

# Housing Authority of the City of Vineland

**REGULAR MEETING**  
**Thursday, November 21, 2013**  
**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, November 21, 2013, 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	<i>(arrived 7:13 p.m.)</i>
Commissioner Elizabeth Gordon	
Commissioner Carmen Nydia Diaz	
Commissioner Mario Ruiz-Mesa	
Commissioner Brian Asselta	<i>(absent)</i>
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 – Accountants and Rick Ginnetti, Consultant – The Brooke Group.

Chairman D’Orazio read the Sunshine Law.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on October 17, 2013. Approval of the minutes from October 17, 2013, was tabled for next month due to not enough members of the Board present to vote.

Chairman D’Orazio called for the Financial Report from Avena’s office. Linda Cavallo reviewed the Financial Report for the one month ending October 31, 2013.

Chairman D’Orazio requested the Executive Administrative Report. Mrs. Jones stated Rick Ginnetti is present this evening to continue discussing the Rental Assistance Demonstration Program (RAD).

The application for Melrose Court was presented at the HMFA Board last Thursday and there is an assumption that when it is presented it will get approved. We believe it is approved, however; there is a Governor’s veto period, which is officially 10 days. The next step would to go back to the NJ Mortgage Finance Agency Board for the tax credit application to be approved. Processing for closing will move forward at that point. There are some clean up issues that need to be completed with the City. We can conceivably move towards a January/February closing. From there, it would probably be a 9-12 month building period.

Mrs. Jones reported two of the Authority’s REAC inspections were conducted in November. The other two were delayed because of the sequestration. The REAC inspections for the Scattered Sites, Tarklin and Asselta were conducted. Scattered Sites received a score of 84 out of 100, which is excellent for Scattered Sites. Tarklin and Asselta scored a 91 out of 100.

There is a resolution for approval tonight for the 2014 Operating Subsidy and it is anticipated to be \$50,000 less than last year. Some of this has to do with the way the formula works. There is a three year utility rolling base in the calculation. Basically, if the Authority had a lot of utility expenses in a

previous year, it would get more money the following year and it effects the three year average. We have had some warm winters, which is reflected in the reduction.

Commissioner Diaz inquired how receiving less money will affect the operations and asked if the rents go up to make up the difference. Mrs. Jones stated the rents would never go up because the funding was reduced. The rents are federally regulated. Mrs. Jones stated when the funding is cut back there may be work items that do not get completed and/or a reduction in staff. Mrs. Jones stated the Authority has basically three divisions: COCC, Public Housing and Section 8. Congregate is a division as well, but it is small. Almost all of the Authority's administrative staff are paid out of COCC or Public Housing/Section 8, but the maintenance staff is paid 100% out of Public Housing. It will directly affect that area more than others and affects the Public Housing properties specifically. The Authority has some reserves, but it does not have the maximum four months' worth of reserves that HUD allows it to have.

Commissioner Chapman arrived. Mrs. Jones briefly updated him on her report.

With no other discussion in related matters, the Chairman moved to the Committee Report – Reorganization Committee. Commissioner Ruiz-Mesa reported a phone conference was held between Commissioners Chapman, Asselta and himself and decided that if Chairman D'Orazio were to resign than the next appropriate candidate for Chairman would be Commissioner Chapman due to his experience with the organization and being the most qualified.

Chairman D'Orazio stated at this point he had his arm twisted a little bit to stay. Chairman D'Orazio asked for clarification from Mr. Gabage in regards to reappointment. Mr. Gabage stated the State statute, which is the enabling statute, states that a Commissioner serves until he or she is replaced. The Chairman asked to hold off on this issue and move through the meeting.

## **OLD BUSINESS**

Mrs. Jones stated last month the Board discussed the Rental Assistance Demonstration Program (RAD), which would effectively replace operating and capital fund subsidies. It is an attempt to stabilize the funding the Authority receives. HUD stated RAD applications that are received by December 3, 2013, will receive 2012 funding. Mrs. Jones would like to discuss RAD further as well as D'Orazio Terrace's needs and also discuss the possible disposal of the Scattered Sites as it relates to the Bond debt.

Mr. Ginnetti stated originally HUD was authorized by Congress to convert 60,000 units to RAD. The House has passed a bill to increase that to 120,000 and the Senate has passed a bill to increase to 150,000 units. Under normal circumstances, the two chambers get together and negotiate the difference in their bills, but as we know, they are not currently seeing eye-to-eye. The 60,000 units may be filled, but they are stilling urging authorities to apply as some applications may be rejected or if a bill is passed to increase the number of units, you can placed next in line for approval.

The issue the VHA has is the Bond. Under RAD, the Capital Bond has to be paid off. In conversation with HUD, Mr. Ginnetti stated that the Authority has a scattered site project, which may be ideal for a disposition application and a sale to pay off the bond. HUD stated it was a very viable approach and can be used in the VHA's proforma to show how the bond would be paid off.

The remaining three AMP's were reviewed for RAD. Preliminarily, looking at a feasibility study and if the bond was paid off, Tarklin and Asselta would work well under RAD financially. Kidston and Olivio may be viable since the buildings are in significant better condition than what the physical needs assessment indicate. Mr. Ginnetti agrees, but it will be looked at a little further. If it turns out that Kidston and Olivio does need the amount of work that the physical needs assessment stated, it

will not be a viable application for RAD at this time. There has been a lot of work completed at Parkview recently and doesn't have many needs at all. Parkview would work well under RAD as long as it is being managed with other properties. D'Orazio needs significant repairs and/or a rebuild. But without question, D'Orazio is a project that will need tax credits. The Authority would have to get a development partner. Mr. Ginnetti recommends the Authority start pursuing a development partner to help redo the D'Orazio site. D'Orazio does not work in regards to RAD.

Mrs. Jones stated that under RAD the Authority could move forward with Tarklin, Asselta and Parkview. Those applications need to be approved by the Board before they get submitted, which would be at the next board meeting on December 19<sup>th</sup>. It is also required to hold two resident meetings at each project. Since there is financing involved, the Authority will also need to solicit lenders who will sign a preliminary mortgage approval, which is part of the application. Mrs. Jones asked if the Board was comfortable with the Authority moving forward with the RAD applications for Tarklin and Asselta combined and with a separate application for Parkview. Kidston and Olivio would need to be reviewed further. Mrs. Jones anticipates there will be more than 60,000 units approved and as long as the VHA is in the queue by the end of the year, it will have its place in line. Mrs. Jones would like to see the Authority in line for the next 60,000, if it does not make the first 60,000. If, for some reason, the Authority decides it does not want to move forward with RAD, it can always withdraw its application. The Authority is not committed to anything until closing. Once you have closing, the Authority is no longer funded in the traditional sense.

Commissioner Chapman stated the Authority has always had that federal preemptive protection of being HUD properties. Once the Authority becomes private properties, zoning becomes an issue for the Authority. You will start to hit threshold issues that private industries hit. Mr. Ginnetti stated what will be proposed in the RAD application is conversion, not transfer of ownership so the ownership stays with the Housing Authority. Therefore, the existing cooperation agreement with the City is still in effect. The only thing that concerns Commissioner Chapman is making sure the City is on board and has an understanding of this. He thinks the zoning issues would be addressed, as well. Mrs. Jones stated nothing is changing other than how the Authority receives its funding. Commissioner Chapman understands that but when you have a property that you have a use on and you want to do whatever you want, specifically major renovations, if you do not have the zoning designation that adds a zoning application process to any building permit you may need. The Authority does not currently go through this process. He suggests this be addressed. Commissioner Chapman stated his comments aren't based upon not wanting to submit the application, but he does believe there are conversations needed with the current City's Administration. Mr. Ginnetti stated the application does not require nor should the Authority involve the City in this application process. Mr. Gabage stated anytime the Authority has gone in front of the Zoning Board, it has treated the Authority as a private corporation and the Authority had to satisfy the zoning law.

Rick Ginnetti stated that in the RAD conversion part of the ownership structure has to include a quasi-government entity (i.e. Housing Authority) because they want to maintain that piece. The Authority can transfer the property to a developer, but in that general partnership, the managing agent has to be a government entity.

Mrs. Jones stated that for D'Orazio Terrace, the initial step would be to issue an RFP for a developer to see if the Authority could get some interest and ideas on how to redevelop the property. Commissioner Ruiz-Mesa asked what type of work is needed at D'Orazio. Mrs. Jones stated D'Orazio needs its interior completely redone, new roofs, heating and extensive structural issues from the joists up, which is a result of 40 plus years of excess moisture in the crawl space. D'Orazio's community building also needs to be torn down. It would also be nice to increase and improve parking at the property.

The RAD applications are the priority and then the RFP for D’Orazio can be worked on alongside the RAD application and the disposition application for the scattered sites. This will be a lot of work and it will be split up amongst the management team at VHA, as well as with Rick Ginnetti’s assistance.

Mrs. Jones asked the Board for any comments and/or questions. Chairman D’Orazio stated he did not have any objection. Commissioner Chapman stated he did not have any objection and believes the VHA is going in the right path. There was a further brief discussion on the renovations needed at D’Orazio, as well as the piece of land next to it. Mrs. Jones stated the disposition application for the scattered sites will be a long process. Mrs. Jones briefly referred to the disposition process that the Glassboro Housing Authority has recently gone through.

Commissioner Chapman asked if any resolutions are needed this evening in regards to what has been discussed. Mrs. Jones stated the RAD application will be brought to the Board in December, which will require a resolution at that time. Administratively, VHA will continue with the process as long as the Board is in agreement with this course of action based on what has been discussed. Commissioners Chapman and D’Orazio had no objection and there were no comments from any other Board Members.

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

**Resolution #2013-85**  
**Resolution to Approve Monthly Expenses**

Chairman D’Orazio stated Commissioner Ruiz-Mesa reported he reviewed all the bills and recommended payment in the sum of \$720,527.85. Commissioner D’Orazio called for a motion to approve the monthly expenses. 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	(Absent)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2013-86**  
**Resolution Authorizing that the Administrative Office  
Petty Cash Fund be increased to \$300.00**

Mrs. Jones explained part of the petty cash will now be used towards purchases made by the maintenance department for small purchases. Chairman D’Orazio called for a motion to approve Resolution #2013-86. 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	(Absent)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2013-87**  
**Resolution Establishing Amendment to Capitalization Policy**

Mrs. Jones explained if the VHA purchases an item under \$2,000 it can be expensed and not capitalized. Chairman D’Orazio called for a motion to approve Resolution #2013-87. A motion was made by Commissioner Chapman; 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	(Absent)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2013-88**  
**Accounts Receivable Decried as Uncollectible**

Chairman D’Orazio called for a motion to approve Resolution #2013-88. A motion was made by Commissioner Chapman; 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	(Absent)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2013-89**  
**Resolution to Enter into an Agreement with the City of Vineland Pursuant to the Commodity Resale Provisions of the Cooperative Purchasing Rules (N.J.A.C. 5:34-7.1 et seq.)**

Chairman D’Orazio called for a motion to approve Resolution #2013-89. 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	(Absent)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2013-90**  
**Approval of Operating Subsidy 2014**

Chairman D’Orazio called for a motion to approve Resolution #2013-90. 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	(Absent)
Chairman Robert A. D’Orazio	(Yes)

**Resolution #2013-91**  
**Resolution to Enter Executive Session**

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

**Resolution #2013-92**  
**Resolution Approving Application for Payment No. 14  
for Melrose Court Predevelopment Loan**

Chairman D'Orazio called for a motion to approve Payment No. 14 for Melrose Court Predevelopment Loan in the amount of \$797.50. A motion was made by Commissioner Diaz; seconded by Commissioner Ruiz-Mesa. The following vote was taken:

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

No comments from the press and/or public.

The approval of the minutes of the regular meeting held on October 17, 2013 was initially tabled at the beginning of the meeting due to lack of a quorum. There are now enough members of the board present to approve the minutes.

The Chairman entertained a motion to approve the minutes of the Regular Meeting held on October 17, 2013. A motion was made by Commissioner Chapman and 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	(Abstain)
Commissioner Brian Asselta	(Absent)
Chairman Robert A. D'Orazio	(Yes)

Chairman D'Orazio returned to continue the report from the Reorganization Committee. Chairman Chapman stated it depends on Chairman D'Orazio. He stated if Mr. D'Orazio wants to stay, then he will stay as Chairman. There can also be motions from the Board. Mr. Gabage stated he now sits as a solicitor on many housing authorities and he can say that previously he had nothing to compare it to. He cannot tell the VHA Board what stars they are. The VHA Board has a good chemistry and has been that way for several years. Mr. Gabage's concern about the departure of any of the current Board Members would be to have the chemistry destroyed by letting in the unknown. Chairman D'Orazio stated that things should be left as is unless something happens and he is not reappointed by council. He has been convinced to stay for a while, but cannot promise 5 years, which is his biggest concern. Mr. Gabage stated the consensus of committee is that Mr. D'Orazio should remain as chairman. He asked for the committee's recommendation on Vice Chair. Commissioner Chapman stated Commissioner Ruiz-Mesa is Vice Chair and he recommends leaving the Vice Chair position as is as well.

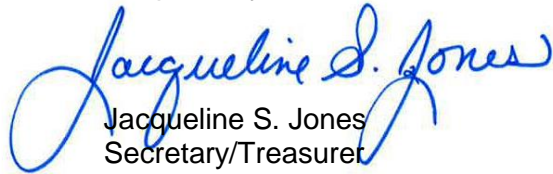
The meeting was turned over to the Solicitor. Mr. Gabage stated the Board should have a vote today. It appears there is a consensus that Mr. D’Orazio would be the Chairman, Mr. Ruiz-Mesa would be the Vice Chairman and Jackie Jones would be Secretary/Treasurer. Mr. Gabage will consider that as the nominations and asked for any other nominations. Seeing none, Mr. Gabage closed the nominations and requested a vote. A vote yes would mean the Board would vote in favor of the three people mentioned. Chairman Diaz asked if the Board votes tonight everything will stay the same and if something happens would the Board have to vote again. Mr. Gabage stated that if Mr. D’Orazio is not reappointed by City Council, there would be another election to appoint a new Chairman. Commissioner Ruiz-Mesa asked if Mr. D’Orazio would automatically be appointed by City Council. Mr. D’Orazio stated it is not automatic. In previous years, he has expressed an interest to the City Council that he wanted to be reappointed. This year he initially did not have the interest and secondly, he does not know any City Councilperson. He has always known someone on City Council before that he could contact.

The following vote was taken for Mr. D’Orazio as Chairman, Mr. Ruiz-Mesa as Vice Chairman and Jacqueline Jones as Secretary/Treasurer:

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

With no further business to discuss, Chairman D’Orazio entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Chapman; 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 8:38 p.m.

Respectfully submitted,

  
Jacqueline S. Jones  
Secretary/Treasurer