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Newark Housing Authority
Board of Commissioners
May 11, 2022

Summary of Meeting (In Person) Minutes

Location: Alder Creek
101 New London Road
Newark, DE 19711

Opening:

The regular meeting of the Board of Commissioners was called to order at approximately 5:03 PM by the Chairperson, Nikki Lane.

I. Roll Call:

The Chairperson made a request for Roll Call.

Board of Commissioners present:

Nikki Lane, Marguerite Ashley, Emile Brown, Denise Forman-Gaines and Paul Tillman (participated by cell phone). Marene Jordan (Executive Director) and Attorney Donald Gouge Jr. were also present.

Commissioner Anderson was not present (sick).

Note:

Resident seat (Governor's appointment) on the board is vacant.

II. Approval of Minutes:

(a). Meeting Minutes from April 13, 2022.

The Chairperson acknowledged a copy of the meeting minutes was included in the board packets. She asked if there were any questions or comments regarding the minutes prior to asking for a motion to approve the meeting minutes. Since there were no questions or comments, the Chairperson asked for a motion to approve the meeting minutes from April 13, 2022.

Commissioner Brown made a motion to approve the meeting minutes from the April 13th meeting. The motion was 2nd by Commissioner Forman-Gaines.

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

III. Report of the Executive Director:

- (a). Report of accomplishments since last Annual Meeting**
- (b). Staff Report from April 2022**

The Chairperson asked Mrs. Jordan for the report of accomplishments since the last annual meeting of May 2021. Mrs. Jordan provided the following report:

1. Staff completed DELJIS Training for the Family Re-Entry Pilot Program.
2. NHA received a clean FYE Audit for 3/31/2021.
3. NHA provided program participants with the opportunity to receive COVID-19 vaccinations onsite.
4. During COVID-19, we assisted families in avoiding evictions and the disconnection of utilities due to the lack of payment by referring families to the NAWC where assistance was given.
5. Interested Commissioners completed Nan-McKay Commissioner Training.
6. NHA complied with HUD regulatory requirements of expending all CARES ACT Funds by December 31, 2021. Some of the funding was used as follows:
 - (a). LIPH CARES Act Funds – One time oil delivery for all families whose units are heated by an oil furnace.
 - (b). HCV CARES Act funds – One-time payment of \$350 for assistance with electric utility bill for families who responded to our survey.
7. NHA created a 501(C)(3) and received an IRS designation as a non-profit.
8. NHA received HUD Section 18 approval to demo/dispose Phase I of George Reed Village.
9. NHA received \$500,000 in Bond Funding for pre-development expenses relating to Phase I of George Reed Village.
10. Under HUD's PIH Notice 2021-34, Expedited Regulatory Waivers for the Public Housing and Housing Choice Voucher Program, NHA requested and received approvals for the following:
 - (a). Waiver granting a non-submittal of a SEMAP certification for 3/31/2022.
 - (b). Waiver granting a Section 8 participant one or more extensions beyond the regulatory requirements.
 - (c). Waiver granting an increase in payment standard at any time during the lease term.
 - (d). Waiver granting to allow an increase in payment standards from 110 % to 120%.
11. NHA received HUD's Section 18 approval to dispose of 2 Scattered Site Rental Properties.
12. NHA received notice from HUD that the Housing Choice Voucher Program for FYE 2021 received a High Performer Status.

13. NHA hired two new staff members:
 - (a). Jacqueline Pizarro – Housing Manager
 - (b). Ricky Hill – Maintenance Repairer/Inspector

14. NHA’s Status for the Redevelopment of George Reed Village II:
 - (a). NHA submitted an application to the State requesting \$4M in APRA Funds (pending state review and approval).
 - (b). NHA submitted an application to N.C.C. requesting \$1M in HOME Funds (pending county review and approval).
 - (c). Land use/sub-division/re-zoning (on-going with the City of Newark planning department).
 - (d). Submission of LIHTC 2022 (application is ineligible – firm financing was not secured prior to application deadline).
 - (e). Submission of LIHTC 2023 (restructuring for next year’s application).

The Chairperson thanked Mrs. Jordan for the report of the accomplishments of the Newark Housing Authority.

The Chairperson asked for the Staff Report from the Executive Director. Mrs. Jordan provided the following:

Legislative Update:

Senate SB 90 (source of income protection for voucher holders) passed the Senate floor but still needs to get through the House committee. During the Senate Hearing there was a lot of push back (concern) about the different processes each PHA has in place for renting to a voucher holder. The state has reached out to each PHA to learn the processes for each to align the process.

The Chairperson gave a general overview of the SB90 Bill and how it relates to a program participant.

Annual Plan /5-Year Plan Significant Amendment Public Hearing:

On Tuesday, April 26, 2022, at 5:30 PM, NHA held its Virtual Public Hearing to discuss and answer any questions relating to the significant amendments to the HUD approved Annual Plan effective April 1, 2022. The amendments include a modification to the Admissions and Continued Occupancy Policy and the Residential Lease Agreement regarding the re-occupancy of units proposed or approved for demolition and/or disposition. The review process began on Friday, March 11, 2022, and ended on Friday, April 22, 2022, followed by the Public Hearing.

During this review period, NHA did not receive any written comments, questions, or requests for additional information. The proposed Admission and Continued Occupancy Policy Amendment and Proposed Lease Addendum will need board approval.

HUD’s regulation (24 CFR 970.25) says a PHA “should not re-rent” these units while HUD is considering or has approved a demo/dispo application. However, HUD PIH Notice 2011-18 says that a PHA can

make a determination that is in the best interest of “the PHA, its residents, and the community” to re-occupy such vacant units. It also states that the PHA should have; a re-occupancy policy in its ACOP, a lease addendum for such families stating that such re-occupancy is temporary, and then provides relocation assistance.

Since we were not able to secure financing to submit a LIHTC application by April 29th, it is the position of the Housing Authority to establish and adopt such policy and lease addendum permitting the re-occupancy of these units.

Mrs. Jordan added, “We are still dealing with COVID-19, a housing shortage, and we have folks who need housing.” She stated, “We have hundreds of seniors on our waiting list to pull from and to whom we could re-rent these units. The mission of the authority is to provide housing for those who qualify to participate in our programs.” She encouraged the board to approve the lease addendum and modification to the Admissions and Continued Occupancy Policy allowing the re-occupancy of these units HUD approved for demo under Phase I of the redevelopment of George Reed Village.

Board Vacancy:

NHA was contacted by State Representative Paul Baumbach to assist NHA in filling the resident seat on the Board of Commissioners. Although a Senior Resident, Patricia Owens, expressed interest in filling this seat, a Housing Choice Voucher participant who may be interested could be considered as well. The Governor’s office has not made a final decision yet.

Newark Arts Alliance:

Newark Arts Alliance Director, Terry Forman, reached out to NHA to assist them in recruiting campers for this year’s Camp Imagine. NHA circulated the information to the families of both programs with age-appropriate children in the household. We’re not sure if any of our families registered directly with the Newark Arts Alliance but they have already filled 25 spots and have extended them to 36 due to the strong enrollment this year. They received funds from the City of Newark’s Revenue Sharing Funds for children who are residents to acquire scholarships.

Delaware’s Affordable Housing Crisis Webinar:

On April 27, 2022, NHA participated in The Biden School of Public Policy and Administration’s Institute for Public Administration and Center for Community Research and Service. It was presented by Delaware’s Affordable Housing Crisis. This was their 4th virtual zoom webinar. Diane Yentel, President & CEO, of the National Low Income Housing Coalition provided a national perspective on the affordable housing crisis. The following panelists shared key data:

- Matthew Meyer, County Executive, New Castle County
- Brandy Nauman, Director, Sussex County Community Development and Housing Department
- Stephen Metraux, Director, Center for Community Research & Service, UD

Overall, the webinar presented data on the lack of affordable housing and how the most vulnerable are impacted. The most vulnerable group is composed of those persons who are of very extremely low income.

Physical/Management:

Housing Choice Voucher Waiting List:

Last month NHA began inviting families off the Housing Choice Voucher Program (Section 8) waiting list in an attempt to improve its utilization rate and to expend excess HAP funding. In its efforts to comply with HUD regulations for indicator #13, NHA reached out to New Castle County. The purpose was to inquire as to whether an agreement could be reached to allow any Newark Housing voucher participant who ports into their jurisdiction to not be absorbed. This is being requested in efforts to stabilize the administering of NHA's voucher program.

Mrs. Jordan mentioned that 50 families received an invite letter to determine eligibility to receive a voucher. The responses have been few and only 3 families are approved so far to receive a voucher.

A question was asked as to why we had such little responses and if it was due to people simply not responding.

Mrs. Jordan responded, "In part, yes. We are pulling families off the waiting list who applied in 2017 and some applicants have moved and did not provide a forwarding address (mail has been returned from the post office). Others were denied because they did not meet the eligibility requirements."

LIPH Program:

NHA continues to invite families off the Public Housing waiting lists to fill multiple vacancies. We currently have one 1-bedroom vacancy and one 3-bedroom vacancy. In filling the 3-bedroom unit, we have had multiple families turn down the unit for various reasons. A major deterrent is due to the heating source for the unit being oil and concern for the increase in oil prices. The age of the unit and the location of the unit are other reasons.

In the past, when attempting to re-rent the vacant units that heat by oil, the oil cost has always been a major concern of potential tenants.

The Chairperson inquired into what happens with the applicants who refused this unit. Mrs. Jordan responded, "Our policy permits a two unit offer. So these families are in the pending status subject to another unit becoming available."

NHA is in the process of receiving proposals to convert heating systems from oil heat to a heat pump. Once the heating source is converted the units will also have the benefit of central air. Not all units will be converted given the condition of the oil furnace. Some oil heating units were recently installed.

Two contractors have given estimates for the converting of the heating systems from oil to heat pump. Both agreed that it could be done with modifications to the electrical supply and the venting system in the unit. One of the contractors did mention that one of the drawbacks to the changeover would be an increase to the electric bill being that the heat pump is powered by the electrical source. It was also referenced that if the windows and insulation of the unit were not sufficient, the heat pump could continuously run to maintain a reasonable temperature in the unit. This could cause a drastic increase in the

utility bill which could be a burden for the tenant. Estimates received for the conversion of the heating units alone were in the \$8,000 range. Electrical upgrades would have to be done by an electrical contractor. There would be additional cost for the upgrading of windows and insulation.

After a brief discussion, it was suggested that NHA move forward with converting one unit to determine if it is in the best interest of NHA to move forward with other units. This was suggested to see what utility savings could be passed on to the tenant.

The Chairperson asked for a motion to approve the Staff Report from April 2022.

Commissioner Brown made a motion to approve the Staff Report. The motion was 2nd by Vice-Chairperson Ashley.

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

IV. Committee Reports:

The Chairperson called for the report from the Policies, Procedures, and Compliance & Personnel Committee.

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

The Chairperson of this sub-committee, Mr. Brown, was present for this committee update. However, there was no activity to report. Commissioner Brown asked if Mrs. Jordan had received the signed forms from the appropriate commissioners. Mrs. Jordan responded, “Yes”. Mr. Gouge commented, “That is good.”

The Chairperson called for the report from the Development Committee.

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

Application #DDA0011025 for the Proposed George Reed Village II:

Mrs. Jordan provided the following update. As you know, NHA was not able to receive firm financial written commitments needed to submit our LIHTC application due to DSHA on April 29, 2022. Our very own Chairperson, Nikki Lane, contacted A.J. Schall and received a response stating that the DEMA office is anticipating funding GRV with \$2M (to start) if the project passes a DOJ review.

Since that communication, NHA received notice asking that we submit a new worksheet (with required revisions and updates) so the department is able to finalize the legal opinion on our application funding request.

NHA also learned that New Castle County approved our application of \$1M in HOME Funds. We anticipate receiving the written confirmation within the next few days.

NHA was informed that DSHA will be re-writing the Qualified Allocation Plan (QAP) later this year. Once the State completes that process LNWA will recalculate/review the numbers to determine the next step. This will take a few months. If the numbers are not in our favor, at that time, we need to have a discussion regarding a Plan B. However, we remain committed to the current phased redevelopment plan to demo and build new construction.

NHA was also informed that APRA funds must be committed by 12/2024 and expended by 12/2026. What this means for our LIHTC application preparation for 2023 is that any firm financial written commitments we receive from this point moving forward can be included as a funding source.

Application #DDA0011618 Disposition of two Scattered Site Rental Properties:

Mrs. Jordan provided the following update. NHA placed “For Sale” signs on two units approved for disposition. Since the physical posting of the “For Sale” signs, NHA has received an increase in public interest. She mentioned that an Executive Session will be held next month to allow for specifics to be discussed relating to a real-estate transaction.

Mrs. Jordan added that Mr. Gouge (attorney) will provide a general overview of the plan later in the meeting.

The Chairperson called for the report from the Finance Committee.

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

(a) Monthly Financials:

The Chairperson of this sub-committee, Ms. Ashley, was present for this meeting. She referred to the Budget vs. Actual Report for the period covering April 1, 2021 – February 2022 for the LIPH program. She mentioned that we are 11 months into the FY budget and our income vs. expenses show we are well within the budget. She also said our expenses have decreased as reported in previous months and it appears we are in good shape.

In reviewing the Budget vs. Actual Report for the period covering April 1, 2021 – February 2022 for the HCV program, there were some questions. These questions referred to income reported for this period vs. what was reported in December. Due to software issues, there were no financial reports disbursed for activity from April 1, 2021 – January 2022. There appeared to be no questionable cost for the financial reports for this period related to the Low Income Public Housing Program.

Commissioner Tillman pointed out how there appears to be a gap in income of \$20,000 that needs to be clarified for the HCV program. It was recommended that the fee accountant attends the next board meeting.

The Chairperson called for the report from the Strategic Planning Committee.

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

The Chairperson of this sub-committee, Ms. Lane, was present for this committee update. However, there was no activity to report.

The Chairperson moved on to the next agenda item.

V. Attorney Issues:

Mr. Gouge had no attorney issues to report.

VI. Old Business:

- A. From the other Commissioners: None
- B. From the Executive Director:
 - 1. Update on Landlord Outreach (Sip and Social Event or Virtual Invite): Mrs. Jordan mentioned that our Chairperson, Nikki Lane, has reached out to the Newark Country Club as a possible venue for this event. Mrs. Jordan mentioned Embassy Suites as an alternative location being that we paid an event deposit there when we were planning our workshop previously. That deposit is still valid. Commissioner Forman-Gains proposed the idea of an outdoor event. Vice-Chairperson Ashley mentioned Timothy’s restaurant as a suggestion.

Mrs. Jordan indicated that the month of August would be the best for planning purposes even though for the month of July the board does not meet. The Chairperson suggested some attendees to consider would be a program participant and a landlord who could share their experience in participating in the voucher program. It was suggested to invite property owners/landlords to this event. We could also include some keynote speakers (TBD).

The Chairperson suggested an incentive to establish a mitigation fund for damages that are not covered by a security deposit.

- 2. Admission and Continued Occupancy Policy Modification & Lease Addendum (Annual plan Amendment – Public Hearing Notification): This topic was previously discussed during the Staff Report provided by Mrs. Jordan. However, she asked the commissioners if there were any additional questions or comments prior to her asking for the approval of the lease addendum and policy modification.

Commissioner Forman-Gaines had some questions relating to the safety of the units and other issues with the units that are being requested to be re-occupied. Mrs. Jordan replied, “The units are safe and habitable.” She stated that the reasons for demolishing the units are related to the age of the units; specifically, the infrastructure (plumbing, heating and electric) which are located outside of the living area. She mentioned how we have had an increase in maintenance requests for clogged toilets, sinks or tubs that are for the most part due to tree roots and grime built up over the years.

This contributes to the issues with the infrastructure. If these reported issues cannot be resolved timely, NHA will offer off-site housing until the repairs are made. Mr. Gouge (attorney) added that this process is consistent with Delaware Landlord Code. Commissioner Forman-Gaines asked if the tenants are made aware of the issues. Mr. Gouge mentioned there is no legal reason to do so. "It would be the same as someone renting an apartment in the private sector." He added, "The purpose of the lease addendum is to inform the resident that you are occupying the unit temporarily, you will be relocated, and you will be obligated to move when the time comes." Mrs. Jordan added, "The residents will have the option of returning to the new units once construction is complete and we receive an occupancy permit or the option of staying at the unit where they were relocated to."

The Chairperson asked if there any additional questions or comments. Since there were none, she asked for a motion to approve the lease addendum and policy modification for Admissions and Continued Occupancy Policy regarding re-occupying units proposed or approved for demo and/or dispo.

Vice-Chairperson Ashley made a motion to approve the lease addendum and modification to the ACOP. The motion was 2nd by Commissioner Brown.

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

C. From Legal Counsel:

1. Board Vacancy (Resident Seat – Governor Appointment) Mr. Gouge reported that he is in constant contact with a representative from the Governor's office regarding this vacancy. He mentioned State Representative Baumbach is as well. Hopefully with his help, the vacancy will be filled soon since we have a voucher participant interested as well.

VII. New Business:

- A. From Commissioners: None
- B. From the Executive Director: None
- C. From Legal Counsel:

1. Mr. Gouge discussed with the board and obtained feedback on the bidding process for the sale of two scattered site rental properties. He mentioned that he was appointed by the Delaware Court of Chancery where he has been involved in a mobile home park sale and they used closed bids which worked out well. He referred to using sealed bids when NHA sold 26 N. Chapel Street a few years ago. He informed the board that we can proceed with the following:

- Sealed bids
- Hire a realtor and pay a commission
- Hire an auctioneer and proceed like a sheriff sale.

As far as bidding instructions, we can include:

- Best and Final Offers only

- Minimum Bid (\$\$)
- Escalation Clauses

Mr. Gouge added, “We can also schedule a date and time for tours for interested parties. We could have a date and time to open the sealed bids and invite the public or anyone from the board to witness the opening of the sealed bids.”

Commissioner Forman-Gaines was not in favor of an escalation clause because it’s a lot of additional paperwork and its time consuming.

Vice-Chairperson Ashley asked for an explanation of an Escalation Clause. Mr. Gouge responded, “Basically, let’s just say I make an offer to pay “X” but if the seller receives another offer that is higher than mine, I’m willing to increase my offer to “Y” which would net more in profit.”

Mrs. Jordan added, “We did accept an escalation clause when we sold 26 N. Chapel Street and it worked out well for NHA.”

Commissioner Forman-Gaines and Chairperson Lane (two licensed realtors) both agreed that NHA could use an escalation clause but would refrain from any involvement for transparency.

Commissioner Brown mentioned that he brought his vaccination card with him in case anyone wanted to see it. Mr. Gouge responded that he could provide a snapshot of his vaccination card via cellphone. The Chairperson asked Commissioner Brown if that was what he would like for everyone to do. Vice-Chairperson Ashley acknowledged that she was not vaccinated as did Mrs. Jordan. Vice-Chairperson Ashley asked, “Why we are discussing this again? We discussed this month’s ago.” Commissioner Brown asked if the Fed’s required vaccinations. Mrs. Jordan responded “No, it was not upheld in court.” Mrs. Jordan asked, “What will be the process moving forward?” The Chairperson stated, “For now, our next meeting will be held virtual.”

VIII. Visitors and/or Petition:

The Chairperson opened the floor to visitors. There were none.

IX. Adjournment:

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

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

Meeting adjourned at approximately 6:37 PM

Minutes Submitted by: Marene M. Jordan, Executive Director