson asked Ms. Lane if she was interested in saying a few words before our guest speaker.

Ms. Lane welcomed Mr. White to our meeting. She thanked him for attending and speaking with us about NHA’s decision to create a 501(c)(3).

The Vice-Chairperson opened the floor to Commissioner Vincent White (from WHA).

From WHA’s Commissioner White:

“Hello fellow Commissioners. It’s my pleasure to speak with you about the benefits of a 501(c)(3). The idea for a 501 (c)(3) was that of our former Executive Director Mr. Fred Purnell with whom I consider to be the expert.

However, without leadership and a vision a lot of organizations have the 501(c)(3) status and don’t use it. Having a 501(c)(3) allows you to move existing housing stock into an affiliate to acquire funds (private and public) because public housing units cannot carry debt.”

Commissioner White acknowledge our new development, multi-family site (Alder Creek), stating “It is a beautiful development.” He added as an example that with a 501(c)(3), NHA could have leveraged the filing status and saved on development fees.

Some Benefits of a 501(c)(3):

- 1. The corporation allows you to serve as a developer to structure deals that would limit the liability. You can move your stock into this corporation and get it funded without HUD.*
- 2. The corporation allows you to build in a social service component such as a daycare, employment, training and education facilities.*
- 3. The corporation allows you to market rate new projects in the rebranding under this entity; aside from affordable housing while leveraging a lot more dollars.*
- 4. The corporation allows you to seek another revenue stream.*

Mr. Brown asked: "What are the drawbacks of this creation?"

WHA Commissioner White's response:

- 1. Without the capacity (size, resources, experience) it will be hard to close development deals.*
- 2. You could lose tax credits.*
- 3. There will be an increase in roles under the Corporation.*
- 4. There will be tax and filing requirements*
- 5. There will be a learning curve.*

Ms. Ashley asked: "How does the Housing Authority and the Non-Profit connect? What is the relationship between the two entities?"

WHA Commissioner White's response:

"That is a great question." He suggested seeking legal counsel as to the structure/relationship of the two entities. The new corporation can get technical assistance. However, the final decision lies with NHA.

Ms. Ashely asked: "Is this the trend?"

WHA Commissioner White's response:

"Yes." He mentioned the Bridgeton Housing Authority did some rebranding under a 501(c)(3) as a not-for profit that included market rate units which created a revenue stream; so they are called for assistance in helping others in the community with similar needs.

"Newark presents a great opportunity to form partnerships in leveraging the 501(c)(3) to branch off with other development deal structures."

As far as capacity building assistance goes, he noted that DSHA, NAHRO and WHA offer this type of assistance.

Ms. Gaines asked two questions:

“How many people are needed for the board? How long is the training?”

WHA Commissioner White’s response:

“The number of people for the board is an NHA decision.” He mentioned that WHA has five (5) to keep things simple.

“As far as the training, training is ongoing. To help facilitate training, a consultant is something NHA could consider.”

Key components in the formation of a 501(c)(3):

- 1. Mission statement should be as broad as possible and state what the mission will be under this corporation.*
- 2. Establish By-Laws*
- 3. Structure and Formation should be clear and precise*
- 4. There will be Tax Obligations*
- 5. Filing Status*

At the end of his presentation, Ms. Jordan chimed in by thanking Commissioner White for attending NHA’s board meeting. She shared that NHA is looking to transition out of Public Housing under a Section 18 Demo/Dispo application. “The creation of the 501(c)(3) would allow NHA to reposition our assets (scattered sites) under the new affiliate. We recently filed for our EIN number as we are in the preliminary stages of our creation.”

Mrs. Jordan shared that in the past when filing for grants as a supplement in revenue sources, not having a 501(c)(3) status appeared to be the issue.

WHA’s Commissioner White responded:

“The 501(c)(3) would be a benefit to the NHA and will open a lot of doors and partnerships.”

In closing, WHA’s Commissioner White offers his services to NHA should we need his assistance. NHA commissioners thanked him for taking time out to attend our meeting.

III. Approval of Minutes:

- (a). Executive Session Meeting Minutes from November 11, 2020**
- (b). Special Meeting Minutes from November 30, 2020**
- (c). Executive Session Meeting Minutes from January 13, 2021**

The Vice-Chairperson acknowledged that the above meeting minutes were tabled from last month. She asked Ms. Lane for the status of the minutes.

Ms. Lane acknowledged that she is responsible for the Special Meeting Minutes and Mr. Brown has them along with the Executive Session Minutes.

Mr. Brown acknowledged having all of the minutes above and apologized for them not being forwarded for approval.

Since the meeting minutes were not circulated and reviewed prior to seeking approval at this meeting, no action was taken. Ms. Ashely made a motion to table the minutes (items a, b and c) until next month. Ms. Gaines 2nd the motion.

Mr. Gouge (attorney) recommended that the minutes be circulated to all board members and suggested they avoid conversations that may result in a rolling quorum.

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

(d). Approval of Meeting Minutes from February 10, 2021

The Vice-Chairperson asked for a motion to approve the meeting minutes from February 10, 2021. Ms. Lane made a motion to accept the minutes. The motion was 2nd by Ms. Gaines.

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

IV. Report of the Executive Director:

(a). Staff Reports from February 2021

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

Commissioner Training:

NHA participated in a conference call with members of DE NAHRO (National Association of Housing and Redevelopment Officials) to discuss Commissioner Training. Several options were discussed:

- HUD online training is a 3-day course. The DE NAHRO secretary is looking into the possibility of NAHRO facilitating this thru HUD's online training.
- NAHRO offers 3-day remote training at \$510 per Commissioner.
- Nan McKay offers a 2-day webinar for \$300 per Commissioner.

We also discussed if the other PHA's (WHA & DHA) with a Board would be interested in board training. We are exploring all options above.

Coronavirus Vaccinations:

NHA has followed up with the Delaware Department of Public Health who reached out to our agency offering to set up a vaccination site here at NHA. Contact was made with the program administrator to inquire into the guidelines as to who is eligible for receiving the vaccine. Those eligible are seniors 65 years of age and older. NHA asked the representative if the remaining members of NHA's senior population

under the age of 65 could be administered the vaccination. This question was a follow-up to Commissioner Lane's inquiry as to whether our residents who are under the age of 62 and interested could receive the vaccine.

In response, NHA was informed that that other agencies with program participants under the age of 65 had made the same inquiry. The rep added that this is a question she has encountered on numerous occasions and has looked into the possibilities of including persons outside of the targeted age group being vaccinated. DDPH has been advised that they have to remain within the set state guidelines for administering the vaccine. These guidelines are being enforced.

Currently, the State of Delaware is in Phase1b which targets essential frontline workers and persons 65 years of age and older.

In preparation of the onsite vaccinations, there were 24 seniors (65+) scheduled to receive the vaccine on March 23, 2021; however, as of today the number is 21. The DDPH site leader visited the site today to get a feel for the physical set-up. The vaccinations will begin at 10:00 AM. The City of Newark's parking department was contacted to provide assistance with parking.

Senior Computer and Internet Service:

NHA surveyed all 36 of our senior residents to inquire into their interest in receiving internet services and/or equipment to utilize some of our CARES Act funds. We only received 10 responses.

- Six have computers; of the six (four) systems are currently updated.
- Three were interested in receiving a computer.
- Eight of the ten residents who responded, have internet access through their phones/computers.
- Seven residents communicated that they are not interested in having internet access or were on the fence about it.
- All ten residents have cell phones.

Housing Manager Position:

Ms. Tia Diallo will begin her employment with NHA on April 5, 2021. Ms. Diallo comes to NHA with seven years of experience in property management and is certified in Low Income Housing Tax Credits.

Implementation of the New Deferred Annual Inspection Protocol:

As a follow-up to last month's report on The New Deferred Annual Inspection Protocol, NHA is currently up to date with all past due inspections. The new process will include NHA notifying the landlords when current inspections are due and allowing 30 days for the inspection to be completed.

Capital Fund Award of FY 2021:

NHA was notified on February 24, 2021 that HUD's Office of Capital Improvements (OCI) has announced the award of FY 2021 Capital Fund Formula Grant Awards. As a result, NHA will receive \$204,656. The award is less than what NHA received for 2020 (\$299,469). The decrease represents the 42 units that are no longer eligible for Demolition Disposition Transitional Funding (DDTF). Meaning, the 42 units demolished at Alder Creek were receiving DDTF for the period covering 2015 – 2020; and are no

longer eligible for this funding. DDTF provides 5 years of funding for units removed from a PHA's inventory due to demolition disposition on or after October 1, 2013.

Annual Plan:

NHA received written approval of the agency's 2021 Annual Plan having been approved by HUD. The 2021 Plan will be effective on April 1, 2021.

At the conclusion of Mrs. Jordan's staff report, she asked if there were any questions.

Commissioner Training questions:

Ms. Ashley commented on the number of training days. She was more interested in training for 1 day.

Ms. Gaines commented that 2-3 days is typical. She added that she had just completed 8 hours of training for multiple days and even with breaks it was time consuming.

Mr. Tillman suggested looking into training that is shorter (fewer hours daily) but includes more days to complete.

Ms. Jordan stated that she will follow-up and report to the board next month.

Senior Computer and Internet Service questions:

Ms. Ashely stated that just because we received a small amount of responses from our seniors does not mean they do not want a computer or internet service.

She added that the purpose of her making the suggestion was to see if we could provide site wide internet service to utilize the CARES ACT funds.

Mrs. Jordan stated that perhaps there are some lingering surveys that we have not received yet that would increase the interest.

Implementation of the New Deferred Annual Inspection Protocol:

Ms. Lane asked for clarification into what happens if an inspection is not completed within 30 days.

Ms. Jordan explained that if the landlord has not completed the inspection, NHA will follow-up with them to inquire into the status of the inspection.

Ms. Lane asked how long the landlord has to complete the inspection after the 30 days are up.

Ms. Jordan responded, "14 days." She added, "30 days is more than enough days to complete an inspection. Both the annual re-certifications and the inspections are time sensitive and must be completed on-time."

Ms. Lane suggested that the 14 day follow-up be in writing.

The Vice-Chairperson asked for a motion to approve the Staff Report for the month of February 2021. Ms. Lane made a motion to approve the Staff Report. The motion was 2nd by Ms. Gaines.

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

V. Committee Reports:

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

The Chairperson of this sub-committee, Mr. Brown, was present for this meeting. He did not have a report from this committee but did inform all that the contract renewal negotiations for Ms. Jordan will begin in June.

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

(a). Committee Update:

The Vice-Chairperson of the Board acknowledged that this committee still does not have a Chairperson so she asked Ms. Jordan to provide the update. Ms. Jordan provided the following report.

HUD issued a Notice for Application #DDA0011025 for the Proposed George Reed Village II requesting additional information to continue with their review of the Section 18 application. NHA's consultant has completed the revised report/narrative showing that we meet the threshold for the obsolescence cost test. Meaning, it's cost effective to demo and build new vs. renovate. The application was resubmitted and we are hopeful to receive approval by the end of the month.

In regards to the 2nd application, instead of moving forward with a Section 18 application to dispose of the remaining 18 scattered sites at one time, we will be submitting two separate applications for these units. We have local interest in 2 of the 18 rentals. Submitting an application for these two units makes sense. The remaining 16 will be submitted at a later date.

The thought process behind this approach with the scattered sites is; being that the tenants have a right not to return to the new units once built, we need to plan for the possibility of having to issue vouchers and have funding available to assist them under our existing HAP budget and unused vouchers. If we dispose of all the units at once, this may create an issue with funding.

Likewise, with our seniors, seniors do not like moving. We have to plan for two possible moves and the possibility exists that they (seniors) may want to remain at the offsite location.

A Section 18 application offers funding and tenant protection vouchers. If any of the tenants choose not to return after the unit is demolished or sold, we will have to issue them a NHA voucher and have the budget

available to cover additional costs. Therefore, we want to minimize unit turnover until we get closer to each phase of the development.

“I think it makes sense to plan accordingly. As for the documentation needed to submit the application for the two scattered properties, we have the majority of the documentation. We have started communication with these two families in terms of local interest in the properties and our obligation to them regarding relocation, issuance of a voucher and assistance in finding another unit.

However, there may be a delay in the Environmental Review required by HUD to sell the properties. I am hoping for an exemption. That would be most appropriate since there will be no new construction by NHA. I have reached out to HUD for guidance.

The other possible delay is that HUD may require the appraisals for these two units to be updated since the most recent appraisals are over a year old.”

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

The Chairperson of this sub-committee, Ms. Shand, was not present for this meeting. However, the Vice-Chairperson acknowledged that the financial reports were included in the board packets and asked Ms. Jordan to proceed with the items for this sub-committee.

(a) Monthly Financials:

Ms. Jordan referred to the monthly financials for the period covering April 2020 – January 2021. She did not have any questions or comments regarding the reports for this period. However, she did ask Mr. Tillman if the added column (he recommended adding at last month’s meeting) provided him with the details he was looking for and if he finds it useful.

Mr. Tillman responded, “Yes and yes.”

Ms. Lane had a few questions regarding the Profit and Loss Operating Budget. Her questions referred to the following:

1. Expense Line 4110.00 Administrative Salaries – COVID.

Response:

“This budget line item is an allowable HUD expense that allows for cost associated with staff lost wages due to COVID to be charged to the CARE Act Funds.

2. Expense Line 4190.00 Administrative Expenses – Specifically Memberships.

Response:

This budget line item includes membership costs associated with annual renewals for NAHRO, DE NAHRO, PHADA and Nelrod. Having memberships allow for a reduction in fees for training opportunities, consulting services and fees for service.

(b). Approval of Operating Budget/Board Resolution #406:

The Vice-Chairperson asked if there were any additional questions regarding the proposed operating budget. Since there were none, she proceed with asking for a motion to approve the budget and Board Resolution #406.

Ms. Lane made a motion to approve the proposed budget and resolution #406. The motion was 2nd by Mr. Tillman.

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

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

The Chairperson of this sub-committee, Ms. Shand, was not present. The report from this sub-committee was previously discussed; earlier in the meeting. The topic was Commissioner Training.

VI. Attorney Issues:

Mr. Gouge reported that he had no report.

VII. Old Business:

A. From the other Commissioners: N/A

B. From the Executive Director:

(a). FYE 3/31/2021 Write-Offs/Board Resolution #407

The Vice-Chairperson asked if there were any questions regarding the Write-Offs. Since there were none, she asked for a motion to approve the write-offs and resolution #407. Mr. Tillman made a motion to approve the write-offs and resolution #407. The motion was 2nd by Mr. Brown.

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

C. From Legal Counsel:

1. Board Vacancies

Mr. Gouge reported that he had not received a response from the Governor's office regarding Mr. Harris' appointment. He has sent two letters and will follow-up with them.

Ms. Jordan mentioned that State Representative Paul Baumbach is involved in helping to resolve this issue. Hopefully his involvement will help expedite the removal of Mr. Harris so that we can move forward with his replacement.

Ms. Jordan added that State Representative Baumbach was given the name of a resident who is interested in filling this seat on the board.

VIII. New Business:

- A. From Commissioners: N/A
- B. From the Executive Director:
 - (a). Discussion regarding Management of another PHA

NHA was contacted by the consultant from the Elkton Housing Authority to inquire into NHA's interest and the possibility of managing this authority (EHA). The length of time has not been determined. The current state of the authority is not good. The current Board of Commissioners has to make some decisions that would sustain the authority and preserve a high quality of housing for their program participants. The housing authority provides a critical service to the community in addressing the need for affordable housing.

As of yesterday, Ms. Jordan learned that the Mayor of Elkton contacted the Cecil County Housing Authority to inquire into their interest in managing EHA's vouchers. The concern for the county authority is administering the Public Housing Program being that they (CCHA) only administer vouchers. The Elkton Housing Authority is in the middle of another redevelopment so one can't be sure what direction they are moving and their vision.

In reviewing their estimated budgets projected for the next four years, there is cash available.

What this could mean to NHA?

- Money
- HUD goodwill

What resources will be needed from NHA?

- Staff
- Time
- Money

Questions to consider:

- Does NHA have the capacity to do this?
- And for how long?
- What is the risk to NHA?
- What is the benefit to the Elkton Community?

Whatever decision is made will have to be approved by HUD – the Baltimore Office. The purpose of sharing this information was to simply inform, receive Board feedback at a later date and determine if management of this PHA was worth pursuing. No action was expected to be taken by the board at today's meeting.

- C. From Legal Counsel: N/A

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 4 (Mr. Brown, Ms. Lane, Mr. Tillman and Ms. Gaines)
Nay 0
Motion passed, Vote: 4 to 0

Meeting adjourned at approximately 6:15 PM
Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED