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**Newark Housing Authority
Board of Commissioners
August 11, 2021**

Summary of Meeting (Virtual Zoom) Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order at approximately 5:02 PM by the Vice-Chairperson, Marguerite Ashley.

I. Welcome New Board Member: Governor Appointee – Ms. Kathleen Lewis

The Vice-Chairperson, Marguerite Ashley and other Commissioners in attendance welcomed Ms. Lewis to the Board. The Vice-Chairperson provided a few minutes for Ms. Lewis to say a few words. Ms. Lewis stated she was happy to serve on NHA's board.

II. Roll Call:

The Vice-Chairperson made a request for Roll Call. Board of Commissioners present: Marguerite Ashley, Nikki Lane, Paul Tillman, Denise Forman-Gaines, Kathleen Lewis and Marene Jordan (Executive Director).

Commissioner Emile Brown was not present for the meeting. Attorney Don Gouge will be joining the meeting late.

The Vice-Chairperson asked for a motion to approve the Meeting Minutes listed below. The Vice-Chairperson noted that the board does not meet in the month of July so the most recent minutes are from the June 9th meeting. Before the meeting minutes were approved, Mr. Tillman noted a typo on page 7. The HUD online training he participated in was called "Lead The Way." NHA will make the correction.

With that correction, the Vice-Chairperson asked for a motion to approve the Meeting Minutes.

III. Approval of Minutes:

(a). Meeting Minutes from June 9, 2021

Ms. Lane made a motion to accept the Meeting Minutes from June 9, 2021. The motion was 2nd by Ms. Forman-Gaines.

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

IV. Report of the Executive Director:

(a). Staff Reports from June and July 2021

The Vice-Chairperson asked for the report from the Executive Director for the months of June and July 2021. Ms. Jordan provided the following report.

Commissioner Training:

“We are confirmed for Commissioner Training. For the Commissioners who are scheduled to participate in the training, you will be sent the Zoom link and the course materials and instructions either on the 18th or 19th of next week. If you do not receive the email Link by the end of your workday on the 19th, please let me know.”

CDBG:

NHA submitted and received a partial payment of CDBG funds in the amount of \$32,400. We are waiting on the last installment of \$20,000.

NHA received notification on August 9th from the City of Newark’s planning department that the application for CDBG funding is open. NHA plans to submit an application in collaboration with our developer partner. Applications are due by September 8th.

VA Virtual Landlord Fair:

In collaboration with HUD, Wilmington’s VA Office and DE housing authorities, a virtual event is planned for August 12, 2021. In preparation for this event, NHA posted the event onto our website and emailed the flyer to all of our landlords asking them to save the date and encouraged their participation.

Increase in Affordable Housing Options:

NHA received another landlord listing of a 1-bedroom unit to add to our property listings for our Voucher participants. This unit is already rented.

Statewide Analysis of Impediments to Fair Housing Choice:

As a follow-up to the collaboration of the Statewide Analysis of Impediments report, a task force committee was created to address the goals established in the overall report. NHA and the City of Newark are both members. In a joint task force agency update, NHA and the City provided the following:

Newark Housing Authority Update:

The Newark Housing Authority (NHA) is providing the following update to the 2020 Delaware Statewide Analysis of Impediments to Fair Housing Choice goals.

1. Goal #1: Increase the supply of affordable housing in high opportunity areas:

- In June of 2020, NHA selected its developer partner Leon N. Weiner & Associates (LNWA) to rebuild 54 Low Income Public Housing units under a HUD proposed Section 18 Application. LNWA is an established Delaware based developer. This redevelopment opportunity will allow NHA to reposition its aged housing stock under a section 18 platform while increasing the availability of affordable housing units

from 54 to no less than 64 units. This redevelopment is supported by the resolution adopted by the City of Newark and by the Delaware Joint Capital Improvement Bond Committee.

- In April of 2020, the City of Newark established a Rental Workgroup to determine the housing needs within the City Limits of Newark. NHA was an active member during this study. As a result of this study, the following recommendations were made and approved by the City of Newark Council Members as the recommendations relate to the affordable housing rental programs administered by NHA:

1. Amend the zoning code to include an inclusionary zoning ordinance requiring new housing developments to include affordable housing measures; especially for rental housing such as:

- Requiring new housing developers to include a percentage of housing units as affordable housing, or
- Requiring new housing developers to pay a fee-in-lieu of affordable housing development is not provided. The fee could be collected by the City of Newark and used to fund affordable housing initiatives.
- Allow for density bonus if affordable units are included in new housing developments.
- Incorporate deed restrictions to ensure that recipients of affordable housing units meet Newark Housing Authority low income requirements for eligibility.

City of Newark Update:

- On July 12, Council approved 48 new residential rental units at 1501 Casho Mill Road. The development will include 2 ground floor units ideal for persons with physical disabilities. The apartments will also be smaller units with many being one-bedroom or efficiency apartments to allow for a more affordable product. The development was an infill development that transformed an under-utilized commercial site to a mixed-use development with offices on the first floor and residential units on the 2nd and 3rd floors. The development is also within walking distance of a grocery store and shopping center, as well as other employment sites. In order to approve the development, Council had to approve an amendment to the Comprehensive Development Plan that changed the parcel's Future Land Use Designation from "Commercial" to "Mixed Urban" to allow for mix of commercial and residential uses.

- The City of Newark completed Home Improvement Program projects for three (3) low-to-moderate income households in Newark.
- On July 7, the City Planning Department held its monthly meeting with Planners from DART First State on improvements to the UniCity bus service that provides free transit in Newark from residential, commercial, and employment centers.

Housing Manager's Position:

NHA is re-advertising the Housing Manager's position as of August 1, 2021 thru August 31st. The job vacancy is posted onto our website and was circulated to the other four (4) housing agencies in DE.

Mrs. Jordan opened the floor for questions regarding the staff report from the Commissioners in attendance.

Ms. Lane inquired into the staffer that did not work out and whether everything transpired within the probationary period. Mrs. Jordan responded, "Yes".

Mrs. Forman-Gaines asked as to how long the probationary period is for new hires.

Mrs. Jordan responded, "90 days".

The Vice-Chairperson asked if there were any more questions or comments regarding Mrs. Jordan's staff report. The Vice-Chairperson asked for a motion to approve the Staff Report for the month of June and July 2021. Mrs. Forman-Gaines made a motion to approve the Staff Report. The motion was 2nd by Mr. Tillman.

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

V. Committee Reports:

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

(a). Committee Update:

The Chairperson of this sub-committee, Mr. Brown, was not present for this meeting. There was no report from this sub-committee.

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

(a). Committee Update:

The Vice-Chairperson of the Board acknowledged that this committee is without a Chairperson so she asked Ms. Jordan to provide the update. Ms. Jordan provided the following report.

Development Committee Update:

Formation of a 501(c)3 – NHA Development Corporation:

NHA received notification from the IRS that an EIN number was assigned to NHA's non-profit (NHA Development Corporation). Later on in the agenda, under New Business, we will discuss officers for our newly created 501(c)3.

Application #DDA0011025 for the Proposed George Reed Village II:

NHA received notification that the 36 1-bedroom units passed the obsolescence test. It appears the demo application will be approved. NHA is waiting on the official notification.

We also received notification that NHA's Bond request (supported by the City of Newark in collaboration with our developer partner) to the Joint Capital Improvement Committee for a financial bond allocation of \$500,000 was approved. There are some reporting requirements and NHA's developer partner has

prepared documents to submit to the City and the Office of the Controller for their review of the \$500,000 draw request.

Mrs. Jordan acknowledged that this is great news for our LIHTC application. The developer partner has identified another funding source for our application due in April of 2022.

Section 18 Disposition Application for two scattered site rentals:

NHA received notification from HUD that our Environmental Review was approved; thus, allowing us to move forward with a submission of a disposition application for two scattered site rental properties. NHA will be submitting the application within the next few weeks. As future discussions and progress involving these two properties materialize, we will need to hold an Executive Session.

NHA learned of local interest in the purchase of another scattered site rental property. NHA will follow-up and report activity and interest at the next board meeting.

Mrs. Jordan opened the floor for questions regarding the report from this committee.

Ms. Lane complemented Mrs. Jordan on the progress made since our last board meeting. Mrs. Forman-Gaines was in agreement with the acknowledgement made by Ms. Lane.

C. Report of Finance Committee – Chairperson (Vacant):

(a) Monthly Financials:

The Vice-Chairperson of the Board acknowledged that this sub-committee does not have a Chairperson and expressed her continued interest in Chairing this Committee. The Vice-Chairperson mentioned that she was able to sit down with Mrs. Jordan and review financial documents and narratives regarding the finances relating to NHA. She felt the meeting went well and is looking forward to another meeting in September.

The Vice-Chairperson asked if anyone had any questions regarding the financial reports for this quarter. There were none. She asked Mrs. Jordan if she wanted to provide additional comments to this report.

Mrs. Jordan provided the following as per NHA's Fee Accountant:

In reviewing the monthly financials Budget vs. Actual report, the revenue reporting is modified slightly.

The impact of separating Business Activities (BA) operations from the Newark Housing Authority's Low Income Public Housing Program as per recommendations of NHA's fee accountant is as follows:

“Business Activities (BA) operating results were separated from the LIPH program at the end of FYE 2021. In prior years, BA operating results were included with LIPH which reflected approximately \$33K of income for the past 5 years or so.”

Reasons for separate reporting:

1. The cash associated with the Business Activities (BA) is not HUD's money. Consequently, the related revenue stream is not HUD's revenue.
2. The planned re-development for George Reed Village will initiate a review by HUD to determine their interest (assets) in George Reed Village. Separating BA should eliminate any confusion and HUD attempts to recapture proceeds that belong to NHA.
3. It is the proper way to report.

Impact on monthly reporting:

Historically, NHA recorded approximately \$2,700 per month (\$33K annually) as ground lease revenue for the LIPH program. Beginning at FYE 2022 the revenue for ground lease will be reported under BA. In the event the LIPH program needs cash from BA, monies will be transferred to the LIPH program resulting in the LIPH program recording revenue from BA.

At the time cash is transferred from BA, the Ground Lease Revenue line item on LIPH's monthly financial reports will increase by the amount of cash received.

Management will consider changing the budget revenue line Ground Lease Revenue to "Operating Transfer from Business Activities."

Mrs. Jordan added the following:

Currently the quarterly report to date shows the following in Total Income:

- Over budget (\$26,618.22)
- Budget \$130,390.00
- April – June \$103,771.78

As far as Expenses:

- Over Budget (\$10,872.97)
- Budget \$113,397.00
- April – June \$102,524.03

Net Income: \$1,247.75

Over the past years, the auditors were made aware of the change in our financial reporting as the redevelopment plans materialize.

This financial reporting change will be discussed in further detail once we have a Chairperson for this committee.

NHA's FYE March 31, 2021 Unaudited Financials

NHA's unaudited financials were reviewed and accepted by HUD on July 1, 2021.

NHA's FYE March 31, 2021 Audited Financials

The FYE Independent Audit for FYE March 31, 2021 commenced on July 12, 2021. The audit is nearing its completion. For this year's commissioner interview, the Vice-Chairperson was selected to be interviewed.

The Vice-Chairperson acknowledged that interview went well. She feels really good about being interviewed. She noted that she feels really good about the finances (revenues/expense). In her observances when visiting the office as a check signer, she feels things are in good shape.

D. Strategic Planning Committee – Chairperson (Vacant):

(a). Commissioner Training:

The Vice-Chairperson of the Board acknowledged that this sub-committee does not have a Chairperson. She acknowledged what we have some upcoming Commissioner Training planned for August. She asked Ms. Jordan to proceed with the report from this committee. Ms. Jordan provided the following report.

Mrs. Jordan stated that an error appeared on the agenda in not having a Chairperson for this sub-committee. She stated Ms. Lane was nominated at the June 9th meeting to Chair this sub-committee and accepted the nomination.

Additionally, there was no report from this committee other than the scheduled Commissioner Training.

Mrs. Forman-Gaines asked to confirm the time for the training.

Mrs. Jordan responded, "The training will begin at 8:00 AM and end at 5:00 PM."

VI. Attorney Issues:

Mr. Gouge was not present for the meeting at this time.

VII. Old Business:

A. From Commissioners: N/A

B. From the Executive Director:

(a). Discuss/Nominate Vacant Sub-Committee Chairperson(s)

1. Development Committee (remains vacant)

2. Finance Committee (Vice-Chairperson; Marguerite Ashely) expressed continued interest

in chairing this committee.

Mr. Tillman made a motion to nominate Ms. Ashely to Chair this sub-committee. The motion was 2nd by Ms. Forman-Gaines.

Aye 4 (Ms. Lane, Mr. Tillman, Mrs. Forman-Gaines and Ms. Lewis)
Nay 0

Motion passed, Vote: 4 to 0

The Commissioners present thanked Ms. Ashely for accepting the nomination.

(b). Discuss/Nominate Chair/Vice-Chairperson(s) – No Action Taken; Tabled to allow the By-laws to be reviewed by attorney to ensure if proper duties, assigned to the Chair/Vice-Chairperson, will need to be revised to reflect their current roll; if responsibilities are deferred.

C. From Legal Counsel:

(a). Board Vacancy/Terms Follow-up

In the absence of legal counsel, Mrs. Jordan provided the following. She reported that Ms. Kathleen Lewis was confirmed as a Commissioner in a correspondence, dated for June 10, 2021, from the Governor's Office to fill the unexpired term of Mr. Harris. However, the letter stated the term ends in August representing the unexpired term of Mr. Harris. NHA has asked Mr. Gouge to follow-up with the Governor's office and inquire into the issuance of appointment letter for a 3-year term.

Also, Commissioner Brown's 3-year board term will expire in August but he has agreed to another 3-year term. NHA has asked Mr. Gouge to follow-up with the Governor's Office to inquire into the issuance of an appointment letter for another 3-year term for him also.

Mrs. Jordan also noted that there are two Commissioner's terms that will be expiring in January of 2022. Both Commissioner's Lane and Ashley were appointed by the Mayor. Mrs. Jordan also read for the record when the other Commissioner's terms will expire. It was noted that we have one (1) vacancy that is a Governor's appointment.

Mrs. Jordan afforded Ms. Lewis an opportunity to consider a committee she would like to be appointed to in which she may have some interest. She also made her aware that she could assume the appointment as a board member with no commitment to a committee.

Ms. Lewis responded she would to remain a board member for now until she is up to speed with the business of the authority.

VIII. New Business:

- A. From Commissioners: N/A
- B. From the Executive Director:
 - (a). 501(c)3 Officers/By-Laws

Mrs. Jordan provided an overview of officers needed for NHA Development Corporation.

It's recommended by NHA's mixed finance attorney in collaboration with Mrs. Jordan to have at least 3 appointed officers/commissioners. They maybe as follows:

- A member from NHA's existing board
- Current Executive Director

- A non-affiliated Board (non-restricted to the City Limits but a DE resident)

With the creation of this board, it will operate independently from NHA's board; conducting separate board meetings. Once officers are nominated, the board will adopt its own policies and by-laws. There will be financial reports, budgets, etc. These meetings may take place after the NHA's Board of Commissioner's meetings. NHA's board will have oversight.

Mrs. Jordan asked for nominations for the 501(c)3. Ms. Lane asked, "What officers are needed for this board?" Mrs. Jordan responded:

- A chairperson
- A Secretary
- A Treasurer

A brief discussion took place to work out the logistics for the nomination of officers with Ms. Lane making the following nominations:

1. Chairperson - should be a current NHA member. (Mrs. Foreman-Gaines)
2. Secretary - Executive Director (Marene Jordan)
3. Treasurer – Non-affiliated Board Member (Ms. Shand – Ex Board Member)

The motions made by Ms. Lane were 2nd by the Vice-Chairperson.

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

Mr. Gouge was able to join the meeting at approximately 5:45 PM.

C. From Legal Counsel: Mr. Gouge

Mr. Gouge provided the following report from Legal Counsel. He reported that he filed a debt action claim against a former tenant who left owing money.

Mr. Gouge also confirmed reaching out to the Governor's office to express interest from Mr. Brown in serving another 3-year term. He expressed continued concern of the board vacancy and will follow-up on Ms. Lewis' revised appointment letter.

IX. Visitors and/or Petition: N/A

X. 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 Mrs. Forman-Gaines.

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

Meeting adjourned at approximately 5:54 PM
Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED