

**WILMINGTON HOUSING AUTHORITY  
BOARD OF COMMISSIONERS**

**REGULAR MEETING MINUTES**

400 N Walnut Street  
6:00 p.m.

MAY 28, 2019

Present Representing the Board of Commissioners

James Spadola

Vincent White

Earl Jeter

Betty Pinkett

Jane Vincent

Maureene LaFate

Steven Washington (via conference call at 6:18)

Absent: Ben Cohen

Matthew Heckles

Lauren Russell, General Council

Present Representing WHA (Executive Staff):

John Hill

Karen Spellman

Rosemarie Bizune

Donna Starkey-Ford

Sandi Rosmini

Kathi Sulsky

Yolanda Durant

Denise Miller

Nancy Clark

Christine Arnold, Scribe

***The Chairman called for the roll. A quorum was established to proceed with the Public Session.***

**PUBLIC SESSION:**

Mr. Wayne McManamon, SEIU union representative, and Mr. Andrew Johnson, AFSCME union representative, shared their concerns about the lack of negotiating the wage reopener and the wage increase offer that was made to the employees. They appealed to the Board of Commissioners to reconsider the wage increase amount and offer more money to the employees.

Ms. Diana Dorn, Compton resident, commented that she witnessed a domestic violence incident in the hallway and made comments to the couple. Ms. Dorn then received a letter from management stating that she should "mind her own business and don't get involved with domestic violence incidents". She

asked that we consider only housing residents aged 50+ at Compton since the younger people are causing the problems. She provided a copy of the letter to the Board and Ms. Spellman for follow-up.

Ms. Tiffany Putney, Compton Resident, stated that older residents cause problems as well. She referred to an email that was sent about her. The man that sent the email about her recently caused an issue with her four years ago. The police were called, a report was made and the threatening was from him and he was the aggressor.

Ms. Donna Smith, Compton Resident, shared that she wrote an incident report about a maintenance employee. She provided copies of the documentation that was sent to her from management. Management did not meet with her to allow her to share her side of the story. She believes she should have been provided that courtesy.

## **1. MINUTES OF MEETING**

*The Chairman called for a motion to approve the Minutes of the April 22, 2019 Annual Board meeting. Commissioner V. White made the motion and Commissioner J. Vincent seconded the motion. The Chairman asked for questions.*

Commissioner White asked that moving forward, to cite comments from him as "V. White" and Ms. Vincent as "J. Vincent" in future minutes to provide more clarification of who is who.

*With no more questions from the Board, the Chairman called for the vote. Motion carried.*

***Minutes of the April 22, 2019 Annual Meeting adopted unanimously.***

*The Chairman called for a motion to amend the agenda to move the Bylaw Ad-Hoc Committee Report to be the next item on the agenda. Commissioner J. Vincent made the motion and Commissioner V. White seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

## **2. BYLAW AD-HOC COMMITTEE REPORT**

Commissioner V. White provided a summary of what has been done with the proposed draft bylaws including the workshops, minutes, remarks which has been presented to the BOC's and incorporated in the current document which has been shared with the Board and legal counsel prior to this meeting.

He shared that the previous bylaws resulted in this Agency being held hostage by people with no respect of the law or governance. He sat through four (4) years of that and he believes that if we had better bylaws we would not have been held hostage by those individuals.

The goal of the committee was to create world class bylaws. These are not necessarily Wilmington, Delaware bylaws. We, being the committee, Mr. Hill, Mr. Heckles and myself looked at bylaws throughout various jurisdictions including New York, New Jersey, and Colorado. We wanted to make certain that they reflected the opinions and the thoughts of those in Wilmington, Delaware and this particular Agency.

They are well thought out and he believes puts us in a position where governance will be less of an issue and where we can do our jobs and not necessarily meddle in the day-to-day activities. It gives us a clear path of roles and responsibilities for the BOC's and the staff. He is presenting this as our first reading and subsequently it is still a "living document" where we can accept comments, concerns, or questions and incorporate those into our second reading (please email to Nancy Clark at [nclark@whadelaware.org](mailto:nclark@whadelaware.org)).

Commissioner Washington commented that he would like to see a document where Mr. Heckles was at the meetings when the new bylaws were created. He believes that we should go through each frame so we can truly understand what the bylaws mean and what they entail.

Commissioner J. Vincent commended the committee and staff on their efforts with this project. Bylaws should be reviewed on a regular basis and this is long overdue.

*The Chairman called for a motion to accept the first reading of the bylaws. Commissioner J. Vincent made the motion and Commissioner V. White seconded the motion. With no further questions from the Board, the Chairman called for the vote. Motion carried.*

***The first reading of the bylaws accepted unanimously.***

### **3. EXECUTIVE DIRECTOR'S REPORT**

Mr. Hill provided highlights from his report and reviewed the Staff Relocation Plan which is included in the Board Book.

Commissioner J. Vincent suggested that perhaps Ms. Russ or another consultant can assist with reviewing the policies for updates.

The Chairman mentioned that the new board members need to receive their BOC training.

### **4. RESPONSE TO INQUIRIES FROM PUBLIC COMMENTS**

Mr. Spellman shared Ms. Robin Bland, resident of Compton Towers, had a question regarding security at last month's Board meeting. Several years ago residents were door monitors, the Housing Authority paid them for their service and she wanted to know if we could do this program again. Ms. Spellman met with her and explained that it was an action that was taken by the Attorney General's office in Delaware to stop the program. The monitors must be certified or licensed security personnel to monitor; therefore we cannot use them any longer.

Her other question was in regard to how long does it take for a manager to address an incident report. It is determined on a case by case basis and the nature of the complaint. The person that wrote the incident report may not necessarily receive a report on how the incident was handled because it is confidential. It is between the resident and the manager. They may see a change, they can come and ask if it was handled, if there was some action taken and the manager could answer that but the specific details as to how it was handled would not be shared.

## **5. RIVERSIDE REDEVELOPMENT REPORT**

Mr. Hill shared that we are working on the Master Development Agreement which was shared with the Board about two (2) weeks ago. He asked that any comments from the Board be sent to Nancy Clark. He anticipates that a resolution may be presented to the Board next month.

## **6. FINANCE REPORTS**

Rosemarie Bizune provided the overview of the Financial Statement which is included in the Board Book.

Commissioner J. Vincent asked for the total amount of additional vouchers that need to be issued. Ms. Bizune replied she budgeted over 900 more vouchers but that may change depending on how much money is used when the 430 are leased. We had a meeting with HUD and they believe we are being too aggressive and putting too many vouchers on the street which may result in a shortfall next year. They advised us to be more conservative with the 900 additional vouchers.

Mr. Hill added that there are three (3) dangers when an agency is too aggressive with vouchers. (1) HUD provides our monies via a budget authority, not a certain number of vouchers. (2) If too many vouchers are on the street and the area cannot absorb those vouchers then families are set up to fail with leasing their vouchers because there are not enough units available. (3) If ten families are terminated and they had 2 or 3 bedroom units but the replacement families need 4 or 5 bedrooms they will use more of the budget authority. We then may have to go into the reserves or suffer from a shortfall.

He will be working with the team to develop a leasing schedule approach as well as using the two-year tool to provide guidance. Section 8 and Finance will be required to meet at least twice weekly to ensure they are leasing up correctly.

Mr. Hill shared that he anticipates next month that he will share the Madison Sustainability Plan with the Board.

## **7. RESOLUTIONS**

### **Consent Agenda Resolutions:**

**Resolution 19-32** Approving an Anti-Harassment Policy for the Wilmington Housing Authority

**Resolution 19-33** Amending the Wilmington Housing Authority Pension Plan

*The Chairman called for a motion to adopt Consent Agenda Resolutions 19-32 and 19-33. Commissioner J. Vincent made a motion and Commissioner L. LaFate seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

***Consent Agenda Resolutions 19-32 and 19-33 adopted unanimously.***

## **8. OLD BUSINESS**

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers – no update

## 9. NEW BUSINESS

### Discuss City of Wilmington Property Licenses

Mr. Hill shared that recently we received notices from the City stating that they require WHA to get a business license to operate our Scattered Site properties. He believes it is \$10 per inspection. He wrote a letter to our attorney because we are a quasi federal governmental agency we should be excluded. He is reaching out to the City to resolve this issue.

Commissioner J. Vincent recommended reaching out to other non-profit agencies within the City of Wilmington that are landlords to find out what the City requires of them. Commissioner Jeter suggested contacting DANA (Delaware Alliance for Nonprofit Advancement) which is an umbrella of non-profits. They may be a good resource.

### Discuss New Castle County Property Taxes

Mr. Hill shared that New Castle County has an assessment against the Housing Authority for Park View for approximately \$640,000. Again, WHA should be exempt from paying property taxes. General Counsel is handling this situation as well. The Park View refinance will not be affected by this; however, \$654,000 will be placed into an escrow account until this is resolved and we will not have access to these monies. This item will remain on the agenda each month until it is resolved.

Ms. Spellman added that she had met with Tom Gordon, former New Castle County Executive, and he was supportive of the Housing Authority. He had members of his staff to work with us to try and resolve it. However, there was an election and Matt Meyer became the new County Executive. Next steps are to meet with County Executive Matt Meyer and his staff.

## 10. ADJOURNMENT

*With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner J. Vincent made the motion and Commissioner LaFate seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***The meeting was adjourned at 7:14 p.m.***

**ADOPTED June 24, 2019**

Respectfully submitted,

  
Steven Washington, Secretary

**WILMINGTON HOUSING AUTHORITY  
BOARD OF COMMISSIONERS**

**ANNUAL MEETING MINUTES  
400 N Walnut Street**

APRIL 22, 2019

Present Representing the Board of Commissioners

James Spadola

Ben Cohen

Steven Washington

Betty Pinkett

Jane Vincent

Maureene LaFate (arrived at 6:05)

Matthew Heckles (arrived at 7:00)

Absent: Vincent White

Earl Jeter

Barry Willoughby, General Council

Present Representing WHA (Executive Staff):

John Hill

Karen Spellman

Rosemarie Bizune

Kathryn Hoerner-McGinnes

Kathi Sulsky

LaVerne Hanson

Sarah Babaian

Darniece Hampton

Vibhuti Talwar

Yolanda Durant

Denise Miller

Nancy Clark

Christine Arnold, Scribe

***The Chairman called for the roll. A quorum was established to proceed with the Public Session.***

**PUBLIC SESSION:**

Ms. Robin Bland, Compton Towers Resident, had two (2) concerns. First was there was a previous discussion about possibly having senior residents be desk monitors and how long does it take for a manager to address resident incident reports. Ms. Spellman will follow-up with these requests.

## **ANNUAL MEETING OF THE BOARD**

John Hill, Executive Director conducted the nomination and election for the position of Chairman of the Board:

### **CHAIRMAN OF THE BOARD**

Commissioner Vincent nominated Commissioner Spadola and Commissioner Spadola accepted the nomination. With no further nominations, Mr. Hill called for the vote.

***Commissioner James Spadola is elected Chairman of the Board unanimously.***

### **VICE CHAIRMAN OF THE BOARD**

Commissioner Vincent nominated Commissioner Cohen and Commissioner Cohen accepted the nomination. With no further nominations, the Chairman called for the vote.

***Commissioner Benjamin Cohen is elected Vice Chairman of the Board unanimously.***

### **TREASURER**

There was discussion if one person could serve two (2) seats on the Board. Mr. Willoughby shared that there is no reason under the bylaws that they could not but it is not the normal protocol. Commissioner Washington nominated Commissioner Cohen as Treasurer and Commissioner Cohen accepted the nomination. With no further nominations, the Chairman called for the vote.

***Commissioner Benjamin Cohen is elected Treasurer of the Board unanimously.***

### **SECRETARY**

Commissioner Pinkett nominated Commissioner Steven Washington and Commissioner Washington accepted the nomination. With no further nominations, the Chairman called for the vote.

***Commissioner Steven Washington is elected as Secretary of the Board unanimously.***

### **2019-2020 Officers of the Board**

James Spadola, Chairman  
Ben Cohen, Vice Chairman  
Ben Cohen, Treasurer  
Steven Washington, Secretary  
John Hill, Assistant Secretary

## REGULAR MEETING OF THE BOARD

Mr. Hill asked that the agenda be changed to reflect Resolution 19-29 moved out of the consent and be available for discussion when resolutions come up on the agenda. The Chairman agreed to the change.

### 1. MINUTES OF MEETING

*The Chairman called for a motion to approve the Minutes of the March 25, 2019 Board meeting. Commissioner Vincent made the motion and Commissioner LaFate seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Minutes of the March 25, 2019 Regular Meeting adopted unanimously.***

### 2. EXECUTIVE DIRECTOR'S REPORT

Mr. Hill shared a presentation on "Partnering to Reduce Homelessness in Wilmington". Commissioner Vincent shared her support with this initiative and offered her expertise to assist with accomplishing this goal.

Commissioner Washington recommended homelessness training that the Teachers Union, DSEA, has may be a good opportunity for the staff to take to help understand why it is urgent for those that are homeless to find shelter.

### 3. RESPONSE TO INQUIRIES FROM PUBLIC COMMENTS – No report

### 4. FINANCE REPORTS

Rosemarie Bizune provided the overview of the Financial Statement which is included in the Board Book.

Commissioner Cohen asked which capital grant years the 1.5 million dollar loan for Riverside will be obligated to. Ms. Bizune replied we are aware of that expense and we are waiting for the documentation to obligate the monies. If there is not enough money in 18 then we will obligate it in 19. Commissioner Cohen asked for an update regarding the vouchers; Ms. Hoerner-McGinnes provided the information:

Voucher Type	Total	Comments
HCV	155	Issued & on street searching. Additional 41 scheduled for 2nd & final appointments on 3/19/19
HCV	28	These are ready to be issued and will be on 2/27/2019
HCV	136	In interview process, working to make eligible, most waiting on criminals to be returned. Eligible with issuance on 3/29/2019
HCV	50	39 leased as of 1/1/2019. Remaining 11 will lease up 3/01/2019
VASH	6	On the street searching
Park View	2	
Luther Towers	35	35 issued, 98 under contract
<b>Total Vouchers</b>	<b>412</b>	



Mr. Hill added that there are still issues with Luther Towers leasing up the vouchers. Our team has gone above and beyond trying to complete this project. He asked Ms. Starkey-Ford to compose a letter to HUD requesting that those remaining vouchers go into the regular voucher population.

Mr. Hill also shared that the waiting list was scheduled to open on April 13<sup>th</sup> via telephone. He postponed that because he wants it automated via computer application for a smoother process. It is anticipated that the waiting list will be opened up within the next 6-8 weeks.

There was concern that some of the population may be left out because they may not be tech-savvy or have access to mobile devices or a computer to complete the application. It was suggested that kiosks be available and advertised to provide everyone the same level of access to apply.

Commissioner Vincent asked if there is data available to show how successful searches are with those that are issued or what percent of the applicants need extensions and what percent actually never locate a place. She shared that this is a concern of hers especially for those that are homeless. Mr. Hill replied that he had previously asked Ms. Starkey-Ford for this information and will forward it when it is received.

There was discussion about DSHA having a statewide waiting list. Commissioner Heckles shared that this was a previous initiative of the prior administration at DSHA. It was not completed because the other Housing Authorities were not interested in partaking in the project.

There was discussion about the Park View real estate taxes. Brent Shaffer shared that because of the way the project is currently titled, he does not believe it qualifies for the exemption because the title owner is Electra Arms Senior Associates, L.P. and it is a for profit entity. It was required to be for the tax credits that financed the project. In order to obtain non-profit status an exemption needs to be requested with New Castle County. A transfer of title is not an option because of the refinance. Commissioner Vincent suggested that contact me made to New Castle County to request that they waive or negotiate a reduced tax amount without transferring title. Mr. Shaffer and Mr. Hill will work together to compose a letter for this request.

## **5. RESOLUTIONS**

### **Consent Agenda Resolutions:**

**Resolution 19-28** Authorizing the Wilmington Housing Authority to Update its Purchasing Policy to Reflect the Revised Procurement Thresholds

**Resolution 19-30** Authorizing the Approval of a Line of Credit for Park View Apartments

*The Chairman called for a motion to adopt Consent Agenda Resolutions 19-28 and 19-30. Commissioner Cohen made a motion and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

***Consent Agenda Resolutions 19-28 and 19-30 adopted unanimously.***

**Resolution 19-29** Authorizing the Approval of Wilmington Housing Authority's Revised Fiscal Year 2020 Operating Budget

Ms. Bizune presented the resolution. This is a resolution to revise the annual budget that was approved by the Board on February 25, 2019, resolution 19-18.

*The Chairman called for a motion to adopt Resolution 19-29. Commissioner Cohen made a motion and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Cohen asked for an explanation of where the \$271,280 from Operating Reserves will come from to cover the costs. Ms. Bizune shared in the first budget we were budgeting over \$300,000 to be used; however, the admin fee increased reducing the amount down. It is the Section 8 program admin fee reserve that will be used.

Commissioner Cohen questioned if the operating subsidy funding percentage was published yet. Ms. Bizune replied we just know that there was a reduction in our calculation based on last year and what she budgeted. HUD has not published their pro-ration rates. We are still hearing 95-99%. We did receive notification about Section 8. We will receive .99874 of last year's budget. There is no re-benchmarking this year.

There was discussion of the two (2) positions that were missed in the budget. Clarification was made that the previous budget that was approved was for nine (9) new positions and this revised budget has ten (10) new positions.

*With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-29 adopted unanimously.**

**Resolution 19-31** Authorizing HUD Required Amendments to Loan and Limited Partnership Agreements and to Grant a Parking Easement from Wilmington Housing Authority for the Benefit of the Park View

Mr. Brent Shaffer presented the resolution. This resolution pertains to refinancing the Park View with a new HUD insured loan by Harper Capital Partners. Principally it authorizes the general partner to proceed with agreement to the loan; it authorizes Karen Spellman as President of the general partner to sign the documents and authorizes an amendment that HUD requires to the limited partnership agreement of the owner, Electra Arms Senior Associates and it also authorizes the easement agreement for the parking lot.

*The Chairman called for a motion to adopt Resolution 19-31. Commissioner Cohen made a motion and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Cohen asked if there is anything that we should be concerned about that would come back and cause an issue. Mr. Shaffer responded he does not believe so. It allows us to go through the process of refinancing. We have the commitment that was issued by HUD and it has been reviewed by

the Finance Committee and staff and they are comfortable with the terms of the 9.5 million dollar loan. He does not anticipate any problems in closing on refinance or needing to come back to the Board of Commissioners.

*With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-31 adopted unanimously.**

## **6. BOARD COMMITTEE REPORTS**

### **Finance**

Commissioner Cohen shared that the Finance Committee meeting was held. He was unable to attend; however, many commissioners did attend and asked many good questions about the resolutions that were just discussed. We are planning on the next meeting to be scheduled May 22, 2019. The time still needs to be determined.

### **Development**

The Chairman shared that Commissioner White is not present; however, he does have a note to appoint members of the committee. He recommends the following members be included on the committee:

Commissioner White - Chair  
Commissioner Vincent  
Commissioner Heckles  
Commissioner Pinkett

He asked that they communicate with Commissioner White about their decision. There was discussion about how members are appointed to the committees. The Chairman shared that he appoints the chair of each committee and that chair appoints its members. All BOC members are welcome and encouraged to attend any committee meeting that they desire to.

### **By-Law Ad Hoc**

Mr. Hill shared that all of the comments received from the commissioners were added to the document. Commissioner White will review the draft and it will be sent to the commissioners. There will be a combination Development/By-Law Ad Hoc Committee meeting scheduled for May 1<sup>st</sup>.

## **7. OLD BUSINESS**

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers – no update

## **8. NEW BUSINESS**

The Chairman shared that two (2) new committees are being added:

Commissioner Cohen suggested that a technology committee be developed to look into best practices and how to improve technology at WHA. Commissioner Cohen will be the Chair and Commissioner Spadola will be on the committee. Anyone else that is interested please let Commissioner Cohen know.

Mr. Willoughby confirmed that members of the committees are not limited to commissioners. We can bring in non-BOC members which are subject matter experts to assist. They would not be voting members.

Chairman Spadola is also composing an audit committee. Again, anyone that is interested in serving on the committee please let him know.

Mr. Hill asked that committee meetings be standardized to a set day and time each month to prevent scheduling conflicts.

There was discussion of when the May meeting will be held since the 4<sup>th</sup> Monday is Memorial Day. By-laws state it will be held the Tuesday after which is May 28<sup>th</sup>. Ms. Arnold will send the schedule to the Board.

## **9. EXECUTIVE SESSION**

*The Chairman called for a motion to go into Executive Session. Commissioner Cohen made the motion and Commissioner Pinkett seconded the motion. The Chairman asked for questions on the motion. With no further questions from the Board, the Chairman called for the vote.*

***The Board went into Executive Session at 7:51 p.m.***


## **10. ADJOURNMENT**

*With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner Vincent made the motion and Commissioner Cohen seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***The meeting was adjourned at 8:00 p.m.***

**ADOPTED May 28, 2019**

Respectfully submitted,

  
Steven Washington, Secretary

**WILMINGTON HOUSING AUTHORITY  
REGULAR MEETING OF THE  
BOARD OF COMMISSIONERS**

**March 25, 2019**

**400 N. Walnut Street  
6:00 p.m.**

**MINUTES OF MEETING**

**Present Representing the Board of Commissioners**

James Spadola, Chairman  
Steven Washington, Secretary  
Vincent White  
Jane Vincent  
Maureene LaFate  
Matthew Heckles (arrived 6:10)  
Ben Cohen, Treasurer (arrived 6:15)

Barry Willoughby, General Counsel

**Absent**

Earl Jeter  
Betty Pinkett

**Present Representing WHA:**

John Hill, Executive Director  
Karen Spellman, Deputy Executive Director  
Rosemarie Bizune, Finance Director  
Roger Turk, Development Director  
Sandi Rosmini, Housing Management Chief  
Kathi Sulsky, HR Chief  
Christine Arnold, Special Assistant/Scribe

Donna Starkey-Ford, Section 8 Chief  
Laverne Hanson, Procurement Chief  
Vibhuti Talwar, Finance  
Denise Miller, Manager  
Yolanda Durant, Security  
Darniece Hampton, Resident Services

***The Chairman called for the roll. A quorum was established to proceed with the Public Session.***

**PUBLIC SESSION – No comments**

**1. MINUTES OF MEETING**

*The Chairman called for a motion to approve the Minutes of the February 25, 2019 Board meeting. Commissioner White made the motion and Commissioner Vincent seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Minutes of the February 25, 2019 Regular Meeting adopted unanimously.***

**2. EXECUTIVE DIRECTOR'S REPORT**

Mr. Hill provided highlights from his report which is included in the Board Book.

Commissioner Washington suggested that we contact Kevin Kelley, Director of Parks and Recreation at the City of Wilmington regarding their summer youth program to assist with grass cutting.

Commissioner Vincent asked that the Board be updated on the HUD Correction Action Plans. Mr. Hill responded that HUD approved the CAP was approved by HUD and will be submitting the first CAP to them on April 15, 2019 and he will include it in the Board Report.

Commissioner Vincent asked if the write-off of vacated tenant accounts (TARS) amount of \$10,000 (Resolution 19-25) is a normal quarterly write-off figure. Ms. Bizune confirmed it is within the normal quarterly range.

*The Chairman called for a motion to accept the Executive Director's Report. Commissioner White made the motion and Commissioner Vincent seconded the motion. With no further questions from the Board, the Chairman called for the vote. Motion carried.*

***Executive Director's Report accepted unanimously.***

### **3. RESPONSE TO INQUIRIES FROM PUBLIC COMMENTS**

Ms. Spellman provided an overview of the report which is included in the Board Book. Ms. Rosmini provided a synopsis of what occurred during her visit on March 4<sup>th</sup> at Ms. Davis' apartment. She confirmed that the water in the buckets was clear, felt for damage and found none, had Ms. Davis dump out the water and asked her to make contact with the manager if water drips into the buckets. Neither Ms. Rosmini nor Ms. Patton has heard from Ms. Davis.

Commissioner LaFate asked if pictures were taken and if the follow-up was is writing and sent to Ms. Davis. Ms. Rosmini confirmed that pictures were taken and a letter was sent to Ms. Davis.

Commissioner White asked if the tone and manner of how the security guard treated Ms. Davis was addressed. Ms. Spellman responded that it is her understanding that Ms. Davis took offense to the response of "not now".

### **4. RIVERSIDE REDEVELOPMENT REPORT**

Ryan Bailey, Pennrose Properties, provided an update on the resolutions that are being presented tonight for the Riverside Redevelopment Project.

First is Resolution 19-20 authorizing WHA to set aside up to \$1.5 million for a development loan to Riverside Phase I. This would be \$1.5 million of the total \$18.8 million for the total construction costs of the first phase. This is a relatively small percentage of the total development costs. He has previously reviewed the other sources with the Board.

The second is Resolution 19-23 is for up to 35 project-based Housing Choice Vouchers which will help support \$2.5 million in debt that will be amortized down. The income from those vouchers will enable us to pay down the debt. This will allow the Housing Authority to add funds to the deal without using Capital Fund dollars.

The last is Resolution is 19-27 to enter into a ground lease which is the site control document that is used when the Housing Authority will retain ownership of the land. This is an agreement to enter into a

ground lease and is the least restricted document that can be sent to the State to show that we have site control for the application. The ground lease was discussed in the executed term sheet. We will hopefully be awarded the tax credits in July and then will come back to the Board to get the final version of the ground lease approved prior to closing.

The importance of adopting these resolutions tonight is the tax credit application is due to Delaware State Housing Authority at the end of April and our internal deadline is April 15<sup>th</sup>.

Chris Lamb, Pepper Hamilton, provided an update on the Riverside Master Development Agreement which is an expansion of the term sheet that was approved in October 2018. He met with staff and provided comments, last week he met with RRDC and Kingswood and Purpose Built was on the phone. We are working on negotiating the 60 page document and will get the Board more actively involved with the document once it is flushed out a little bit more.

He was asked by Mr. Hill to review the ground lease resolution and he made comments which were incorporated into the document. In his professional opinion it is a satisfactory form to be approved if the commissioners deem appropriate.

## **5. FINANCE REPORTS**

Rosemarie Bizune provided the overview of the Financial Statement which is included in the Board Book.

Donna Starkey-Ford provided an update about the Housing Choice Vouchers. We have not issued the 700 vouchers yet; we were working with 462 and did manage to lease up 98 of the Luther Towers last week. We are working with 166 determining eligibility. We have a few for Park View, 7 VASH and the remaining Luther Towers. Currently there are 91 vouchers on the street. We are ready to schedule some of the 700 but we are waiting until the beginning of the fiscal year due to the workload.

Commissioner Cohen asked if the 98 vouchers for Luther Towers are included in the 462. Ms. Starkey-Ford confirmed that they are and should be subtracted from the 462 reducing the number to 364. There are roughly 50 that are ready to be put on the street. We have not had an opportunity this week because of workload so it will be done next week. Mr. Hill is making some recommendations for additional staff in the budget.

Commissioner White asked about the insurance rates at Madison. Kathi Sulsky shared the reason why the property insurance was increased at Madison. It went from approximately \$5,000 to \$19,000 because of losses. We had a series of frozen pipes that broke and the losses well exceeded the premiums that were being paid which were close to \$200,000. We had difficulty getting property insurance because of the losses so we had to go into the Assigned Risk pool. It is anticipated that we will stay in the pool 5-7 years. We recently had another claim for a frozen pipe.

Mr. Hill shared that maintenance is going to bring in a specialist because this has been three years running. The pipes have been wrapped and we need to find out what the root issue is. Mr. Turk added we have taken several measures to solve the problem but have not been totally successful. Some of the issues that were discovered were windows being left open during below freezing temperatures. The piping is in the attic space and it originated as a design problem. The CPVC piping cracks and some have been replaced with the proper piping. Mr. Hill added that a report will be provided to the Board through the Chairman.

*The Chairman called for a motion to accept the Finance Report. Commissioner Cohen made the motion and Commissioner White seconded the motion. With no further questions from the Board, the Chairman called for the vote. Motion carried.*

**Finance Report accepted unanimously.**

## **6. RESOLUTIONS**

### **Consent Agenda Resolutions:**

**Resolution 19-19** Authorizing an Additional Fifty-Thousand Dollars (\$50,000) from the Capital Fund to EJP Consulting to Conduct a Portfolio Assessment and Assist with Advising on Choice Neighborhood Initiative (CNI) for the Riverside Development

**Resolution 19-21** Authorizing the Wilmington Housing Authority to Sell Property Located at 2213 Eastlake Court, Wilmington, DE 19802 under the Section 32 Homeownership Program

**Resolution 19-22** Authorizing the Wilmington Housing Authority to Utilize Up to Seventy Thousand Dollars (\$70,000) from Public Housing Reserves to Fund Vacant Scattered Site Unit Clean Up Crew

**Resolution 19-25** Authorizing the Executive Director to Write-Off Vacated Tenant Accounts (TARs) Receivables in the Amount of \$10,000.99 for the Fiscal Year Period January 2019 to March 2019

*The Chairman called for a motion to adopt Consent Agenda Resolutions 19-19, 19-21, 19-22 and 19-25. Commissioner White made a motion and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

**Consent Agenda Resolutions 19-19, 19-21, 19-22 and 19-25 adopted unanimously.**

**Resolution 19-18** Authorizing the Approval of Wilmington Housing Authority's Operating Budgets

*Commissioner White called for a motion to adopt Resolution 19-18 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Cohen asked Mr. Hill to provide any key points about the budget that he wanted to share. Mr. Hill provided a summary of why the budget should be adopted. He shared that the budget had the input of all the directors and then there were final decisions that were made after those budgets were provided by the departments. Mr. Hill determined that from an operational standpoint that there are several departments that are working under staffed. He provided some examples. He also shared the summaries of why the new positions are needed and went over the documentation of what those new positions will add to the departments.

Commissioner Cohen added that this budget does add 14.5 new positions to the staffing. There were two (2) questions that were raised by the commissioners which were (1) among the 14.5 new FTE, should any of these positions be contracted as opposed to hiring.



Mr. Hill responded that it is a misnomer that there are 14.5 new positions as some of positions are staffed by temporary employees and some are paid by grants. The number is closer to 11.5 positions. He believes that all positions should be new hires.

Mr. Hill added that the second question that Commissioner Cohen asked was the number Section 8 vouchers for each employee. He provided a breakdown of what the Case Manager's workload is and what is involved. He provided details of why the new positions in that department are needed. NAHRO and Nan McKay state that it is approximately 400 per case load.

Commissioner Heckles shared that in the State of Maryland there are limited full-time positions that are available and their capacity needs exceed the cap. They hire contractors with a renewable 12-month contract, establish performance and then convert them into a full time employee later on. It works better for positions with general skill sets. He suggested that WHA may want to do this with positions that are applicable to general skill sets.

Commissioner Vincent commented that she was the one that raised that question because if we have a backlog of vouchers to be able to get on the street and have a short window to do this, hiring contractual employees that are term limited might be a way to help catch up on a backlog without unnecessarily a commitment of an long-time employee. Particularly if we are concerned that the federal budget might not sustain itself and we would be looking at layoffs 2-3 years later.

Mr. Hill responded that currently we are already operating below margin for staff as the program has grown 250 vouchers over the past 2-3 years and we did not keep up with the volume; therefore, the additional full time employees are needed at this time.

Commissioner White asked that in the future a projection of hiring a FTE or a contractor in terms of cost and benefits should be provided to the Board to show that due diligence was performed. This also would allow the Board to see the options and perhaps provide some insight where possible.

*With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-18 adopted unanimously.**

**Resolution 19-20** Authorizing the Wilmington Housing Authority to Set Aside Up to One Million Five Hundred Thousand Dollars (\$1,500,000) for a Development Loan to the Riverside Phase I Development

*Commissioner White called for a motion to adopt Resolution 19-20 and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Cohen asked what the sources of funds are. Mr. Turk responded they would be the capital fund grants 2018, 2019 and the RHF funds.

Commissioner White asked if the Finance Committee had a chance to review this and shares a recommendation to approve the resolution. Commissioner Cohen confirmed.

*With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-20 adopted unanimously.**

**Resolution 19-23** Authorizing the Wilmington Housing Authority to Allocate Up to Thirty-Five (35) Housing Choice Vouchers for Project Based Assistance to Support Phase I of the Riverside Redevelopment Project

*Commissioner White called for a motion to adopt Resolution 19-23 and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Heckles commented it references the 20% cap for project-based vouchers. Where are we now? Mr. Hill responded the Housing Authority has 2,100 vouchers, allowing 420 vouchers to be set aside for project-based. So far we have project-based contracts for 172 units, leaving 248 units available for project-basing. Also, as we receive new vouchers that number will increase.

*With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-23 adopted unanimously.**

**Resolution 19-24** Authorizing the Approval to Implement a Mandatory Hiring Policy for Contractors to Hire Section 3 Workers Based Upon Contract Award Consistent with Requirements Contained in The Department of Housing and Urban Development Act of 1968 (Section 3) and 24 CFR, Part 85.36 and 135

*Commissioner White called for a motion to adopt Resolution 19-24 and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

**Resolution 19-24 adopted unanimously.**

**Resolution 19-26** Supporting the Wilmington Housing Authority's Resident Services Department One Stop Shop to Take the Lead on Section 3 Training and Job Placement at Riverside

*Commissioner White called for a motion to adopt Resolution 19-26 and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion.*

Commissioner White asked that Mr. Hill provide a summary of the resolution. The Resident Services department should take the lead on Section 3 training and job placement at Riverside because it involves WHA residents. He spoke with Mr. Herring and assured him that we will work with his organization to have them involved in the process. Mr. Herring agreed. Once this resolution is approved, Mr. Hill will send the letter to Mr. Herring.

Commissioner White added that this is an opportunity to clarify what collaboratively means.

*With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-26 adopted unanimously.**

**Resolution 19-27** Authorizing the Agreement to Enter into a Ground Lease Between the Wilmington Housing Authority and the REACH Riverside Partnership, LLP for the Property Identified as “Riverside” (Northeast) for the Purpose of Development

*Commissioner White called for a motion to adopt Resolution 19-27 and Commissioner Vincent seconded the motion. The Chairman asked for questions on the motion.*

Commissioner White asked with the effective date of the ground lease beginning June 30, 2020 does this mean that if Pennrose is denied the tax credits, is this an indication that there will be another submittal. The agreement to enter will be binding until 2020.

Mr. Lamb replied the commitment to enter into a ground lease runs until June 30, 2020 which is fairly typical of the timeframe it would take to close a tax credit deal if we are fortunate to receive it. Also a condition in the agreement is that they actually have a tax credit closing; therefore, effectively if they do not get tax credits there will not be a closing and there would not be a ground lease.

Commissioner White asked is it stated in the ground lease that it would be null and void. Mr. Lamb replied it is not. There was discussion about the agreement and what it should state.

*Commissioner Heckles made a motion to amend the resolution to accept the default language and defer to counsel to write the language. Commissioner White accepted the motion. With no further questions from the Board, the Chairman called for the vote.*

**Resolution 19-27 adopted the amended resolution unanimously.**

## **7. BOARD COMMITTEE REPORTS**

### **Finance**

Commissioner Cohen shared that there were two (2) budget workshops. He thanked Mr. Hill and Ms. Bizune for their authorship of the budget and the process ran much more smoothly from the Board’s side this year and it is appreciated. We will be moving forward and scheduling a meeting in April and considering all of the moving pieces including Park View, Riverside, etc.

### **Development** - No Report

### **By-Law Ad Hoc**

Commissioner White thanked staff for their work with the By-Law and Ethics workshops. The edits will be shared with the BOC for their consideration and comments.

## **8. OLD BUSINESS**

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers

The Chairman asked why this is on the agenda. Commissioner Heckles responded it is an ongoing reminder to get an update if there is progress on this.

## 9. NEW BUSINESS

Commissioner White shared that he would like the BOC's to entertain an invitation to host Mr. Rodriguez from HUD to give a presentation on the Section 3 program. He would like to have this be a workshop at 5:30 before the April 22<sup>nd</sup> Board meeting.

## 10. ADJOURNMENT

*With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner Vincent made the motion and Commissioner White seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***The meeting was adjourned at 7:37 p.m.***

**ADOPTED April 22, 2019**

Respectfully submitted,

  
Steven Washington, Secretary

**WILMINGTON HOUSING AUTHORITY  
REGULAR MEETING OF THE  
BOARD OF COMMISSIONERS**

**February 25, 2019**

**400 N. Walnut Street  
6:00 p.m.**

**MINUTES OF MEETING**

**Present Representing the Board of Commissioners**

James Spadola, Chairman  
Steven Washington, Secretary  
Earl Jeter (arrived 6:08)  
Vincent White  
Betty Pinkett  
Maureene LaFate  
Matthew Heckles (arrived 6:40)  
Jane Vincent (arrived (6:10)  
Ben Cohen, Treasurer (via conference call)

Barry Willoughby, General Counsel

**Present Representing WHA:**

John Hill, Executive Director  
Karen Spellman, Deputy Executive Director  
Rosemarie Bizune, Finance Director  
Roger Turk, Development Director  
Sandi Rosmini, Housing Management Chief  
Kathi Sulsky, HR Chief  
Christine Arnold, Special Assistant/Scribe

Donna Starkey-Ford, Section 8 Chief  
Laverne Hanson, Procurement Chief  
Vibhuti Talwar, Finance  
Denise Miller, Manager  
Yolanda Durant, Security  
Irmina Williams, Resident Services Chief  
Darniece Hampton, Resident Services

***The Chairman called for the roll. A quorum was established to proceed with the Public Session.***

**PUBLIC SESSION:**

Ms. Lisa Davis, Crestview Resident, shared the following concerns:

- Apartment is leaking water
- Had a situation with the security guard after a fire incident occurred

Commissioner White asked that she provide information regarding the incident with the guard. She shared that a fire occurred in one of the apartments on the 5<sup>th</sup> floor on Friday, February 22<sup>nd</sup>. She is a floor captain and she was trying to make sure that everyone got off of the floor safely and Mr. Simpson, Security Guard cussed her out and gave her a hard time. The incident was reported and requested a meeting with Yolanda Durant. Ms. Rosmini will follow-up.

## **1. NOMINATION AND ELECTION OF CHAIRMAN OF THE BOARD**

Mr. Willoughby shared that Article 2 Section 7 of the by-laws states that if there is a vacancy during the term of an existing officer that at the next meeting that vacancy will be filled. This will fill the vacancy until the next Annual Board Meeting in April. The process that is used is to open up the nominations to the floor of the Board, if there is only one nomination we do a voice vote. If there is more than one, we do a roll call.

Commissioner White nominated Commissioner Spadola for Chair. Commissioner Spadola accepted the nomination.

*With no further nominations, the Chairman called for the vote. Motion carried.*

***Commissioner James Spadola is elected as Chairman of the Board.***

## **2. MINUTES OF MEETING**

*The Chairman called for a motion to approve the Minutes of the January 28, 2019 Board meeting. Commissioner White made the motion and Commissioner Pinkett seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Minutes of the January 28, 2019 Regular Meeting adopted unanimously.***

## **3. EXECUTIVE DIRECTOR'S REPORT**

Mr. Hill provided highlights from his report which is included in the Board Book.

*The Chairman called for a motion to accept the Executive Director's Report. Commissioner White made the motion and Commissioner Washington seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Executive Director's Report accepted unanimously.***

## **4. RESPONSE TO INQUIRIES FROM PUBLIC COMMENTS**

Ms. Spellman and Ms. Rosmini provided an overview of the report which is included in the Board Book.

Commissioner White asked that a memo be provided to the Board sharing any additional information pertaining to these cases that is not included in the "Response to Inquiries from Public Comments". These complaints were made to the commissioners and a copy of the responses should be sent to the Board to have a complete record.

Commissioner White asked what is the policy regarding complaints and are they required to be put in writing. Ms. Spellman responded that there is an incident report form that the resident should complete and turn into their manager. If they are unable to write the report themselves we can provide assistance.

## 5. RIVERSIDE REDEVELOPMENT REPORT

Ms. Spellman provided an update sharing that the Community meeting that occurred last month was a success. We also met with the Community Engagement Board. Mr. Hill and all of the Resident Services staff attended that meeting that is chaired by Senator Margaret Rose Henry. She elected to take a vote to include all of the Resident Services staff to the Board to participate in the resident engagement and outreach activities at Riverside.

Ryan Bailey, Pennrose Properties, provided a presentation on the Riverside Redevelopment Project which is included in the Board Book.

Commissioner Washington commented that WHA is asked to put \$1,500,000 into the project. How much is Kingswood contributing. Mr. Bailey replied Kingswood is not contributing any monies; however, REACH Riverside has secured \$1,000,000 from the City for housing. WHA funds are not going towards anything that REACH Riverside or Kingswood is doing. The Housing Authority is not paying for their pre-development dollars. They are separate pots of money; they are raising all of the funds that they need to design and build Kingswood and the teen warehouse center. They have secured, including the donation by Capital One for the teen warehouse, \$8,100,000.

Commissioner Jeter asked if Mr. Bailey knows the projected size of the new Kingswood Community Center. Mr. Bailey replied he believes the current size is 17,000 square foot and they want it to be slightly larger than that, perhaps 20,000 – 22,000 square feet range. It will be located on their property. The Housing Authority has made it clear that they are not interested in a land swap. The master plan is focused on potentially putting them right next to where their building is now or on the northern most baseball field that they own.

Chairman Spadola asked what the projection date of the project is. Mr. Bailey replied that he anticipated receiving the tax credit award in July and close all of the financing this time next year as it takes several months with the State to close everything. We would start construction on Phase 1 this time next year in 2020 and it would 12-14 months of construction to complete that phase.

Commissioner Vincent asked if there are any investments going into the warehouse property. Mr. Bailey replied Christiana Care gave them \$1,000,000 as well. Mr. Hill added that in tab 4 of the Board Book it shows REACH Riverside's outreach and the results of those outreach end results of those in a letter from Mr. McDowell.

Commissioner Vincent asked if a market analyst has been engaged yet and if so, have the results been received yet. Mr. Bailey replied we have and anticipate the results for the submission of the LIHTC application in April.

Commissioner White mentioned in Mr. Lamb's email dated 2/11/2019 he asked about phase 1 development and requested who the consultant manager is for \$10,000, is that per month. Commissioner White would like to know who the consultant is and what he/she is doing. Mr. Bailey responded that he will look into it and get back to him regarding his question.

Commissioner White continued. It also states in that email that the operating expenses are conservatively underestimated. Mr. Bailey responded that a conservative number would be a higher operating expense. We wanted to come in with a realistic number. He does not want to show a very "skinny" budget that will not be able to properly operate the development. The biggest question mark

will be that we are going to the City to talk to them about a pilot. We are attempting to decrease operating expenses through a negotiation of a pilot with the City.

There were discussions about the potential land swap and Commissioner Washington asked about the browns field located in Riverside. Mr. Bailey assured him that if there are any issues with the browns field they will be addressed prior to construction. Mr. Hill asked that Mr. Turk provide a document to the Board about the browns field and that relationship with Kingswood and if there are any monies there to address the situation.

Chris Lamb, Pepper Hamilton, provided an update on the Riverside Pro forma. He received it mid-January and gave Mr. Bailey a number of comments. He addressed them except the one that Commissioner White brought up. A revised pro forma was provided. There are still a few concerns that he has about the pro forma and the operating expenses are a bit high and he would like to see them reduced. This would allow the project to borrow some additional money, perhaps take less of our money and ensure that we have a fully funded project when we get to the finish line.

Site work number is \$3,000,000+. It has been refined a little but in his opinion the number is high for the size of the site. Overall, the pro forma is competitive and in line with what he has seen in prior years with prior projects. The operating expenses will be higher because it is a partial public housing project and not just a straight low income tax credit project.

Commissioner White asked what the site improvement costs per acre are. Mr. Bailey replied the first phase it is 2.3 acres. We were able to decrease the site work from \$3.1 to \$2.8 million. He can break that down per acre.

Commissioner White continued. \$400,000 - \$500,000 per acre for site work is normal. Is there something in particular about the site work that will be above that number? Mr. Bailey replied that everything will be new including sidewalks, street lighting, landscaping. Absolutely nothing there can be reused. A big cost is storm water. Under the parking lots there will be underground infiltration beds, which are huge beds of stone that will collect the water before being put out into the sanitary. That is a huge number which is a hidden cost. On March 4<sup>th</sup> there is a design meeting scheduled where several designs will be discussed. There will also be plenty of time to attack that number. We will not close on the deal until it is right.

## **6. FINANCE REPORTS**

*Commissioner White made the motion to waive the reading of the Finance Report and Commissioner Heckles seconded the motion.*

Commissioner Cohen mentioned that we are not going to vote on Resolution 19-18 authorizing the approval of WHA's operating budgets; however, he asked Mr. Hill to leave it on the agenda and do the presentation highlighting the changes. Commissioner Cohen asks that the Board members review the budget and provide any questions. It will be reviewed at the next Finance Committee meeting which will be scheduled within the next few weeks where Ms. Bizune and Mr. Hill will be able to answer those questions.

Rosemarie Bizune provided the overview of the Financial Statement which is included in Board Book.



## 7. RESOLUTIONS

### Consent Agenda Resolutions:

**Resolution 19-12** Awarding a Contract to GE Appliances for Energy Efficient Appliances for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

**Resolution 19-13** Awarding a Contract to American Cabinetry, LLC for Kitchen Cabinets, Countertops, and Vanities for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

**Resolution 19-14** Awarding a Contract to Pierce Phelps, Inc. for HVAC Equipment for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

**Resolution 19-15** Awarding a Contract to Ferguson Enterprises, Inc. for Tankless Water Heaters for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

**Resolution 19-16** Awarding a Contract to Collins Supply Company, Inc. for Windows for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

**Resolution 19-17** Awarding a Contract to N. Mallari G.C Corporation for Roof Replacement for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Mr. Hill provided a briefing about the "consent agenda" process. Commissioner White shared that he is in favor of consent agenda but not in favor of it without education on the part of the BOC's. With discussion come clarity and there is accountability on our part that we would read the resolutions and be prepared to vote in the affirmative or the negative.

Chairman Spadola replied that he agrees that the introduction to the consent agenda and the matter of doing business could have been presented to the Board perhaps a little better; however, he believes that we have what we have now. He asked if anyone had any concerns about these specific consent agenda items.

*The Chairman called for a motion to adopt Consent Agenda Resolutions 19-12 to 19-17. Commissioner Heckles made a motion and Commissioner Spadola seconded the motion. The Chairman asked for questions on the motion.*

Commissioner White stated that at this time he would be voting against the motion because he feels that the BOC's should get more education on the process and their responsibilities by agreeing to a consent agenda, understand that any item could be pulled out and discussed. He would like it to be

deferred for at least 30-days to give the BOC's an opportunity to make certain that we all understand our accountability.

The Chairman replied that he agrees with Commissioner White's sentiments; however, the reason he will vote for the motion is by looking at the specific agenda items he does not see a reason to prolong the vote.

*With no questions from the Board, the Chairman called for the vote. Commissioner White requested a roll call vote.*

**AYES**

Steven Washington  
Earl Jeter  
Betty Pinkett  
Maureene LaFate  
Matthew Heckles  
Jane Vincent  
James Spadola

**NAYS**

Vincent White

**ABSTENTIONS**

***Consent Agenda Resolutions 19-12 to 19-17 adopted.***

**Resolution 19-11** Amending Wilmington Housing Authority's Public Housing Smoke Free Policy

Ms. Rosmini provided a summary. This resolution is to amend the current Wilmington Housing Authority Public Housing Smoke Free Policy. The commissioners adopted the policy on April 23, 2018 which permitted smokers to smoke 25 feet from WHA property. The amendment will allow smokers to smoke 25 feet from all buildings and administrative offices. The change is not considered a substantial deviation and does not affect the non-smokers but is a more reasonable imposition to the smokers. This change is in compliance with the HUD mandated smoke free policy.

*Commissioner Heckles called for a motion to adopt Resolution 19-11 and Commissioner White seconded the motion. The Chairman asked for questions on the motion.*

Commissioner White asked if this policy is for everyone. Ms. Rosmini confirmed it is for all Public Housing properties and administration buildings. Commissioner White asked if it is for all smoking issues, no matter what people are smoking. Ms. Rosmini replied that marijuana is illegal. This policy is for cigarettes, vaping, hookahs, etc.

Commissioner LaFate asked who maintains the clean-up of cigarette butts 25 feet from the building. Ms. Rosmini responded WHA maintenance staff. We used to have urns for the smokers but took them up when this policy was adopted. We will need to put the urns back outside for them.

*With no questions from the Board, the Chairman called for the vote.*

***Resolution 19-11 adopted unanimously.***

## 8. BOARD COMMITTEE REPORTS

Finance - No Report

Development - No Report

### By-Law Ad Hoc

Commissioner White shared that this Agency, present company excluded, has a history of some BOC's acting in an unlawful, unethical manner and as a result as someone who sat through that process for two changes of BOC's it was very frustrating and embarrassing to myself and staff and very unprofessional. It casted a poor light on us, our residents, and our ability to serve our residents were hampered for almost 2-3 ½ years by the actions of some BOC's.

He made a proposal almost 18 months ago to start a by-laws revision and have made it every year since he has been on the Board serving on behalf of the Governor. Thanks to the current Chair we got the by-laws and ethics committee started. He thanked all of the BOC's for seeing that this is important. Commissioner Heckles and Commissioner White are on the committee and both have worked on by-law revisions for a couple State agencies.

He met with Mr. Hill over the course of the past three weeks to develop some proposed by-laws and a standard of conduct for the BOC's which includes non-disclosure requirements. He will be hosting a peer-to-peer workshop, inviting all of our stakeholders including our residents. The workshop is scheduled for March 12<sup>th</sup> and March 13<sup>th</sup>. Commissioner White passed out a flyer for the commissioners and encouraged them all to attend.

He shared that they have looked at Mr. Hill's and Commissioner White's past experiences, modeled the proposed by-laws and ethical conduct based on some other agencies. They are not reinventing the wheel. There is some fine tuning that needs to be done that is particular to us. These proposed by-laws were done directly and largely to keep us from going through what we have gone through for the last 8 years.

He provided some specific past experiences of the BOC which included:

- A Chair that publicized an employee's salary.
- Members of the Board who actively engaged in buying WHA assets after being told that they could not.
- BOC's who actively solicited payment from WHA for some of their events.
- Commissioners met in a quorum to discuss matters not in front of the public.
- BOC's that have intimidated or threatened employees.

The BOC members are only as good as their governance. We need to make certain that we have by-laws that ensure the integrity of the organization, the staff and our residents.

Chairman Spadola questioned what the formal method for approving the by-laws is. Commissioner White responded that he proposes that we do two (2) readings of the by-laws

and adopt them at the third meeting. The workshops will occur in March, brought up for discussion at the March BOC meeting and voted on in April.

The Chairman added that he sees this as "altering our constitution" and suggests to not just have a majority approval but 2/3 majority approval. Commissioner White responded that after this, that is the requirement; however, we do not have that requirement now. To clarify, after the adoption that is the requirement to change the by-laws.

## **9. OLD BUSINESS**

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers

*Commissioner White called for a motion to waive discussion and Commissioner LaFate seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

## **10. NEW BUSINESS**

Mr. Hill reviewed his presentation of the 2020 Budget which is included in the Board Book.

There was concern that there will not be enough time for the BOC's to review the budget, raise their questions and concerns, and be ready to approve it in March. This is only 30-days. The Chairman shared that there will be a Finance Committee meeting held prior to the March Board meeting.

Mr. Willoughby suggested that a Board Workshop be held which means there is discussion but no voting. The Budget Workshop could be held in lieu of the Finance Committee meeting so the entire Board could attend and ask questions. The Chairman agreed this is a good idea and that he would "Doodle" the BOC members to coordinate the workshop.

## **11. ADJOURNMENT**

*With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner Heckles made the motion and Commissioner LaFate seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***The meeting was adjourned at 8:04 p.m.***

**ADOPTED March 25, 2019**

Respectfully submitted,

  
Steven Washington, Secretary

**WILMINGTON HOUSING AUTHORITY  
REGULAR MEETING OF THE  
BOARD OF COMMISSIONERS**

**January 28, 2019**

**400 N. Walnut Street  
6:00 p.m.**

**MINUTES OF MEETING**

**Present Representing the Board of Commissioners**

James Spadola, Vice Chairman (chaired meeting)  
Steven Washington, Secretary  
Ben Cohen, Treasurer (arrived @ 6:11)  
Vincent White  
Betty Pinkett  
Matthew Heckles  
Timothy Crawl-Bey (via conference call)

Absent: Steven Martin, Chairman  
Earl Jeter

Barry Willoughby, General Counsel

**Present Representing WHA:**

John Hill, Executive Director  
Karen Spellman, Deputy Executive Director  
Rosemarie Bizune, Finance Director  
Roger Turk, Development Director  
Sandi Rosmini, Housing Management Chief  
Kathi Sulsky, HR Chief  
Christine Arnold, Special Assistant/Scribe

Donna Starkey-Ford, Section 8 Chief  
Laverne Hanson, Procurement Chief  
Vibhuti Talwar, Finance  
Denise Miller, Manager  
Yolanda Durant, Security  
Pam Clark, Manager

***The Chairman called for the roll. A quorum was established to proceed with the Public Session.***

**PUBLIC SESSION:**

**Senior Residents:**

Mr. Ricky Thompson, Crestview Resident Council President, has been requesting a meeting with Mr. Hill and would like to have it scheduled.

Ms. Susan Flowers, Crestview Resident, met with Ms. Rosmini and shared the following concerns:

- Toilet is breaking
- Stove and refrigerator need gaskets replaced
- Stove light issue
- Landlord is harassing her with inspection letters
- Doesn't feel safe because people are using other's key cards and people live there who not supposed to
- Security issues: claims tires slashed in parking lot, mirror broken and kids playing in parking lot.

Family Residents:

Ms. Toya Johnson, Southbridge Resident, shared the following concerns and later met with Ms. Rosmini to discuss.

- Mold in the unit
- Snow removal and parking are safety issues for her
- Landlord is rude and disrespectful and she “can’t talk to her”

Commissioner Washington asked that the managers receive training on how to deal with the public.

Commissioner Crawl-Bey shared his concerns about the security issues regarding unauthorized access to the building. He would like a report on how these issues are being addressed at the next Board meeting.

Scattered Sites Resident: None

Public Officials: None

Community-at-Large: None

## **1. MINUTES OF MEETING**

*The Chairman called for a motion to approve the Minutes of the December 10, 2018 Board meeting. Commissioner White made the motion and Commissioner Cohen seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Minutes of the December 10, 2018 Regular Meeting adopted unanimously.***

## **2. EXECUTIVE DIRECTOR’S REPORT**

Mr. Hill provided highlights from his report which is included in the Board Book.

*The Chairman called for a motion to accept the Executive Director’s Report. Commissioner White made the motion and Commissioner Cohen seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Executive Director’s Report accepted unanimously.***

Mr. Ken Becker of Ecogy Energy made a presentation on extending the Southbridge Solar Park (included in Board Book).

Commissioner Cohen asked how much energy savings has WHA saved from the current solar project. Mr. Becker replied \$1,200,000 over the term which translates to \$80,000 in this first year. That money is flexible and can be used as needed. It is not held in the energy area.

*The Chairman asked for a motion to amend the agenda and discuss Resolution 19-09. Commissioner White made the motion and Commissioner Cohen seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

**Resolution 19-09** Authorizing the Executive Director to Implement the Park View Apartments Sustainability Plan

Mr. Hill made the presentation (included in Board Book). During the presentation Mr. Hill mentioned that a real estate broker will be obtained to help market the commercial space at Park View. Commissioner White asked that it be stated in the record that he is not the broker. Mr. Hill confirmed.

Nathan Schuss and Steven Juskowicz, Harper Capital, presented the details on the loan to refinance Park View (included in Board Book).

Commissioner Crawl-Bey asked if the loan requires a debt service or operating reserve. Mr. Juskowicz replied that the HUD loan does not require debt service reserve or an operating reserve. It does require reserve for replacements. An engineer surveyed the site and looked at all of the components and constructed a schedule for the next 20 years of which components may need to be replaced. Based on that schedule there is an escrow that will receive a \$200,000 initial deposit on day one and annual deposits of \$400 per unit which is part of the projection that was already made. During the term of the project that money belongs to the Housing Authority. The lender will hold it and any components that have been replaced will be reimbursed for that expense.

Commissioner White asked what the default position is if we do not close. Mr. Juskowicz replied then there is no closing. At this point there is no issue; as we get closer to the date a good faith deposit will be required. Mr. Schuss added that when the rate is locked security is promised to the investor and they require the good faith deposit.

Commissioner White asked if this is 30 days after the scheduled closing. Mr. Schuss replied that once a firm commitment is received from HUD it should be 30-60 days from closing depending on HUD's timeframe. Commissioner White asked how many extensions can be granted. Mr. Schuss replied up to 6 months. Mr. Juskowicz added that there will be a rate lock before closing. The question is when to do that. The riskiest choice would be to rate lock today and he does not advise to do that. He recommends that the rate lock occur after HUD has issued their firm commitment to close, WHA's legal counsel has given the approval to close and everyone is very confident that closing will occur.

Commissioner Cohen asked what the estimated timeline to closing is. Mr. Schuss replied we are within a week or two of being able to submit to HUD. HUD is supposed to review these loans within 45-60 days; because of the government shutdown we are expecting a backlog which could be about a month's delay. After HUD offers a firm commitment, it should be another 30-60 days to closing. Assume 4-5 months from today.

Commissioner Cohen is concerned that the government will shut down again which may cause more delays. Mr. Schuss replied that once we receive a firm commitment from HUD we have the commitment; however, HUD is involved in the closing as well. This would cause delays but it would not change the commitment.

Commissioner Cohen asked where the sourcing of funds would be used to make the deposit. Mr. Schuss replied that the good faith deposit is ½% and if WHA did not have the funds there are two (2) options. Either someone could lend it Harper Capital would wait until it is time to close the loan and the rate lock would occur a few days prior to closing. Ms. Bizune added that the amount needed is about \$50,000 which could be taken out of operating expense.

Commissioner Heckles was concerned that the rent increase will be absorbed by subsidy and will reduce the amount of Section 8 monies to house other families. This is an opportunity cost that he wanted to bring up.

Commissioner Crawl-Bey added that we need to make sure all of the costs to the Park View and other programs are realized and shared.

Commissioner White added what is the cost per square foot in the common area spaces in Park View. He asked for this in the Development Committee meeting and Mr. Hill assured him that he would receive it. If we refinance and do not look at all of our costs then we are going to miss something and possibly shift that voucher subsidy in a direction that we may or may not think about.

Ms. Spellman responded that according to HUD we are more responsible to tenants in possession than those on the waiting list. No building can operate if the rents are not raised at some point.

Commissioner White responded that he is for the proposal but is for a "deeper dig" on the analysis. At some point this has a global affect on operations and wants to make certain that everyone knows what that affect to the best of their abilities will be.

*Commissioner White called for a motion to adopt Resolution 19-09 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Crawl-Bey asked for an amendment that the conversion of market rate units to project-based units be analyzed before conversion and be presented to the Board for approval.

*Commissioner White accepted the amendment to the motion and Commissioner Cohen seconded the motion. With no further questions from the Board, the Chairman called for the vote.*

***Resolution 19-09 adopted as amended unanimously.***

### **3. RIVERSIDE REDEVELOPMENT REPORT**

Ryan Bailey, Pennrose Properties, provided an update on the Riverside Redevelopment Project. Since the last Board meeting, the Master Planning Kickoff meeting was held at Kingswood Community Center. It was very well attended and started off the 7-month master planning process for the entire development. We have had weekly calls with REACH Riverside, WHA and Pennrose. We met recently with the City to talk about Home Funds and submitting an application which is due February 15, 2019. There is an information session tomorrow that he will be attending.

There was a walk through the property with the WHA team. There was a call about tax credit scoring. Since the last call we responded back to DSHA about what the final QAP should look like. Subsequently they finalized the QAP and the scoring. We have been reviewing the scoring to ensure that we maximize points. Many of the responses to the QAP were actually put into the final QAP which is helpful.

In the next month we will be working on the master developer agreement for this property. We will be working on the design/massing of the building. In February we will host a tour of some of our properties with residents and anyone interested on the project side to look at some other examples that could be used. Hopefully the County is getting closer to their awards. If you recall back in December we applied for \$700,000 in Home Funds from the County.



We are hosting a community meeting on Wednesday, January 30, 2019 at Kingswood at 6:00 p.m. We are expecting to have 80-100 people from the Riverside community. We will go through a "listening process" where there will be a lot of open ended questions. We will break people up into groups so they can sit down and have 1 on 5 interactions with a professional who will ask questions and take a lot of feedback from the residents of Riverside and the community at large. Discussion points will include what amenities are desired in the neighborhood, what type of housing is wanted, etc. It is a time to take a lot of notes. A housing survey will be given out. Kingswood will provide childcare and the Housing Authority will provide shuttle service to pick and drop off people up in the community.

Chairman Spadola asked how the event was publicized to the residents. Mr. Bailey responded that flyers were sent out last week and another batch will be sent out tomorrow. Ms. Spellman added that the flyers were placed under every resident's door on Friday before last and a reminder flyer is going out in the morning with the route for the shuttle indicating where the stops are to encourage resident participation.

Mr. Bailey continued. Next month we will focus on how the Housing Authority will participate in the management and asset management of the development moving forward. That is something that is contemplated in the MDA term sheet that was signed a couple months ago. If you recall, there is language in there about cash flow and a percentage of the developer fee that is automatically coming back. We have been discussing asset management fees for services the Authority can do for a fee at Riverside. This information will be brought to the Board at the next meeting.

The overview of the budget, Phase 1 is currently contemplated to be 74 units, a small management office and maintenance office. We are looking at about \$19 million dollars based on the construction costs and what we are seeing now. It is about \$250,000 per unit. The largest chunk is Low-Income Tax Credit equity. Unfortunately the State only has a maximum allocation of \$1,000,000 per year. If you multiply that by the 10 years, we are getting about \$9,300,000; therefore, leaving a gap of \$9,700,000 that needs to go out into the local community to get.

That would comprise of \$1,200,000 in hard debt (amortizing debt) 30 year money that would be paid down by the development. The State is supporting our application for \$2,900,000 in soft sources when we apply for tax credits at the end of April. I have already mentioned the \$700,000 from the County. It is a competitive award. He is logging it as an "in" but we are awaiting the decision. We discussed with the City and are applying for \$1,000,000 in Home Funds on February 15, 2019. Also, the City has given REACH \$1,000,000 for the overall project. REACH will dedicate \$500,000 to the development. The Housing Authority will contribute \$1,500,000 in Capital Funds and Replacement Housing Factor Funds which leaves us with a gap of \$1,000,000.

We are going to push the groups that we have already spoken with and talk to REACH about what other financial resources they can bring to the project. They have indicated that they would like to lobby for other funds for the project.

Mr. Hill added that he has asked Mr. Bailey to work on providing a proforma. His concern is that the Board understands why the proforma and assumptions from the sources and uses and what it is that we are proposing. What are the sizes of the units, what are the types, we don't have elevations or floor plans yet. This information should be provided within the next 30 days so the Board will have empirical data to make informed decisions as we go forward.

Mr. Bailey replied that over the weekend we did provide Mr. Hill and his staff with the first proforma in the State's format. This shows the assumptions for all the different sources and uses, operating expenses, etc. The proforma is a "working document" that will be updated constantly, all the way up to the closing of Phase 1. We will take a lot of feedback at Wednesday night's meeting as to the size of units, how many units the community needs. That will help drive what those decisions are; we have made certain assumptions to determine this based on previous experience. That will be brought into the fold. We are looking at a number of different building types and will show the community those and get their reaction.

Commissioner Heckles asked what does DSHA require in terms of commitment letter, application, and do they require full financing identified or is a gap of \$1,000,000 acceptable to close after award but before closing. Mr. Bailey replied that a page and a half commitment letter from the Housing Authority saying that the funds are being set aside. It would identify the funds, the loan on the Housing Authority letterhead. The same thing with the capital dollars as it would be for the project-based vouchers. We are going to have to figure out what that money is for the application. We are already going to submit \$2,900,000 to them to solve which they have indicated is solvable but that is what they would consider is the gap. We would have to have a commitment letter for that other money.

Commissioner Crawl-Bey asked if there has been any effort to include homeownership units in the first phase. Mr. Bailey replied that it would generally be part of the master planning discussion. The application to the State can only be for rental. We could look at doing some homeownership concurrently with Phase 1 and it will be incorporated in the master plan.

**Resolution 19-08** Authorizing the Executive Director to Create and Implement a Contingency Plan to Manage Wilmington Housing Authority Operations Due to the Shutdown of the Federal Government

*Commissioner White called for a motion to waive the reading of the Resolution 19-08 and just provide a synopsis, Commissioner Pinkett seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

Kathi Sulsky provided the overview. The contingency plan was presented to the Finance Committee via conference call last week with current numbers as of December 31, 2018.

Commissioner Cohen shared that it was presented to him and Commissioner Spadola. The plan was very well articulated. This is the plan that has been circulated and is in draft mode, it is not final. This is under consideration and we should continue the conversation.

Mr. Hill clarified that this is the final version of the plan, it is not a draft. During the conference call Commissioner Cohen asked that other sources of funding be looked at. We have not had a chance to do this yet but will be reaching out. This plan was made if we ran out of funds within the next 30 days. This will not happen now that the government has been opened back up.

Since the government has opened up, we can make an assumption that we will receive funding for March. We would not have to dip into our reserves as we originally thought.

*Commissioner Cohen made a motion to approve Resolution 19-08 and the triggering event would be non-receipt of federal funds prior to the next Board meeting. Commissioner White seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

**Resolution 19-08 adopted unanimously.**

#### **4. SPECIAL PROJECT REPORTS**

Richard Sissick presented Public Housing Energy Performance Contract Self-Managed Phase 3 (in Board Book).

Commissioner Cohen asked if the 25 houses that were selected are long-term vacant. Were they analyzed to ensure that it was best to revitalize them in lieu of selling them or razing them? Mr. Turk responded that we studied each property and looked at the cost of demolishing them. Demolishing scattered site unit costs about \$40,000. We have also looked at disposition and the value of these properties in their current state is very small. It is a lot of work for no return. As we look at increasing the subsidy coming into WHA and also the possibility of selling these units as homeownership units, we think it is an overall positive and improves the community. A lot of these units are in West Center City where the City is making a concerted effort to revitalize the entire area. We are working in conjunction with the City to do block-by-block rehabilitation.

Mr. Sissick added that he has worked in conjunction with Group 14 Engineering who looked at these sites and computed what the value of the energy savings would be. We have scoped out the work, we have pricing from contractors. A lot of effort went into that area.

Commissioner Cohen stated that the idea is that this pays for itself, correct? It generates \$1,500,000 in decrease in expenditures while the repayment of the loan service is close to \$1,200,000 and should generate \$300,000 in difference. Have we seen that historically? Mr. Sissick replied we have seen a lot more than that. He has been coming to WHA for about 10 years and when he first arrived they were juggling the checkbook to keep the lights on in the high-rise buildings. WHA was in very bad shape; particularly at the Central Office (COCC) as we moved into project-based accounting.

The problem with the COCC is that if it ever goes in the red, you have something called "inter funds". Bills get paid, there is a central checking account, there's "due to" and "due from". If you have a "due from" the COCC that it cannot pay, you are effectively loaning money to a non-federal activity business fund from federal programs. That is something that the Office of the Inspector General hates.

A couple of years ago we had a multiple six figure deficit at the COCC and the only reason we were able to cover it was that 50% of excess savings that we drew out of the Energy Performance Contract. It is not only there, it has been critical to the Housing Authority's success.

#### **5. FINANCE REPORTS**

Chris Lehman, SB & Company, presented the audit report for FYE 2018 (located in Board Book).

Commissioner Cohen asked that Mr. Lehman share some specific test of controls. Mr. Lehman replied the income statement is a major area for controls. On the areas that have high volumes of transactions (tenant rents, disbursements to vendors, payroll, etc.) we typically want to rely on the internal control environment because that would give us audit comfort that the controls are getting to the proper numbers on the financial statements. From an application of how much someone needs to pay for their tenant rent, we would look at that and follow it through the cycle and the year to see if that person paid the proper amount that they were supposed to pay, was it posted properly to revenue, did it get posted

to the proper account. If you look at payroll, we would look at time sheets to make sure the employee worked the hours, worked at their authorized salary when they were hired or any updates to that salary. Adjustments throughout the year to make sure they were paid accurately. We look at that in relation to the expense that hits the financial statement.

Commissioner Cohen asked the test of controls is a sample. What percentage is being sampled? Mr. Lehman responded that is correct. The sampling is based on statistics which are generally based on 25, 40 or 60 depending on the level of comfort. We are typically in the 40 range whether it is revenue, payroll or disbursements.

Commissioner Cohen asked if there are any concerns. Mr. Lehman replied it was a clean audit. It is a well controlled environment. It is fairly rare to get this clean of an audit. It speaks to management.

Rosemarie Bizune provided the overview of the Financial Statement (located in Board Book).

Commissioner Cohen mentioned that for LIPH revenues 7% below budget, 8% below on other, and 7% up on the HUD operating subsidy. What should we be doing to deal with that because if the operating subsidy was not over then we would be in a "bit of a pickle"? Ms. Bizune replied that we have no control over dwelling rental income because it is based on resident income. When the budget was composed, the current rent roll of that month was used and multiplied by 12. It is very difficult to determine because it is not fixed.

Commissioner Cohen asked if the 7% decline is based on decrease in resident income, not receipt of rent. Ms. Bizune clarified that this is what is being charged, not collected.

Commissioner White asked what does historical data show? Ms. Spellman replied that it is anticipated from the previous year and the variance cannot be controlled throughout the year because it depends on the income earned by the residents.

Commissioner Cohen asked for an update on the issuance of Section 8 vouchers. Ms. Starkey-Ford replied that 104 vouchers were issued to Luther Towers, 102 inspections were completed and are ready to be leased. The Luther Towers management is waiting for the government shutdown to end because they had questions for HUD pertaining to resident rent increase. She is in the process of receiving the leases for those under contract. 20-22 are in limbo because they do not know how to handle those that are over income. There are other HCV voucher holders out on the street. There are three (3) sessions scheduled to interview 60 applicants per night.

*Commissioner Cohen made the motion to accept the Finance Report as written and Commissioner White seconded the motion. With no further questions from the Board, the Chairman called for the vote. Motion carried.*

***The Finance Report accepted unanimously.***

## **6. RESOLUTIONS**

**Resolution 19-01** Amending the Personnel Policy to Include a Confidentiality and Non-Disclosure Agreement for the Wilmington Housing Authority

*Commissioner Cohen called for a motion to waive the reading of the Resolution 19-01 and just provide a synopsis, Commissioner White seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

Ms. Sulsky provided the overview. WHA currently does not have a confidentiality and non-disclosure agreement and WHA is loaded with confidential information. We are going to have each employee sign the agreement; however, before they do they will be trained. Training dates will be February 13, 2019 and February 20<sup>th</sup> for every employee. After the training the employees will sign the agreement.

Commissioner White asked if this will be part of the hiring policy. Ms. Sulsky replied correct. It is not only in affect while they are working here, it also affects when they leave. This was reviewed by our legal counsel and consists of all proprietary information.

Commissioner Washington questioned how many trainers and how long is the session. Ms. Sulsky replied it is one trainer who is an outside consultant. It consists of four sessions where employees will be broken down into four small groups.

Commissioner White asked if this applies to the members of the Board of Commissioners. Ms. Sulsky replied no, it is part of the personnel policy which is for employees.

*Commissioner Cohen called for a motion to adopt Resolution 19-01 and Commissioner Washington seconded the motion. The Chairman asked for questions on the motion. With no further questions from the Board, the Chairman called for the vote.*

***Amendment to Resolution 19-01 adopted unanimously.***

**Resolution 19-02** Authorizing the Wilmington Housing Authority to Finance a Self-Directed Phase Three Energy Performance Contract with TD Equipment Finance, Inc

*Commissioner White called for a motion to waive the reading of Resolution 19-02 and just provide a synopsis, Commissioner Heckles seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

Mr. Turk provided the summary. This is a resolution to finance a self-directed phase three Energy Performance Contract with TD Bank not to exceed \$4,500,000. Mr. Richard Sissick provided the details in his earlier presentation.

Commissioner Cohen asked if finance is confident that we can make these payments and that it will continue to pay for itself. Ms. Bizune replied yes. It is all about savings which is not realized until the following year in the operating subsidy calculation. The funds will be provided at the AMP level, not the COCC.

*Commissioner Heckles called for a motion to adopt Resolution 19-02 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

***Resolution 19-02 adopted unanimously.***

**Resolution 19-03** Awarding a Contract to TN Ward for the Implementation of the Baynard Apartments and High-Rises Retro-Fit Program under the Approved Self-Directed Phase Three Energy Performance Contract.

Mr. Turk presented the resolution. This project will help with the weatherization problem and replace the heating system at Baynard; it will address some other HVAC issues and reduce the water costs because the water flow will be reduced. We are converting all of the high-rises and mid-rises to LED lighting in the common areas, thus reducing our utility costs. The windows are the most expensive part of the project.

Commissioner White stated that we should receive the scope of work and it should be a practice that we can expect in the future. Mr. Hill confirmed that they will receive the scope of work.

Mr. Turk added that the scope of work, the specifications, the costs, etc are included in Group 14's submission.

Chairman Spadola asked if Mr. Turk has every confidence in TN Ward. Mr. Turk replied yes. They have a good track record, they have worked for the Philadelphia Housing Authority and as Richard Sissick said they have held their prices for the term while we are going through the approval process.

Commissioner White asked if TN Ward is part of Group 14 Engineering. Mr. Turk replied no, they are a separate entity. We solicited them in-house through the RFP process. Commissioner White asked if anyone else applied. Mr. Turk replied that we had a tough time finding people to apply and they were the sole applicant. Their prices were consistent with estimates created by Group 14. We are unsure why no other company bid.

Commissioner White asked if this was unusual. Mr. Turk replied that recently we have had several solicitations where we only received one or two responses even though Procurement called people on the phone, put ads in the paper, it is online. It does take a special group to accomplish this work because they are going into a high-rise and doing a lot of mechanical and electrical work.

Commissioner White suggested that this be referred to the Development Committee about the pre-bidding process.

Mr. Hill asked that Ms. Hanson, Procurement Chief, provide how the process works. Ms. Hanson explained the RFP process by stating the solicitation consists of advertisement in the paper and we solicit on E-Procurement Marketplace, whereas anyone that is registered across the country has the opportunity to submit their proposal. We evaluate them via a committee of three (3) people review the proposals. Once the evaluations are done they are rated.

If there is only one solicitation the best practice is to review the internal cost estimate, look at other sources to determine if the response is reasonable, and does other analysis to determine if it is a good number. She does have documentation of that analysis in case it needs to be reviewed.

Ms. Hanson added that when we are getting close to a response date, if we do not have any potential responses we will extend the bid date and try to call people, do other things to stimulate interest. In this case we extended it at least two times.

Commissioner Crawl-Bey is concerned that only one bid was received for such a large project. We should look into why people are not bidding.

Commissioner White replied that he agrees with his concerns and is going to address this issue in a future Development Committee meeting.

Commissioner Cohen asked what the funding flow is and the payment terms for TN Ward. Mr. Turk replied it is "work in place". They will submit an invoice, we approve the invoice, it is submitted to TD Bank and TD Bank will then cut a check for the contract. TD Bank is holding the funds for \$10,500,000 and is earning interest.

Commissioner Cohen asked have we seen cost overruns with TN Ward in the past, do we see them under their budget? Mr. Turk replied that we have not used TN Ward previously; however, we do have a built in contingency with the EPC program and also in TN Ward's contract we have a contingency fund. This is a guaranteed maximum price so the only way the price increases is if the scope of work changes.

*Commissioner White called for a motion to adopt Resolution 19-03 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion. With no further questions from the Board, the Chairman called for the vote. Commissioner Crawl-Bey abstained.*

***Resolution 19-03 adopted.***

**Resolution 19-04** Awarding a Contract to Moorway Management, Parker Construction, and Pearson Contracting, LLC for the Implementation of the Scattered Site Retro-Fit Program Under the Approved Self-Directed Phase Three Energy Performance Contract

Mr. Turk presented the resolution. This resolution is part of the EPC Program for the 25 scattered sites. We selected three (3) contractors; we had four (4) submissions and the evaluation committee determined that the fourth contractor was non-responsive and not responsible.

*Commissioner White called for a motion to adopt Resolution 19-04 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Crawl-Bey mentioned that the bids were received in August 2017. Have there been any updates or what is the certainty that those numbers are still good. Mr. Turk replied that Procurement has spoken with the contractors and the prices are being held up to April 30, 2019 and it is in writing.

Commissioner Crawl-Bey continued. His other concern is that he is personally dealing with Parker Construction and they have not been on time with the contract. He does not believe that they have the capacity to complete the work timely.

Commissioner White asked if there is a scope of work. Mr. Turk replied yes and the scope of work was created by Group 14 Engineering. Parker Construction has worked for WHA previously. They replaced bathrooms and kitchens in 149 units at the Crestview high-rise. They were very responsive and completed that in a timely manner. We have used them on other small projects recently and they have been able to respond. We have a strong construction management crew to ensure that the jobs are completed timely.

Commissioner Heckles shared that this is more concerning to him than the previous resolution because this is to some extent rehabilitation of vacant buildings. We should have received more than three (3) qualified responses. Root cause should be determined.

Mr. Turk replied that we have used all of these contractors previously and they have all performed.

Members of the Board shared their concerns about the lack of responses and the costs of the rehabilitation work. They did not want to hold up the work and decided to refer the process to the Development Committee but vote on the resolution.

*With no further questions from the Board, the Chairman called for the vote. Commissioner Crawl-Bey abstained.*

***Resolution 19-04 adopted.***

**Resolution 19-05** Authorizing the Wilmington Housing Authority to Set Aside \$100,000 for 25% of Riverside Pre-Development Costs and Set Aside Up to \$1,500,000 for Development Gap Funding

*Commissioner White called for a motion to adopt Resolution 19-05 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Mr. Turk presented the resolution.

Commissioner Crawl-Bey commented that the Board approved term sheet states that the Housing Authority's pre-commitment for pre-development costs for the lesser of 25% or \$71,000. He is not clear why this resolution is asking for \$100,000. This was already voted on and approved.

Also, the request for the set aside of \$1,500,000 should be in a separate resolution.

After discussion, it was decided that the resolution will be pulled and will be discussed and reviewed in the next development meeting.

*With no further questions from the Board, the Chairman called for the vote.*

***Resolution 19-05 pulled unanimously.***

**Resolution 19-06** Authorizing the Wilmington Housing Authority to Allocate Up to Twenty-Five (25) Housing Choice Vouchers for Project Based Assisted Units in Phase 1 of the Riverside Redevelopment Project



*Commissioner Crawl-Bey called for a motion to adopt Resolution 19-06 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Mr. Turk presented the resolution.

Commissioner Heckles commented that if we are not comfortable with the \$1,500,000 gap, are we comfortable with 25 project-based vouchers? We need to understand the entire project and not “piece meal” the project.

After discussion, it was decided that the resolution will be pulled and will be discussed and reviewed in the next development meeting.

*With no further questions from the Board, the Chairman called for the vote.*

***Resolution 19-06 pulled unanimously.***

**Resolution 19-07** Authorizing the Executive Director to Write-Off All Vacated Public Housing Arrears

Mr. Hill presented the resolution. The Housing Authority should be writing-off vacated tenant accounts every couple of months, not just once annually.

*Commissioner White called for a motion to adopt Resolution 19-07 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

***Resolution 19-07 adopted unanimously.***

## **7. BOARD COMMITTEE REPORTS**

**Finance** - No Report

**Development**

Commissioner White shared that issues at hand were the allocation of dollars to the Riverside Redevelopment Project including the 25%. We also discussed getting more background which includes what was discussed at this meeting with Mr. Turk in terms of scope work. We will work on our issue with Procurement.

## **8. OLD BUSINESS**

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers

Commissioner Heckles asked that it remain on the agenda until HUD approves the application.

## **9. NEW BUSINESS**

The Chairman asked that “Response to Inquiries from the Board of Commissioners” be added to the monthly agenda.

## **10. EXECUTIVE SESSION**

*Commissioner White called for a motion to go into Executive Session and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion. With no further questions from the Board, the Chairman called for the vote.*

***The Board went into Executive Session at 10:03 p.m.***

## **11. ADJOURNMENT**

*With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner White made the motion and Commissioner Cohen seconded the motion.*

***The meeting was adjourned at 10:10 p.m.***

**ADOPTED:**

Respectfully submitted,

  
Steven Washington, Secretary

**WILMINGTON HOUSING AUTHORITY  
REGULAR MEETING OF THE  
BOARD OF COMMISSIONERS**

**December 10, 2018**

**400 N. Walnut Street  
6:00 p.m.**

**MINUTES OF MEETING**

**Present Representing the Board of Commissioners**

James Spadola, Vice Chairman (chaired mtg)  
Steven Washington, Secretary  
Ben Cohen, Treasurer  
Vincent White  
Betty Pinkett  
Earl Jeter

Absent: Steven Martin, Chairman  
Timothy Crawl-Bey  
Matthew Heckles

Barry Willoughby, General Counsel

**Present Representing WHA:**

John Hill, Executive Director  
Rosemarie Bizune, Finance Director  
Roger Turk, Development Director  
Kathi Sulsky, HR Chief  
Sandi Rosmini, Housing Management Chief  
Irmina Williams, Resident Services Chief  
Laverne Hanson, Procurement Chief  
Christine Arnold, Special Assistant/Scribe

Donna Starkey-Ford, Section 8 Chief  
Sarah Babaian, IT Chief  
Denise Miller, Manager  
Yolanda Durant, Security  
Vibhuti Talwar, Finance  
Darniece Hampton, Resident Services  
Shanitha Wilson, Resident Services

***The Chairman called for the roll. A quorum was established to proceed with the Public Session.***

**PUBLIC SESSION:**

Senior Residents: None

Family Residents: None

Scattered Sites Resident: None

Public Officials: None

Community-at-Large: None

## **1. MINUTES OF MEETING**

*The Chairman called for a motion to approve the Minutes of the October 22, 2018 Board meeting. Commissioner White made the motion and Commissioner Cohen seconded the motion. With no questions from the Board, the Chairman called for the vote. Motion carried.*

***Minutes of the October 22, 2018 Regular Meeting adopted unanimously.***

## **2. EXECUTIVE DIRECTOR'S REPORT**

Mr. Hill provided highlights from his report which is included in the Board Book.

Commissioner White shared that he attended the Riverside Press Conference and Mr. Hill did not indicate that in his report. He requested that a copy of the PowerPoint from the Procurement Workshop be sent to him. Also send him the minutes from the meeting with Pennrose. In August 2018 the Board asked that conflict of interest statements be provided for all persons associated with the Riverside project with a due date of September 15, 2018. Have they been submitted? Mr. Hill replied that he will provide the information that Commissioner White requested.

Commissioner White continued. He asked if the HR policy will be amended regarding the confidentiality agreements that staff will sign. Mr. Hill shared that Ms. Sulsky is indicating that the policy does not need to be amended. Commissioner White also questioned if the confidentiality statement would survive employment (after termination) and if so for how long. Mr. Willoughby replied that typically confidentiality does survive termination of employment. Mr. Hill added that he will ensure that this is included in the form and will be reviewed by Mr. Willoughby prior to implementation.

Chairman Spadola asked who Jared Oliver, WHA's web designer, is and how much is being spent on the website. Ms. Babaian replied that WHA has an ongoing history with Mr. Oliver. He developed the last website under our previous Executive Director. Mr. Hill did meet with Mr. Oliver and expressed his vision of the development of the new site. He will be developing our new website. She has not had a conversation regarding the costs but will get that information. The Chairman mentioned to Mr. Hill that this may be a good time to revisit the contract. Commissioner White added that a scope of services should be provided as well.

Commissioner Cohen shared that he is very pleased with the Finance staff and Mr. Hill for putting together the plan for the upcoming budget. It is what we have asked for and he wanted to note they are responding to the committee's requests.

Commissioner Jeter asked that a brief summary be provided about what happened at the Purpose Built Conference and if that model would be successful in Wilmington. Mr. Hill shared that it was announced at the conference that Wilmington is an affiliate town that will be looking at implementing the Purpose Built Community at Riverside. It was a very good conference. The model does not change in 2019. There are different variations on the education piece. He recommends that as we move forward that members of the staff and the Board tour the other sites, there are 19 total, other than just the original. Commissioner Washington shared that he would like to see the newer projects and schools that have been in effect for two years.

*The Chairman called for a motion to accept the Executive Director's Report. Commissioner White made the motion and Commissioner Cohen seconded the motion. With no further questions from the Board, the Chairman called for the vote. Motion carried.*

***Executive Director's Report accepted unanimously.***

### **3. RESOLUTIONS**

**Amendment to Resolution 16-24** Authorizing the Wilmington Housing Authority to Add Funds to a Contract for Housing Quality Standards (HQS) Inspections to McCright & Associates for WHA Housing Choice Voucher Units

*Commissioner White called for a motion to waive the reading of the Amendment to Resolution 16-24 and just provide a synopsis, Commissioner Cohen seconded the motion.*

Ms. Starkey-Ford presented the synopsis. The purpose of this amendment is to add funds to the contract between McCright and Associates and Wilmington Housing Authority for inspection services for units participating in the Housing Choice Voucher Program. The original contract was approved for a term of five (5) years. Funding projected was insufficient to fund the total five (5) years due to a substantial program increase and unpredicted special inspections and no-show inspections.

The amount of increase being requested to provide funding for the remaining balance of the contract term (3 years) is \$310,000. This will allow WHA to continue the services provided by McCright and Associates through the balance of the term of the contract at the current Housing Choice Voucher allocation.

*Commissioner White called for a motion to adopt the Amendment to Resolution 16-24 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion. With no questions from the Board, the Chairman called for the vote.*

***Amendment to Resolution 16-24 adopted unanimously.***

**Resolution 18-27** Authorizing the Submission of the Wilmington Housing Authority's Annual Plan for Fiscal Year 2019

*Commissioner White called for a motion to waive the reading of Resolution 18-27 and just provide a synopsis, Commissioner Cohen seconded the motion.*

Ms. Spellman presented the synopsis. The Wilmington Housing Authority is requesting approval to submit the Annual Plan for its fiscal year beginning April 1, 2019. The process requires a resolution from the Board of Commissioners approving the plan for submission to the U.S. Department of Housing and Urban Development (HUD) for its review and approval. The plan will be submitted by January 16, 2019. The plan is consistent with last year's plan except for the changes that are outlined in the enclosed summaries.

*Commissioner White called for a motion to adopt Resolution 18-27 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Cohen shared that the Board was provided the information at the last minute as was the case last year. This is a lot of information and should be shared with the Board sooner so it can be reviewed more adequately. Is there anything dramatically different? Mr. Hill replied that in the future he will ensure that the Board members will receive the information during the 45-day review period.

Ms. Spellman added that there were some minor policy changes with one of the most significant is a new change to the Housing Choice Voucher Program regarding the Small Area Fair Market Rents (SAFMR). HUD is allowing the Authority to go between 90-110% of the fair market rents to enable participants to move out of poverty areas into more mixed income communities. We worked with HUD and we had to assess our communities to determine how those changes would impact the population. There was no affect on our population but the policy is in effect.

*With no further questions from the Board, the Chairman called for the vote.*

***Resolution 18-27 adopted unanimously.***

**Resolution 18-28** Authorizing the Executive Director of the Wilmington Housing Authority to Submit a Rental Assistance Demonstration (RAD) Application for Certain Public Housing Asset Management Project (AMP) Units

Mr. Hill presented the resolution. Congress has authorized the RAD program to go up to 455,000 units nationwide. We have just obtained services to do our portfolio assessment which will take approximately 3 months to complete. It does not harm the Housing Authority in any way to complete a RAD application and withdrawal it at a later date if it is decided to not implement the program at any given site. He just wants to get WHA properties on the list.

*Commissioner White called for a motion to adopt Resolution 18-28 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Commissioner White asked the date that this is filed? Mr. Hill replied that once this resolution is approved by the Board we can start the process immediately on filing the applications. There is no deadline date. It is open. The Board will have the authority to pull the applications at any time.

*With no further questions from the Board, the Chairman called for the vote.*

***Resolution 18-28 adopted unanimously.***

**Resolution 18-29** Authorizing the Executive Director of the Wilmington Housing Authority to Issue a \$400 Holiday Appreciation Bonus to All WHA Employees

*Commissioner White called for a motion to adopt Resolution 18-29 and Commissioner Cohen seconded the motion. The Chairman asked for questions on the motion.*

Commissioner White asked if these monies are in the budget and if it is allowed by HUD. Mr. Hill replied it is. He spoke with the Budget Director and this does not harm our budget and it is allowed by HUD. This is a gift and is not taxed. They will receive gift cards.

Mr. Hill, Ms. Sulsky and other members of the senior staff are working together to design a performance evaluation. Employee performance will be measureable for their position and there will be outcomes where we can let the staff know how they are doing; whether they receive a raise or not. Job descriptions are also being updated. It is anticipated that these will be available by June 2019.

Commissioner White asked if employees receiving the bonus are employees in good standing. Mr. Hill replied they are all employees and he is assuming that they are in good standing even if there are things that are going on. They are still employees.

Commissioner White asked why \$400? Mr. Hill replied that he provided a figure and after discussions it was determined to be \$400 per employee. The Executive Director is excluded from this resolution.

Commissioner Cohen shared that the Finance Committee is very much in favor of this. It is a great mechanism to increase employee morale.

Commissioner Washington asked which bank is being used. Ms. Bizune replied that TD Bank will be providing VISA gift cards. There are no fees.

Commissioner Washington continued. He shared that he asked that question because he received a check from WHA and he went to TD to cash it. Because he did not have an account at TD he was charged \$7.00 to cash the check. Is that a normal bank practice? Ms. Bizune replied it is normal bank practice. She mentioned that in the future she can have his payment sent via ACH.

Chairman Spadola asked if there are safety precautions being taken into consideration? Ms. Bizune replied that either someone from her staff will go to the bank and get the cards or the Bank Manager will bring them to the Housing Authority. The cards will be in a secure bag, a list of the card number and amount will be provided so the cards can be tracked.

*With no further questions from the Board, the Chairman called for the vote.*

***Resolution 18-29 adopted unanimously.***

**Resolution 18-30** to Rescind Resolution 18-07 Authorizing the Wilmington Housing Authority to Purchase Two New Construction Townhomes at 525 and 527 N Scott Street., Wilmington, DE 19805 with Replacement Housing Factor (RHF) Funds

Mr. Hill presented the resolution. Resolution 18-07 was approved by the Board on April 23, 2018 to purchase two homes with a cost of \$130,000 - \$150,000 each. His recommendation is to rescind the purchase of these homes because the monies would be better served being used for the redevelopment of Riverside.

*Commissioner Cohen called for a motion to adopt Resolution 18-30 and Commissioner Jeter seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Cohen asked if this process has started to purchase the homes and are we breaking any contracts. Mr. Turk shared that a contract has been signed and the contract allows us to withdraw if

we do not receive approval from HUD or the Board. HUD has not approved the purchase; therefore we can withdrawal without penalty.

Commissioner Jeter asked who owns these homes. Mr. Turk replied that they are new construction homes owned by Casale.

Commissioner Cohen asked for confirmation that the purpose to purchase these homes was to increase our scattered site inventory to create newly available housing within that area of the City. Mr. Turk replied correct.

*With no further questions from the Board, the Chairman called for the vote.*

***Resolution 18-30 adopted unanimously.***

#### **4. FINANCE REPORT**

Ms. Bizune provided the Finance Report overview.

### **OPERATING FUND–Public Housing Program**

#### **RESULTS OF OPERATION**

Management prepared a budget that reflects a Net Gain of \$158,524 which includes \$323,379 for AMP 11 reserve and \$426,200 for the payment of the Energy Performance Contracting (EPC) Loan. Actual results of operation for the month of October 31, 2018 reflected an Operating gain of \$1,151,879. After offsetting the EPC loan amount of \$419,823 there is a net positive cash position of \$732,056. The program reflects a Loss of \$974,656 after offsetting Depreciation Expense.

#### **REVENUE**

Total Operating revenue year to date is \$8,392,215. This is 2% above the budgeted amount of \$8,267,845. This is due to receiving an increase in operating subsidy.

#### **EXPENSE**

Total Operating Expense year to date are \$7,240,336 which do not include the Energy Performance Contracting (EPC) loan amount of \$419,823 (EPC loan is reflect on the balance sheet). Total Operating Expenses year to date is 10% below the budgeted amount of \$8,054,714.

**Administrative Expense** was 1% below the budgeted amount.

**Salary and Benefit Expense** is 1% below the budget when compare to the budgeted amount. Overall Salary is 11% below the budget while benefit is 10% above the budget due to compensation absence.

**Tenant Service** is breakeven when compare to Budgeted amount.

**Utility Expenses** are 19% below the budget amount due to not all the utilities have received. Also, Wilmington Housing Authority only pays Electric and Gas on vacant units.



**Ordinary Maintenance Expenses** are 7% above the budget. This is due to an increase in Maintenance Costs and Casualty Loss.

**Protective Services** are 18% below budget.

**General Expenses** are 38% below the budget. This is due to AMP11 reserve budget amount.

## **Section 8 Programs**

### **RESULTS OF OPERATION**

Management prepared a budget that reflects a Net Gain of \$166,060. Actual results of operation for the month of October 31, 2018 reflected an Operating Gain of \$111,196 and a Non-Operating Gain of \$647,829. Overall, Section 8 program is reflecting a Net Gain of \$759,024.

### **OPERATING REVENUE**

Total Operating revenue year to date is \$905,284 which is 4% below the budgeted amount of \$947,883.

### **OPERATING EXPENSE**

Total operating expense year to date is \$794,088 which is 2% above the budgeted amount of \$781,823. This increase is due to administration costs.

### **NON-OPERATING REVENUE (HAP/UAP)**

Total HAP revenue year to date is \$9,500,003 which is 7% above the budgeted amount of \$8,889,695. This is due to the new vouchers were awarded.

### **NON-OPERATING EXPENSE (HAP/UAP)**

Total HAP expense year to date is \$8,852,175 which is breakeven when compare to the budgeted amount of \$8,889,695. See page 4 for our Analysis.

### **TWO-YEAR FORECASTING TOOL EXPENSE (HAP/UAP)**

Per the Section 8 Housing Choice Voucher (HCV) Two Year Forecasting Tool, WHA is projecting a CY'2018 Restricted Net Position (RNP) of \$1,605,232 with an "excess reserves subject to offset" of \$352,284. With the new additional funding that we received, we were not able to lease up the units within the short amount of time. The monies may be recaptured by HUD.

Commissioner Cohen asked vouchers issued September 2018 lists 41. Are those actual and November 2018 and December 2018 each has 81. Ms. Bizune replied that September is actual numbers and November and December are projections.

Ms. Starkey-Ford added that actual for November is 42 and for December 50 will be issued by 12/31/2018. For the VASH vouchers, 39 have been issued for the Pearl Center with one remaining. 178 vouchers for Luther Towers have been issued but they are not under contract yet. The goal is to have them contracted by January 31, 2019.

Mr. Hill added that there have been issues with the Luther Towers issuance of vouchers. He is going to send HUD a letter asking how long we have to hold onto these vouchers before they can be put into the

regular pool. Our utilization has dropped because of these extra vouchers and we want to resolve this issue.

Commissioner Cohen asked for clarification that we are unlikely to meet the full target for the end of the year but we are just asking HUD for more time. Ms. Bizune replied that HUD does take into account the issuance of the vouchers. They do include them in the next year's two-year tool calculations.

## Capital Fund Obligation & Expended Grant Report

Capital and Replacement Factor Fund Obligation & Expended Grant Report						
October 31, 2018						
Program	DATE OF Grant	Authorized	Obligation Amount	Percent	Expended Amount	Percent
Capital Fund 501-16	4/13/2016	\$ 2,548,070.00	\$ 2,548,070.00	100%	\$ 2,455,221.68	96%
Capital Fund 501-17	8/16/2017	\$ 1,805,746.00	\$ 1,881,927.12	67%	\$ 1,569,199.39	56%
Capital Fund 501-18	5/29/2018	\$ 4,308,930.00	\$ 1,292,679.00	30%	\$ -	0%
RHF 501-16	4/13/2016	\$ 157,050.00	\$ -		\$ -	
RHF 502-16	4/13/2016	\$ 276,514.00	\$ -		\$ -	
RHF 502-17	8/16/2017	\$ 3,529.00	\$ -		\$ -	

ROSS and FSS Obligation & Expended Grant Report						
October 31, 2018						
Program	DATE OF Grant	Authorized	Obligation Amount	Percent	Expended Amount	Percent
FSS Grant	1/1/2018	\$ 138,214.00	\$ 111,275.12	81%	\$ 80,955.88	59%
ROSS Grant	2/8/2017	\$ 492,000.00	\$ 365,349.32	74%	\$ 365,349.32	74%

Agency Wide Reserve	
October 31, 2018	
Programs	Amounts
Section 8 - Unrestricted Net Asset (UNA)	\$ 1,063,526.00
Section 8 - HAP/UAP Restricted Net Asset (NRA)	751,882.00
<b>Total Section 8 Reserve</b>	<b>1,815,408.00</b>
Public Housing Authority	2,764,351.70
Public Housing Authority - Center Cost Center (COCC'S)	31,699.59
<b>Total Public Housing Authority Reserve</b>	<b>2,796,051.29</b>
Parkview (Bonds Reserve)	958,078.68
Madison Garden	6,309.47
<b>Grand Total</b>	<b>\$ 5,575,847.44</b>

Commissioner Cohen asked if the 2018 grant where 30% has been obligated, can this be transferred back? Ms. Bizune replied yes, we obligate in October to withdrawal the funds and then in November the expense will be shown. The funds will transfer from the Capital fund to LIPH operating fund at the AMP level.

### PHAS Designation Status

In order to achieve a Standard Performer status, the overall PHAS score must be at least 60% of total points available with no indicator scoring below 60% or 15 points for both the FASS and MASS. High performer overall PHAS score is at 90%.

#### Financial Indicator

April'2018 thru June'2018 FASS score was 24 points averaging at 97% each months. July'2018 score was 22 points averaging at 89% while August'2018 and September '2018 score was 21 averaging at 84%. The October'2018 Financial Assessment Subsystem (FASS) scores have increased from March 31, 2018 from 16 to 21 points out of a possible 25 which is averaging at 84%.

#### **October'2018 FASS Score Table:**

Points Earned	Description	AMP 002	AMP 005	AMP 006	AMP 007	AMP 008	AMP 011	AMP 015	AMP 026	Weighted Avg.	%
12	QR-Quick Ratio	0.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00		
11	MENAR -Months Expendable Net Assets	0.00	11.00	11.00	10.71	11.00	11.00	11.00	11.00		
2	DSCR -Debt Service Coverage Ratio	0.00	2.00	2.00	2.00	2.00	0.00	2.00	2.00		
25	Total FASS (out of 25 points)	0.00	25.00	25.00	24.71	25.00	23.00	25.00	25.00	21	84%

#### Management Indicator:

April'2018 and May'2018 score was 13 points averaging 54% each month. However, June'2018 and July'2018 MASS scores were 17 points averaging at 67% and August'2018 score was 18 averaging at 71%. September'2018 score was 17 averaging at 70% while October'2018 Management Assessment Subsystem (MASS) has increased from March 31, 2018 from 14 to 18 points out of a possible 25 which is averaging at 72%.

#### **October'2018 MASS Score Table:**

Points Earned	Description	AMP 002	AMP 005	AMP 006	AMP 007	AMP 008	AMP 011	AMP 015	AMP 026	Weighted Avg.	%
16	OR - Occupancy Rate	16.00	8.00	16.00	16.00	12.00	16.00	12.00	4.00		
5	AR - Account Receivable	0.00	0.00	0.00	5.00	0.00	0.00	0.00	5.00		
4	AP - Accounts Payable	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00		
25	Total MASS (out of 25 points)	20.00	12.00	20.00	25.00	16.00	20.00	16.00	13.00	18	72%

Commissioner Cohen commented that regarding the FASS score, after the AMPs are reorganized it will help with the scores. He is looking forward to that because there are some structural things that need to be shifted.

*The Chairman called for a motion to accept the Finance Report. Commissioner Cohen made the motion and Commissioner Jeter seconded the motion. With no further questions from the Board, the Chairman called for the vote. Motion carried.*

***The Finance Report accepted unanimously.***

## **5. DEVELOPMENT AND CAPITAL IMPROVEMENTS REPORT**

Mr. Turk presented his report as written with a few comments. We are moving forward with the Riverside redevelopment. We had a kickoff meeting on December 4, 2018 with our REACH Riverside team and the developer. We have recently received notice that HUD was ready to issue a RAD CHAP. We are in the process of working with the developer to begin working on a master plan for the development. That will determine how RAD is blended with the project.

We are anticipating receiving HUD approval of the EPC contract by 12/31/2018. TD Bank has pre-approved WHA for the energy performance funds and those funds will help our scores because we will rehabilitate 36 long-term vacant scattered sites in West Center City.

We are looking for final approval from Delmarva Power on the second phase of our Solar Project.

We have a backflow prevention project that we have received bids on and are in the process of doing some value engineering to lower the cost. We were projecting \$240,000 and bids came in over \$300,000.

*The Chairman called for a motion to accept the Development and Capital Improvements Report. Commissioner Cohen made the motion and Commissioner Pinkett seconded the motion. The Chairman asked for questions on the motion.*

Commissioner Washington asked how many acres in Riverside are owned by WHA. Mr. Turk replied 25 acres. Mr. Hill added that he has requested that a survey been done to show where the boundary lines are provide an accurate account of how much acreage WHA actually does own.

Chairman Spadola asked if there have been any conversations with Dr. Yasser Sain from the University of Delaware. He does a lot of research about the root cause of the violence and the economic culture behind it. He attended a presentation that he gave yesterday and he mentioned Riverside multiple times. The Chairman believes that we should bring him into the conversation. The Doctor does have a relationship with the Mayor's office. The Chairman will provide his contact information to Mr. Hill.

*With no further questions from the Board, the Chairman called for the vote. Motion carried.*

***The Development and Capital Improvements Report accepted unanimously.***

## **6. BOARD COMMITTEE REPORTS**

### **Finance**

Commissioner Cohen shared that the Finance Committee met on November 27, 2018 and reviewed many items including Park View which will be discussed tonight. Everything that you heard in the Finance report was discussed in the Finance Committee. There is also an item that was discussed in the committee meeting that will be discussed in Executive Session tonight.

## **7. OLD BUSINESS**

Resolution 18-19, Rental Demonstration Program (RAD) application for Lincoln Towers

Mr. Hill shared that Commissioner Heckles asked that this item remain on the agenda so that at any point discussions can occur to pull the application if desired.

## **8. NEW BUSINESS**

### **New Administration Building for WHA at Riverside**

Mr. Hill shared that many months ago in meetings with REACH Riverside WHA staff discussed the possibility of building a new administration building in Riverside. Mr. Hill wanted to bring it to the Board's attention because it would be an ideal place to have a new administration building because we have outgrown this one. We could rent this building out and generate some additional income for the COCC. There were concerns on how funds would be obtained and the safety and convenience of location for residents and participants to get to.

### **Universal Payout for Retirees**

Mr. Hill shared that the Housing Authority management has some work to do regarding managing employees Comp Time to ensure they do not exceed the maximum allowable carryover time as outlined in the union contracts. Specific discussions were deferred to Executive Session.

### **Synopsis of Issues at the Park View Apartments**

Mr. Hill provided a packet for the Board members to review regarding the Park View Apartments. Information will be used to determine if Park View should be refinanced and how much should be borrowed. Mr. Turk provided an overview of the refinance data and capital needs and which should be addressed first.

Commissioner Cohen summarized that we are looking back at the \$10,800,000 initial and considering the \$2,000,000 energy loan. We are reviewing the cash flow analysis and will determine which is most reasonable. Mr. Hill replied correct.

Commissioner Jeter asked how much cash flow is possible with the rent increases. Mr. Hill replied \$267,000 annually.

Commissioner Jeter continued. The immediate need is the boilers, correct and how will it be financed? Mr. Hill replied there are three (3) immediate needs –replacement of hot water holding tanks, the boilers, and the elevators. As for the costs, we may need to not do something and do some deferred maintenance. That information needs to be determined on how it will be handled.

We have applied for a line of credit to address the immediate need to replace the hot water holding tanks because this is considered an emergency situation.

Commissioner Cohen asked for an explanation of which entity owns what. Ms. Bizune replied that Electra Arms Senior Association will be the borrower for the line of credit and the loans for refinancing. Park View LLC owns 99% of the building and is the limited partner. WRC owns 1% and is the general partner.

## **9. EXECUTIVE SESSION**

*The Chairman called for a motion to go into Executive Session. Commissioner Cohen made the motion and Commissioner Pinkett seconded the motion.*

***The Board went into Executive Session at 7:55 p.m.***


## **10. ADJOURNMENT**

*With no further business to come before the Board, the Chairman called for a motion to adjourn the meeting. Commissioner Cohen made the motion and Commissioner Pinkett seconded the motion.*

***The meeting was adjourned at 8:20 p.m.***

**ADOPTED:**

Respectfully submitted,

  
Steven Washington, Secretary