

Housing Authority of the City of Vineland

REGULAR MEETING
Thursday, March 17, 2011
7:30 p.m.

The Regular Meeting of the Housing Authority of the City of Vineland was called to order by Chairman Robert A. D'Orazio on Thursday, March 17, 2011 at 7:30 p.m. at the office of the Authority located at 191 W. Chestnut Avenue, Vineland, New Jersey 08360. The following Commissioners were present:

Commissioner Joseph Asselta	
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	
Commissioner Vickie Burk	
Chairman Robert A. D'Orazio	

Also present were Jacqueline Jones, Executive Director, Wendy Hughes, Assistant Executive Director, Charles W. Gabage, Esquire -- Solicitor; Dan Avena and Linda Cavallo from the VHA's fee accounting firm and Gloria Pomales, Executive Assistant.

Chairman D'Orazio read the Sunshine Law.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on February 17, 2011. A motion was made by Commissioner Diaz and seconded by Commissioner Asselta. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Chairman D'Orazio called for the Financial Report from Avena's office. Mr. Avena reported he had his monthly meeting with Mrs. Jones. He stated the Authority is 6 months into the year and it does not know what the subsidy is going to be yet. Mr. Avena stated Heidi, of his office, received an email from Mrs. Jones stating that during a recent conversation Wendy Hughes had with the Authority's HUD engineer where it was mentioned that the AMPS were going away and would be going back to projects. Mr. Avena is a little disturbed since he spent about 5 years learning about AMPS. Ms. Cavallo reviewed the Financial Report for the five months ending February 28, 2011, by reviewing the numerous line item figures.

Chairman D'Orazio requested the Executive Administrative Report. Mrs. Jones reported the D'Orazio Terrace bids for converting from electric heat and hot water to gas were received and in the resolution portion of the meeting there is a resolution to award the contracts. This project is being completed with some of the "Green Money" the Authority received. There will still be some

money left over so the Authority is getting some estimates from our architect to see what it would cost to insulate the attics at D'Orazio. All of the work project that we do have to be something that is going to save energy. There is approximately \$140,000 left over at this point and hopefully we'll be able to do the insulation in the attics at D'Orazio.

Mrs. Jones explained the weatherization project. She heard about this project from another Executive Director. The Authority has received \$975,000 worth of energy saving work free over at Tarkiln and might be up to \$1.2 million by the time it is all done.

The Authority will receive a reimbursement from FEMA for snow removal.

Mrs. Jones reported the Authority has been involved in a food program for the last four months. The VHA Social Services Department has been coordinating this project. The name of the program is Emergency Food Assistance Program and it is funded by the Federal Government. It comes through the NJ Department of Agriculture. The local distribution center in Vineland is the southern regional food distribution center. They provide food to soup kitchens, homeless shelters, pantries and agencies like the VHA. It has been a process getting organized and it getting down to a system, but once a month they deliver food to all of our developments. Pat Harrison and the Social Services Staff help distribute the food consisting of meats, can foods, fruit and vegetables. It is a good program and Mrs. Jones wanted to make the Board aware of the program.

On the revised agenda a resolution has been added which involves authorizing a Memorandum of Understanding between the Housing Authority, the Vineland Housing Development Corporation, Tara Developers and Vineland Homeownership LLC to move forward with the development of the 17 homes at what is currently called Chapman Terrace. Mrs. Jones promised Mr. Chapman that this name would be changed at the appropriate time. For those Board Members who are new to the Board this is a project that has been in the works for quite a while. Mrs. Jones has been more active in it in the last 3 years in trying to find some money to make this project happen. In summary, we will be receiving some funding from Balanced Housing of the State of New Jersey. This funding subsidizes the cost to build the homes so we can sell the homes for less than fair market to lower income individuals. There are basically three possible funding sources right now, which are Balanced Housing from the State of New Jersey, the Federal Home Loan Bank Organization and the City of Vineland has Community Development Block Grant money that we may be eligible for. The bottom line is the Vineland Housing Authority (VHA) is holding a mortgage for the Vineland Housing Development Corporation (VHDC) for the land off of Chestnut Street. The hope is that the VHA will get this money back. During a meeting with Rick Ginnetti, Authority consultant and Mrs. Jones, Mr. Gabage thoroughly questioned the VHA's consultant because he wants to make sure the project will work and at the same time protects the VHA's interests.. The VHA should get the money back, which is about \$520,540 right now and there should be a little bit left over for the VHDC to possibly go out to do some other projects once this project is settled.

Mr. Gabage explained the VHA and VHDC history for Board Members who were not on the Board at the time. Years ago the Board had concerns with the previous Executive Director that he was not being aggressive in trying to go out and get new projects to provide housing. The Board made it known to him that he should start looking around for some projects to build some houses. As a result of that the VHDC was formed as a subsidiary of the VHA. The reason why it was started was because there were certain monies that were available to non-profits such as the VHDC, which were not available to the VHA. The Housing Authority built and sold a couple modular houses with the intention of losing money in the sense of selling them to low income people for less than what it cost to construct them and divided the land. It worked okay and the VHA did not lose a lot of money. Subsequently the land off of Chestnut Avenue became available. The VHA

did not know exactly what it wanted to do with it, but it became available and it appeared to be a very developable site. The VHA bought the land but it didn't want to own the land because again money was available hopefully through the State, the Federal Government and other kinds of grants to a non-profit, but not available to the VHA. The VHA loaned money to the VHDC. The VHDC took ownership of the land. There was a loan from VHA to VHDC. VHDC owned the land and VHA had a mortgage against the land. As time went on and the land was to be developed, VHDC did not have any money. The VHA would occasionally lend additional sums of money to VHDC so VHDC could develop the land. This was all on the books and accounted for correctly with the intention of when this project was completed and the homes were built that the homes would be sold and VHA would be paid back if not all of the money a good part of the money. Whatever VHA was not paid back was a subsidy that VHA was willing to put up for these homes to be able to provide homes to people that might not otherwise be able to afford them. There were several developers who came in and had ideas. Money was spent by VHA and by the developers to try to move the project along. The project didn't seem to move along the way it was suppose to. For about a year or so it laid dormant and nothing happened with it. Mr. Gabage is sure Mrs. Jones and everybody involved was trying to market it, but there was no action. Tara Developers came along, which does this type of work. A relationship started between VHA and the VHDC with Tara Developers. There were discussions and thoughts about what can be done to develop this land. It has reached a point now that it looks like it is a deal that can be done. Formal papers are needed in order for Tara Developers to approach lenders. The VHA and its independent consultant have been negotiating with Tara Developers. At the end of the negotiations they called Mr. Gabage in to look at everything. Mr. Gabage has reviewed and questioned the consultant. He was satisfied that it was a doable thing. Mr. Gabage always looks at these things from the VHA standpoint. Right now VHA is owed approximately \$520,000 by VHDC, which of course is secured by the mortgage. If the project was sold and received \$227,000 VHA would lose money, but this was part of the overall understanding the VHA Board was willing to make a contribution to get his housing project done. VHA has this cushion of money that has been sitting aside, which is pretty significant. It was used to build the Administrative Building. The money has built up over the years dues to several programs known has the Homeownership Program. That money has always been VHA's ace in the hole that if the federal government cuts back too dramatically VHA has some surplus. The VHA has always looked for ways to perhaps use some of that surplus to try to do development and that is what this project was. The VHA Board knew as the time went on that it may not get every dollar back that it was investing in this project, but were willing to do so. Mr. Gabage stated when he met with the consultant the other day he wanted to find out how much money was likely to be paid back by VHDC through Tara Developers to VHA. The numbers came out pretty good. To get 100% on the dollar all the houses would have to be sold and they would all have to be sold at a pretty good price. \$100,000 is going to be paid immediately to VHA. Another \$105,000 would be paid to VHA within 90 days. The balance would continue as a mortgage loan and then as those houses were sold the difference between the cost of the houses and the selling price would go back to the VHA. It would possibly pay back the remaining balance or at least a good portion of the balance that the VHA would be willing to accept as its contribution toward the affordable housing that is needed in Vineland. VHA would also receive some fees and this could be a pretty profitable deal for VHA if everything goes right.

From Mr. Gabage's standpoint, as the attorney for VHA, what concerned him was not only the numbers, but what is going to happen to make this deal work Tara Developers has to go out and borrow millions of dollars. No bank is going to permit Tara Developers to borrow millions of dollar if VHA has a mortgage on the property. So what is going to happen here to make this deal work is that the VHA is going to give up its mortgage. VHA would take back an assignment of VHDC's rights under the project, which essentially gives VHA control of the money. The bottom line is VHA would be in a position where it could control how the money coming in from the bank gets spent.

The VHA would be able to make sure it is not being short changed in any of the payments and hopefully VHA would be repaid if not all of the money at least substantial part of the money. It is possible the VHA could even make money on the project. One of things that is of concern is that VHA gives up this mortgage so that the bank can take a first mortgage, which obviously gives VHA less security, but at the same token it is part of making the project work. When you put all the pieces together and when Mr. Gabage spoke with the consultant he was satisfied at the end that there is adequate protection here for VHA. Mr. Gabage, from a legal standpoint and from somewhat of a business standpoint although he is not a business advisor, he thinks it makes sense. If not, the VHA is just going to sit with the property for who knows how long. Any developer who is going to want to develop it will want to do something similar to this. Any project will be similar to this. Tara's people have done a lot of these types of projects; they know what they are doing and are pretty solid people, it seems.

Mr. Gabage thinks it makes a lot of sense for the Housing Authority to go along with project. Right now the VHA is only being asked to sign what is called a Memorandum of Understanding. These are the general terms of what the VHA is agreeing to. It would be followed by a much more formal operating agreement and series of contracts involving VHA, VHDC, Tara Developers and another entity called Vineland Homeownership LLC. There will be a lot more documents to come. The VHA can back out of this at any time, if necessary. It is structured in such a way that it is a Memorandum of Understanding of what is going to be tried to be accomplished. VHA is giving Tara Developers and everyone involved the right to go forward with the deal and the VHA is not committing anymore money to the project. Mr. Gabage feels comfortable with this project moving forward. Commissioner Diaz raised several questions regarding the property and the project. There was a brief discussion regarding the history of the property, clarification of the relationship between the VHA and VHDC and the project.

With no other discussion in related matters the Chairman moved to the Resolutions.

Resolution #2011-13
Resolution to Approve Monthly Expenses

Chairman D'Orazio called for a report from Commissioner Asselta. Commissioner Asselta reported he reviewed all the bills and recommended payment in the sum of \$534,164.47. Commissioner D'Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Burk; seconded by Commissioner Diaz. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2011-14
**Resolution Authorizing Payment under the Capital Funds Appropriations Program to
Charles J. Collins/Architect**

Chairman D'Orazio called for a motion to approve payment to Charles J. Collins/Architect in the sum of \$2,960.05. A motion was made by Commissioner Burk; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2011-15
Resolution to Dispose of Furniture and Equipment Utilizing the Disposition Policy

Chairman D'Orazio called for a motion to approve Resolution #2011-15. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2011-16 Executive Session

Chairman D'Orazio entered a motion to hold an Executive Session. A motion died for lack of need.

Resolution #2011-17
**Resolution to Award Contract for Alterations to D'Orazio Terrace (Site Work) to
Ocean Construction, LLC**

Chairman D'Orazio called for a motion to approve Resolution #2011-17. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2011-18

Resolution to Award Contract for Alterations to D'Orazio Terrace (Structural Repairs and Refinishing of Apartments) to Levy Contraction Company, Inc.

Chairman D'Orazio called for a motion to approve Resolution #2011-18. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2011-19

Resolution to Award Contract for Alterations to D'Orazio Terrace (New Gas-Fired Water Heaters and Related Work) to Bayshore General Contractors, Inc.

Chairman D'Orazio called for a motion to approve Resolution #2011-19. A motion was made by Commissioner Burk; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Resolution #2011-20

Resolution Authorizing the Memorandum of Understanding between the Housing Authority of the City of Vineland, the Vineland Housing Development Corporation, Tara Developers LLC and Vineland Homeownership LLC

Chairman D'Orazio called for a motion to approve Resolution #2011-20. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The following vote was taken:

Commissioner Joseph Asselta	(Yes)
Commissioner Elizabeth Gordon	(Absent)
Commissioner Beatrice Corbin	(Absent)
Commissioner Carmen Nydia Diaz	(Yes)
Commissioner Vickie Burk	(Yes)
Chairman Robert A. D'Orazio	(Yes)

Chairman D'Orazio commented all Board Members should have a list of all VHA Developments. He saw this list the other day when Mrs. Jones and he met with the new VHA Commissioner. The VHA Board has a new Commissioner appointment by City Council. Mrs. Jones and Chairman D'Orazio met with her on Monday to give her a little run down on what we do here at the Authority. He was going to have her introduce herself

this evening, but apparently she had some transportation problems and was unable to make the meeting this evening. Hopefully she will be able to attend next month's meeting.

No comments from press, public and/or Board Members. Commissioner Diaz asked about the re-organization dinner meeting because of it being overdue. Chairman D'Orazio stated it has been generally done in the past in January, but due to the fact of not having a full board and in light of every month's report that the VHA does not know how much subsidy money will be given it has not been done. This is his opinion. He stated if it is the wish of the Board to have a re-organization meeting it can be done. The VHA is getting closer to a full Board. Chairman D'Orazio asked Mr. Gabage if there is any word on Commissioner Corbin. Mr. Gabage stated she had asked Mr. Gabage to draft a letter of resignation for her and he said for her to wait because maybe she'll be better. Then when he saw her again she didn't mention it. She was always in the hospital or in a rehab facility when he has visited her. When Mr. Gabage went to see her in the hospital about 6 weeks ago she again mentioned that she wanted him to do a resignation letter. A week later he called her daughter and discussed this with her daughter because he does not feel comfortable being a part of her resignation. Commissioner Corbin's daughter stated her mother wants to resign and knows her health isn't really going to permit her to really actively participate. Mr. Gabage asked Commissioner Corbin's daughter if she wanted him to do the letter. Mr. Gabage composed the letter and sent it to her daughter. He asked her to show it to her mother. He has not heard anything more. Chairman D'Orazio stated there may be some movement with the Governor's appointment. There are rumors out there that something is happening and the VHA may be one step closer to a full board. Chairman D'Orazio asked the Board what they wanted to do about the re-organization meeting Commissioner Asselta stated it would be nice to have the new commissioners on Board and stated maybe to wait a little longer to see if the appointments come through. Commissioner Burk is in favor of waiting as well.

With no further business to discuss, Chairman D'Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Asselta; seconded by Commissioner Burk. The vote was carried unanimously by the Board Members present.

The Regular Meeting of The Board of Commissioners was adjourned at 8:24 p.m.

Respectfully submitted,

Jacqueline S. Jones
Secretary/Treasurer