

# Housing Authority of the City of Vineland

**REGULAR MEETING**  
**Thursday, September 20, 2012**  
**7:00 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, September 20, 2012 at 7:00 p.m. at the office of the Authority located at 191 W. Chestnut Avenue, Vineland, New Jersey 08360.

The following Commissioners were present:

Commissioner Chris Chapman  
Commissioner Elizabeth Gordon  
Commissioner Carmen Nydia Diaz  
Commissioner Mario Ruiz-Mesa  
Commissioner Brian Asselta  
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 Heidi Burke from the VHA's fee accounting firm, Rick Ginnetti, The Brooke Group - VHA Consultant 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 August 16, 2012. A motion was made by Commissioner Diaz and seconded by Commissioner Chapman. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (Yes) |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D'Orazio    | (Yes) |

Chairman D'Orazio called for the Financial Report from Avena's office. Heidi Burke was introduced to the new VHA Board Members. Ms. Burke reviewed the Financial Report for the eleven months ending August 31, 2012.

Chairman D'Orazio requested the Executive Administrative Report. Mrs. Jones stated as her report indicates the VHA is going to start a Capital Project of painting units. She reported the Authority completed all of its Capital Projects and it does not have any open projects right now. The painting contract was awarded a couple of meetings ago. There is a requirement that the Authority paint the family units once every five years and the senior units once every seven years. The VHA is behind with unit painting and it has never had an ongoing preventative maintenance plan for painting. A process will begin to notify residents of the painting project.

Mrs. Jones provided an update on the storm. The Authority spend approximately \$77,000 on the storm and the Authority will receive 75% of that back from FEMA. About \$17,000 of the \$55,000 that the Authority will get back is really for the amount of time the Authority ran its generators at the

high-rises. FEMA is reimbursing for the equipment used. The reimbursement is for all of the trucks used and the generators that ran for over 36 hours is \$17,000. The total amount reimbursed will be shown as a receivable on the books and it will probably take several months before that reimbursement is received.

There is a tree removal/trimming contract up for award tonight in the resolution section of the meeting. This is something else the Authority has never done. The Board will see more contracts like this that the VHA is implementing since Ron Miller is now a Qualified Purchasing Agent.

The last resolution tonight is about the subsidy the VHA anticipates receiving from HUD. The Authority is expecting about \$1.4 million. This is about \$37,000 less than the Authority received last year. This is an anticipated amount and the Authority is not exactly sure what the amount will be yet.

Mrs. Jones mentioned last week the VHA hosted Diane Johnson who is the Director of Public Housing in New Jersey. She is the closest the Authority has to Washington and she covers the entire State. Mrs. Jones and Authority staff took her to visit seven housing authorities in two days. She was very impressed with what she saw in South Jersey.

Chairman D'Orazio requested an update on South East Boulevard. Mr. Ginnetti will report on the South East Boulevard as well as Melrose Court.

Chairman D'Orazio moved to the Committee Report and asked about the Architectural & Engineering Services Contract that was tabled from last month. Mrs. Jones stated the Committee did not meet again, but she has a report and a handout has been given to all commissioners. As the Board may recall last month there was an issue with the award of the Architect contract last month. Mrs. Jones reviewed the ranking and ratings points and explained the handout. The total points were recalculated and Pedersen received the highest amount of points. Commissioner Diaz asked for the name of the current architect and how many years he worked as the architect for the Authority. There was a discussion regarding the current architect and how long he has done work for the Authority. Further comment was given regarding the Authority employing a staff architect prior to contracting with an architect. Commissioner Ruiz-Mesa stated it seems like the most qualified architect is J.W. Pedersen and he is also from Vineland. Commissioner Diaz stated she never received a ranking & rating sheet last year as presented this year. Mrs. Jones stated the ranking and rating is the same. The summary sheet being presented this year of the ranking & rating was provided to assist with evaluating the scores for each architect.. There was further discussion on the summary sheet. Chairman D'Orazio stated this was tabled last month and the Contract Committee as well as the Board has received additional information from each of the firms and it was presented again. At this point, the Board will go forward with the highest scoring firm. Chairman D'Orazio stated the ranking indicates it is between Pedersen Architects and McKernan Architects. Pedersen Architects ranks higher. This will be voted during the resolution section of the meeting.

Rick Ginnetti from the Brooke Group provided an update on the South East Boulevard project. There has been some communication with Michael Fralinger who had been the attorney for the property owner. Mr. Fralinger is the go between with the owner and the bank. Based on the meeting last month, a letter was prepared with terms essentially with a due diligence period pointing out the appraisal, part 58 and everything that had to be done for compliance. The Authority requested that the current owner or bank actually pay for the review of the sewer. The bank is not willing to do that although Mr. Fralinger is talking the bank to see if they will lower their price to accommodate the Authority's concerns about the sewer expense. The Authority hopes to have a response by the beginning of next week. The sewer review would be a big expense to the Authority. Mr. Gabage stated it is his understanding that this property is much different in value

with sewer than without sewer and questioned how the letter was worded. He asked if the letter stated the Housing Authority had interest even if there was no sewer or was there a contingency that there had to be sewer. Mr. Ginnetti stated there was contingency stating it had to have sewer and the owner/bank had to pay to get it back in the sewer system. Mr. Gabage asked if Mr. Ginnetti got a feel from the owner/bank that it was okay with the sewer contingency. Mr. Ginnetti states owner/bank was okay with it.

In regards to Melrose Court, Mr. Ginnetti distributed a flow chart. Mr. Ginnetti, during the past several months, has been educating the Board as to this type of mix private/public transaction and would like to continue the process of educating the board on this type of transaction. Last month the predevelopment loan was approved to start the project. The Housing Authority has an investment in the Melrose Court property. Mr. Ginnetti reviewed and explained the flow chart in detail. Mr. Gabage stated everything Mr. Ginnetti stated is correct. The Housing Authority has several millions of dollars that has been set aside predominately from selling homes through a federal program. That money is somewhat at risk of HUD wanting to recapture it. Over the years the Housing Authority has tried to do something with this money. One of the things the Authority used this money for was to build the Administrative Offices building. Before this current administration was in place there was a discussion with the prior Board and Administration to buy the Chestnut Avenue piece of property now known as Melrose Court. It was discussed then that the arm of the Vineland Housing Authority (VHA), Vineland Housing Development Corporation (VHDC) would be the correct entity to purchase the property. Essentially, \$250,000 was loaned to the VHDC from the VHA to purchase the property. A loan agreement and a mortgage for \$250,000 was created that the VHDC owed to the VHA. The Housing Authority did not own the land, but it did have a mortgage against the loan. There were several projects that were attempted on this land that did not go forward and as a result about another \$180,000 was spent to try and develop the project. That money was not thrown away because all of the approvals that belong to this property were obtained with the \$180,000. The debt totals \$438,500. What ends up happening at the end of the project is the VHA puts in about \$2.5 million, enables this project to go forward and at the end in 15 years the VHA ends up owning the project subject to a mortgage that Mr. Ginnetti and Mr. Gabage ball parked at about \$500,000. In 17 years the homes would be worth significant amount of money certainly well more than 2.5 million dollars. The bottom line is the VHA is being asked to invest 2.5 million dollars so that Vineland will be able to have 17 affordable homes that will be available at reasonable rent to people. The pay back is the Housing Authority does its job at providing affordable housing, there are some financial gains because some of these entities as this goes on pays money to other entities, which ends up either getting in the VHA or VHDC hands and at the end the VHA ends up owning a many, many million dollar project after about 17 years. Commissioner Chapman stated it is important for all the Board Members to know that only at this point Commissioner D'Orazio and himself as well as Mr. Gabage who have the history of this whole thing. It is shame that this Board has to swallow the \$438,000. The Board was led down roads by several consultants, several different times with several different ideas and proposals with the same motivations. Commissioner Chapman stated it was always with the best intentions. Commissioner Chapman stated the flow chart is probably the only one that he has come across that he believes can get to the end of this completed project. Commissioner Chapman stated he trusts the Executive Director and the Consultant at this point that what is being presented as an idea has finally been sold to the City, the City is finally on board with us as they had not been for a long time and this project can be completed. Mr. Gabage stated he doesn't really think the \$438,000 is being written off or swallowed because it becomes part of the package that the VHA is contributing to this project, the land and all of the approvals. At the end it comes back to the VHA because it owns the project. The VHA has a mortgage for part of the money in the \$438,000 and what is being asked tonight as part of this deal is to do away with that mortgage. The note is still there and the VHA is still owed that money, but it will no longer have a lean on the property for that amount.

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

**Resolution #2012-55**  
**Resolution Awarding Architectural & Engineering Services Contract**

Chairman D’Orazio called for a motion to award the Architectural & Engineering Services Contract to J. W. Pedersen Architects. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (No)  |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D’Orazio    | (Yes) |

**Resolution #2012-58**  
**Resolution to Approve Monthly Expenses**

Chairman D’Orazio reported he reviewed all the bills and recommended payment in the sum of \$430,996.91. Commissioner D’Orazio called for a motion to approve the monthly expenses. A motion was made by Commissioner Chapman; seconded by Commissioner Gordon. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (Yes) |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D’Orazio    | (Yes) |

**Resolution #2012-59**  
**Resolution Awarding Tree Removal/Trimming Services Contract**

Chairman D’Orazio called for a motion to award the Tree Removal/Trimming Services Contract to Arbor Tech Tree. A motion was made by Commissioner Gordon; seconded by Commissioner Chapman. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (Yes) |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D’Orazio    | (Yes) |

**Resolution #2012-60**

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

**Resolution #2012-61**  
**Resolution Approving a Current Utility Allowance Schedule**

Mrs. Jones explained the regulations say that the VHA is to evaluate utility allowances at least once a year. The Utility Allowance is used in the calculation of the tenant's rent. If a tenant is responsible to pay certain utilities the amount from the chart is deducted from the gross rent, which results in a net tenant rent. Theoretically, the amount that is deducted is to help residents pay for their utilities. The VHA waits for the Utility Allowance Schedule to be issued by the DCA normally in July, but for some reason the schedule was not approved by the DCA until very recently. The schedule is entered into the VHA computer system. The only tenants of the VHA that are paying utilities are Olivio Towers, which pays for their electric and the Scattered Site homes. Chairman D'Orazio called for a motion to approve Resolution #2012-61. A motion was made by Commissioner Diaz; seconded by Commissioner Chapman. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (Yes) |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D'Orazio    | (Yes) |

**Resolution #2012-62**  
**Resolution Approving Application for Payment No. 1  
for Melrose Court Predevelopment Loan**

Chairman D'Orazio called for a motion to approve Payment No. 1 for Melrose Court Predevelopment Loan in the amount of \$2,500. A motion was made by Commissioner Diaz; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (Yes) |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D'Orazio    | (Yes) |

**Resolution #2012-63**  
**Approval of Operating Subsidy 2013**

Chairman D'Orazio called for a motion to approve Resolution #2012-63. A motion was made by Commissioner Chapman; seconded by Commissioner Diaz. The following vote was taken:

|                                |       |
|--------------------------------|-------|
| Commissioner Chris Chapman     | (Yes) |
| Commissioner Elizabeth Gordon  | (Yes) |
| Commissioner Carmen Nydia Diaz | (Yes) |
| Commissioner Mario Ruiz-Mesa   | (Yes) |
| Commissioner Brian Asselta     | (Yes) |
| Chairman Robert A. D'Orazio    | (Yes) |

No comments from the press and/or public. No comments from any Board Members. Mr. Gabage wanted to verify that the Board agrees that the VHA can discharge the \$438,000 mortgage. The

loan is not being forgiven, but the mortgage is being discharged from the property to clean up the title and replace it with the \$312,500 loan, which is part of the \$2.1M the Authority has agreed to contribute to the project. Mr. Gabage asked for a consensus that this would be okay because if it is he will start the paperwork for the application that needs to be filed. The Board agreed to discharge the mortgage on the Chestnut Avenue property and Mr. Gabage will start the necessary paperwork.

With no further business to discuss, Chairman D'Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Diaz; seconded by Commissioner Ruiz-Mesa. The vote was carried unanimously by the Board Members present. The Regular Meeting of The Board of Commissioners was adjourned at 8:43 p.m.

Respectfully submitted,



Jacqueline S. Jones  
Secretary/Treasurer