



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

**Newark Housing Authority
Board of Commissioners
August 10, 2022**

Summary of Meeting (Virtual Zoom) Minutes

Opening:

The regular meeting of the Board of Commissioners was called to order sharply at 5:02 PM by the Chairperson, Nikki Lane.

I. Welcome New Board Members: Governor Appointees

- Ms. Abeo Lucas
- Mr. Jerry Clifton

The Chairperson referred to welcoming two new board members but because they had not joined the meeting yet, she moved on to Roll Call of the Commissioners present.

II. Roll Call:

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

III. Approval of Minutes:

(a). Meeting Minutes from June 8, 2022.

The Chairperson acknowledged that everyone should have received a copy of the meeting minutes from the June 8, 2022, meeting. 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.

Commissioner Ashley made a motion to approve the meeting minutes from the June 8th meeting. The motion was 2nd by Commissioner Tillman.

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

IV. Report of the Executive Director:

(a). Staff Report from May 2022

The Chairperson asked for the report of the Executive Director for the months of June and July of 2022. Ms. Jordan provided the following report:

Landlord Outreach:

The Sip and Social Event planned for August 25, 2022, at the Embassy Suites located in Newark had five committed keynote speakers:

1. AJ Panaccion agreed to share his experience as a participating landlord.
2. Abeo Lucas agreed to share her experience as a participant of the voucher program.
3. State Representative Paul Baumbach was confirmed to speak on the need for affordable housing.
4. Rachel Stucker, Executive Director of the Housing Alliance of Delaware was confirmed to speak about the need they see in the community for rental units for people with vouchers.
5. Ryan Straub, City of Newark's Inspector was confirmed to speak on code enforcement/inspections.

However, the event was canceled after receiving only one (1) response from an existing landlord planning to attend. NHA received confirmation from two (2) landlords receiving the flyer, but no commitment was made by them.

Mrs. Jordan stated, "I'm not sure what else the agency can do to increase landlord and developers' participation."

NHA participated in two rental workgroup studies (The Rental Housing Needs Assessment Study (2016)) and the Rental Housing Workgroup (2019) initiated by the city to determine the housing needs for the community (as a whole). Several recommendations were made as to the housing needs for the community.

For instance, the non-student rental group recommended the following:

- inclusionary zoning
- set-aside for affordable housing in new construction; fee-in-lieu; density bonus; and
- incorporating deed restrictions to ensure affordability.

NHA also took part in the recent Charrette.

The opposition NHA is receiving in housing is in the idea of creating an environment of housing opportunities of mixed populations. These mixed populations consist of seniors and students, students and program participants, and students and persons with disabilities. This type of inclusionary housing does not need to be created but already exists in many areas of Newark. Ms. Jordan stated that we simply need to expand these types of inclusionary housing opportunities.

Mrs. Jordan related her having a conversation with a developer discussing the need for affordable housing. Although he agreed, he mentioned the current market demand is for student housing. The conversation led to Mrs. Jordan asking who pays for most of the students' housing, students or parents. The response was that most off campus housing is paid by the parents of the students. Mrs. Jordan shared how the housing authority pays for majority of the contract rent for most of its program participants. Mrs. Jordan referenced, "So similarly, there are two sources of income that pay on behalf of a renter. As far as the voucher program, we are talking about guaranteed money." She mentioned this as being an incentive for landlords as

well as the fact that our program participants do not move often. A landlord is guaranteed to receive their rent if both the participant and landlord are compliant with the program regulations.” The conversation also presented an opportunity to discuss contract rent based on HUD’s caps vs rents charged per student.

Mrs. Jordan also shared how real estate is an investment for landlords who rent their properties. One would think they would want to make sure their investments are maintained. Therefore, periodic inspections should be mandatory but an annual inspection from the housing authority, if the property is rented to a voucher participant, would inform them (landlords/property owners) of any deficiencies that needed repair.

At approximately 5:10 PM the Chairperson acknowledged that we had several people to login since the commencement of the meeting. She asked for those persons to identify themselves.

Abeo Lucas – New appointee (resident) from the Governor’s Office had logged in to the meeting. Commissioner Emile Brown joined the meeting.

Jerry Clifton – New appointee from the Governor’s Office had also logged in.

The Chairperson welcomed the New Commissioners to the Newark Housing Authority.

Before Mrs. Jordan proceeded with the staff reports, she acknowledged the two new commissioners and mentioned, “As new commissioners, we have a Board of Commissioners Policy and Procedural Manual for you. Please let me know if you want to pick up the manual from the office or if you want it mailed.”

Commissioner Clifton mentioned that he would like to stop by the office in the next few weeks to pick up his manual and would also like to have a “sit down” with Mrs. Jordan. He also thanked Mrs. Jordan for the welcome letter he received in the mail.

Mrs. Jordan responded, “That would be fine.”

Mrs. Jordan proceeded with the staff report.

Amended Annual Plan/5-Year Plan:

On Thursday, July 14, 2022, HUD approved NHA’s modification to the Admissions and Continued Occupancy Policy for the Low-Income Public Housing Program and the amendment to the Residential Lease agreement regarding the re-occupancy of units proposed or approved for demolition and/or disposition. NHA is in the process of re-renting the units that are currently unoccupied.

Legislative Update:

SB90 (Source of Income Protection for Voucher Holders) and SS1 for SB167 (Establishing a Landlord Mitigation Program) were heard on June 22nd. Status is pending.

Commissioner Ashley referenced the bills passing the Senate but not the House.

FYE 3/31/2022 Unaudited Financials:

NHA's FYE unaudited financials for the period ending 3/31/2022 were submitted electronically to HUD on June 15, 2022. As of today, the unaudited financials were approved by HUD.

FYE 3/31/2022 Audited Financials:

NHA's independent audit commenced on July 18th and all field work is complete. The auditors are nearing completion of the audit, and a draft copy is expected within the next few weeks.

Energy Audit:

NHA complied with HUD regulations in completing its energy audit for all units owned by the authority. The report includes a summary of recommended energy conservation and cost benefit analysis for our units. Buildings, equipment, operations, and maintenance of housing authority structures were part of this study. HUD requires energy audits every 5 years.

Environmental Review:

The Environmental Review for eligible work items that were board approved under NHA's 5-year action plan for the period covering 2022 – 2026 as part of the annual plan has commenced. NHA is expected to receive \$251,888 in funds. NHA has also complied with the deadline for FY 2023 capital fund certification to ensure we receive funds for this calendar year.

CDBG Award:

NHA received notification from the City of Newark's Planning Department of an award of \$62,565 in CDBG funds awarded under the 48th year (July 1, 2022 – June 2023). NHA requested \$120,000 in CDBG funds in collaboration with our developer partner, Leon N. Weiner and Associates. This request was made to help provide financial support for the demolition of the existing Newark Housing Authority Office located at 33 E. Main Street to clear space for the new construction of a mixed-use midrise building for the George Reed Village II Redevelopment.

However, on July 13, 2022, NHA submitted an addendum request to the City for these funds to be reallocated. The request for the reallocation is due to the redevelopment project being unable to apply for the Delaware State Housing Authority's (DSHA) 9% tax credits on the April 29th due date. Because of this, the redevelopment is delayed for a year requiring a new timeline that is to be established.

If the addendum request is approved, NHA will use these funds for the rehabbing of scattered site rental properties for improvements that will help improve the quality of living for our residents. Some rehab projects in the pipeline are to convert a 3-bedroom unit from oil heat to heat pump and to install new front entry steel doors (inclusive of framework) and storm doors to units on Madison Drive. This will also increase the property value in the future sale of these units, thus generating proceeds which will be used to help fund the redevelopment of George Reed Village (Phase I and II). NHA plans to reapply for the tax credits in April of 2023 to move the project along. The status of the reallocation request is pending.

NHA resubmitted its application from last year requesting \$120,000 in CDBG funds for financial support for the demolition of the existing offices under the 49th year CDBG application for this year's review.

Change in Administration Staffing:

NHA hired an inspector on June 7, 2022, to inspect all units owned by NHA, perform preventative maintenance, and to inspect units occupied under the Voucher Program. Things are going very well.

NHA is still in need of a maintenance worker/repairer. Currently our maintenance repairs are outsourced to a licensed contractor. To fill this position, NHA has reached out to other property managers, landlords, developers, and vendors to fill this position. Most are experiencing the same obstacles we are in acquiring help.

Mrs. Jordan asked if there were any questions or comments regarding the staff reports.

Commissioner Clifton asked what platforms we are using to fill this position, for instance if we were using Indeed.

Mrs. Jordan responded, "Yes, we have used Indeed to fill positions along with listings in the Newark Post, News Journal, posting to our website as well as emails to the other Housing Authorities. Mrs. Jordan added, "Although we are receiving responses, the responses are unrelated to the skillset we are looking for."

Commissioner Clifton commented, "Not hiring the right person will create a liability."

The Chairperson referred to the Sip and Social Event. She thanked Mrs. Jordan and her staff for a job well done on the marketing and planning for this event. She commented as to the need for affordable housing. "Owners/developers can get \$1500-\$2800 for rental properties per student. What is needed is a policy driven to promote diversity and until the city is onboard with it that will not happen. She added owners/developers know the need."

Commissioner Clifton concurred with the Chairperson regarding improving diversity and the need for it to be policy driven. He stated, "Folks will be against it. By in large, there has been no movement from Council regarding the recommendations from the Workgroup Study. Most of the Council members are free market people as I am. But there are people that the market has overlooked, and we need to be concerned about that."

Commissioner Clifton added, "Conversations need to begin with the planning department/City Manager to discuss some of the seed money in what we want."

Commissioner Lucas asked if the Sip and Social flyer was sent to her. Mrs. Jordan responded, "Yes."

Commissioner Lucas asked who the flyers were sent to. She shared it was very hard to find a property that accepted her voucher. She mentioned stumbling across the unit she currently rents. She told how she met with the owner and asking him to give her a chance and referenced "I do work." She mentioned signing her lease shortly thereafter. Commissioner Lucas referred to landlords not keeping up on their rental properties and not making repairs.

Mrs. Jordan responded, "The flyer was sent to our current landlords. We asked the Planning Department for assistance with notifying property owners, landlords and developers of this event and they provided a list of all the active rental permits in their database. We focused on mailing the flyer to multi-property owners as suggested by our chairperson. The flyer was posted on our website and as well as advertised in the Newark Post. Our attorney, Don Gouge, emailed the flyer to the landlord association."

Mr. Gouge added, "In addition to emailing the flyer to the landlord association, I mailed a couple to landlords I know outside of the city."

Commissioner Lucas asked if the flyer had information on it regarding the landlord incentives.

Chairperson Lane commented that she was pleased to have Commissioner Lucas on the board. She mentioned the purpose of the Sip and Social Event was to discuss the landlord incentives. (i.e., Landlords Signing Bonuses and the Landlord Maintenance Subsidy Assistance. She added, "The flyer was marketed very well and could only display so much information." She mentioned that inspections can be an issue and for some being told what to fix and how to fix it poses an issue. She stated that the mitigation incentive as being targeted for new and existing landlords.

Commissioner Gaines thanked Commissioner Lucas for sharing her experience as to how she was able to get her landlord to rent to her.

Commissioner Gaines shared an observation, "Since the voucher program has a negative connotation, maybe we need to think outside the program. Maybe put another name on it."

Vice-Chairperson Ashley stated, "The success of Commissioner Lucas' lease-up was the one-on-one that was demystified because of her efforts."

Commissioner Clifton referred to the inspections mandated by HUD. He shared that it's the inspections and not NHA that deter some landlords/property owners from participating in the program. "The city only inspects for Health and Safety issues and building codes. Private owners don't want the city to inspect, and they tell their renters not to let the inspectors in."

Commissioner Lucas referred to several vacant properties in her neighborhood and wanted to know if the housing authority could buy some of them and offer them to program participants.

Mrs. Jordan responded, "The vision of the housing authority is to eventually sell all our scattered site rental properties. We are currently repositioning our assets and reinvesting in more modern updated units owned and managed by the authority. With the current preliminary footprint for the redevelopment of George Reed Village, we also have an opportunity to expand our housing portfolio to be able to provide additional housing."

The Chairperson inquired into the status of a scattered site property conversion from oil heat to heat pump.

Mrs. Jordan responded, “We have identified a contractor who will convert from oil heat to a heat pump within the next few weeks. NHA intends to use the funds awarded in CDBG funds (re-allocated funds) as the source of funds for this capital improvement.”

The Chairperson asked if there were any more questions or comments. Since there were none, she asked for a motion to approve the Staff Report. Commissioner Brown made a motion to approve the Staff Report. The motion was 2nd by Commissioner Gaines.

Aye 7 (Ms. Lane, Ms. Ashley, Mr. Tillman, Mrs. Gaines, Mr. Brown, Mr. Clifton and Ms. Lucas)
Nay 0
Motion passed, Vote: 7 to 0

V. 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.

The Chairperson called for the report from the Development Committee.

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

(a). Committee Update – George Reed Village II

The Chairperson asked Mrs. Jordan to provide an update.

Application #DDA0011025 for the Proposed George Reed Village II:

Development Update – Redevelopment of GRV:

On Friday, June 10, 2022, NHA submitted the revised worksheet to the state for the review of our \$4M ARPA request. On July 11th and on August 4th NHA received responses from DEMA (Delaware Emergency Management Agency) that “funding is identified - \$3M of the \$4M requested was identified but it would be contingent on full project funding. DSHA will be updating the QAP (Qualified Allocation Plan for tax credit application) this year in September. NHA will reach out to the DSHA to inquire into what changes will be made to the QAP and how the changes will affect the LIHTC application in 2023. Also, we will seek clarity from DSHA as to what commitment DEMA needs to put in their letter of support for the application.

Application #DDA0011618 Disposition of two Scattered Site Rental Properties:

The Real Estate Transaction for 37 & 39 W. Cleveland Avenue will be discussed in Executive Session. However, NHA is still waiting on a response from HUD regarding our request for two Tenant Protection Vouchers for the families that occupy these units. Once received, NHA can start the process of relocating the families under the voucher program.

The Chairperson asked, "How many vouchers we are waiting for?"

Mrs. Jordan responded, "To assist the families at 37 & 39 we requested two. However, we will need 36 vouchers for the 1-bedroom units proposed for demolition. Mrs. Jordan added relocation for the 36 families is a major concern given the current market conditions."

Commissioner Lucas inquired about the Flats Apartment complex participating in the voucher program.

Mrs. Jordan responded, "We reached out to several apartment complexes within the city. The common and consistent responses we received from the property managers we spoke with were, "We do not accept Section 8 vouchers and the decision not to do so is a corporate decision."

Recently we have learned that the apartment complexes that do accept the vouchers are raising the rents due to major renovations. So once again, we will have vacancies and affordability issues when our program participants receive vouchers.

Mrs. Jordan mentioned that the agency will be issuing five vouchers to families who were approved to participate in the Housing Choice Voucher Program. The families range from needing one-bedroom to two-bedroom units.

Commissioner Clifton asked a question of the attorney regarding the City Rental permits. "Would it be legal to say that there is a nondiscrimination clause that prohibits a landlord in not accepting a housing voucher?"

Attorney Gouge responded that he does not know the answer to that. He added, "What the City could do is pass legislation for new construction stating that if you build a certain number of units, you must designate a certain number of them as affordable housing. Other than that, putting a nondiscriminatory clause on rental permits would take State Legislation."

Commissioner Brown inquired as to if anyone knew how often the landlord association meets.

The Chairperson responded that she would reach out to them for that answer.

The Chairperson asked if there were any additional questions or comments. Since there were none, 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 mentioned that we are starting a new FY and we are two months into the current budget. For clarification purposes she referred to the larger report as representing the operations of the authority and the smaller report representing the voucher program. She reported that we are on target to meet our budget. The first two months show we are within the budget. We spent a little more than we took in for operations but for the 12 months, we are well within the full year of operations.

She stated that in conversation with Mrs. Jordan earlier today she was made aware that the landscaping line item will be over budget due to landscaping being part of the maintenance contract which is currently vacant.

Vice-Chairperson Ashley asked if any commissioner had any questions regarding the finances.

Commissioner Tillman inquired into the percentage columns missing from the reports.

Vice-Chairperson Ashley informed all that she had mentioned that to Mrs. Jordan during their discussion earlier.

Commissioner Tillman commented as to the reason for the percentage column is to track the budget used for each month; the over/under usage of each budget line item.

The Chairperson of the board asked Mrs. Jordan to re-circulate the financials once the percentage column is added.

The Chairperson asked if there were any additional questions or comments. Since there were none, she called for the report from the Strategic Planning Committee.

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

The Chairperson of the board who is the Chairperson for this committee once again thanked Mrs. Jordan and her staff for their efforts in planning the Sip and Social Event. She mentioned that we cannot give up and we need to think about some other strategies to incentivize landlords. She asked each commissioner to reach out to her with some ideas to get the landlords more involved. She suggested signing up for the next City of Newark event to provide information about our programs.

The Chairperson moved onto the next agenda item.

VI. Attorney Issues:

Mr. Gouge had no attorney issues to report but will provide a report later under “New Business” from the attorney.

VII. Old Business:

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

VIII. New Business:

- A. From Commissioners:
 - 1. Marketing Methods for Future Units Proposed for Sale – No action taken. Remove from agenda.
- B. From the Executive Director: None
- C. From Legal Counsel: Mr. Gouge reported routine landlord business for the authority.
 - 1. The court case filing for non-payment of rent filed in April was heard on August 1, 2022, resulting in the judge issuing a default judgment. The writ of possession will be filed accordingly.
 - 2. A second filing for non-payment of rent was filed in August. The case is expected to be heard within 90 days from the filing date or early October.

IX. Executive Session (Closed to the Public): Discussion regarding a Real Estate Transaction

The Chairperson asked for a motion to enter into Executive Session. Commissioner Clifton made a motion to drop down into Executive Session. This motion was 2nd by Commissioner Brown.

At approximately 6:22 PM the board of commissioners entered into Executive Session to discuss a real estate transaction.

Aye 7 (Ms. Lane, Ms. Ashley, Mr. Tillman, Mrs. Gaines, Mr. Brown, Mr. Clifton and Ms. Lucas)
Nay 0
Motion passed, Vote: 7 to 0

At approximately 6:50 PM the Board of Commissioners came out of Executive Session. The Chairperson asked for a motion for the meeting to become public. Commissioner Gaines made a motion for the meeting to be open to the public. The motion was 2nd by Commissioner Brown.

Aye 7 (Ms. Lane, Ms. Ashley, Mr. Tillman, Mrs. Gaines, Mr. Brown, Mr. Clifton and Ms. Lucas)
Nay 0
Motion passed, Vote: 7 to 0

Attorney Gouge reported that an Executive Session was held to discuss a real estate transaction. To move forward with the proposal received, he asked that the board pass a motion authorizing Mrs. Jordan and himself to start contract negotiations for the sale of a real estate property.

The Chairperson asked for a motion authorizing the negotiations to begin subject to board approval of the real estate transaction discussed during Executive Session. Commissioner Gaines made a motion authorizing such. The motion was 2nd by Commissioner Brown.

Aye 7 (Ms. Lane, Ms. Ashley, Mr. Tillman, Mrs. Gaines, Mr. Brown, Mr. Clifton and Ms. Lucas)
Nay 0
Motion passed, Vote: 7 to 0

X. Visitors and/or Petition:

The Chairperson opened the floor to visitors. No visitors were present.

XI. Adjournment:

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

Aye 7 (Ms. Lane, Ms. Ashley, Mr. Tillman, Mrs. Gaines, Mr. Brown, Mr. Clifton and Ms. Lucas)
Nay 0
Motion passed, Vote: 7 to 0

Meeting adjourned at approximately 6:51 PM

Minutes Submitted by: Marene M. Jordan, Executive Director

APPROVED