

**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 4th 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 15th.

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 22nd 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