

Housing Authority of the City of Vineland

REGULAR MEETING
Thursday, January 18, 2018
7:00 p.m.

The Regular Meeting of the Housing Authority of the City of Vineland was called to order by Chairman Mario Ruiz-Mesa on Thursday, January 18, 2018, 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	(Absent)
Commissioner Rudolph Luisi	
Commissioner Nicholas Fiocchi	
Commissioner Alexis Cartagena	(left @ 7:44 p.m.)
Commissioner Daniel Peretti	
Commissioner Brian Asselta	
Chairman Mario Ruiz-Mesa	

Also present were Jacqueline Jones, Executive Director, Wendy Hughes, Assistant Executive Director, Charles W. Gabage, Esquire – Solicitor, Dan Avena and Linda Cavallo – Accountants, Sandy Velez, Assistant Asset Manager - Occupancy, Ron Miller, Assistant Asset Manager – Operations, Gloria Pomales, Executive Assistant and Rick Ginnetti, Consultant – The Brooke Group.

Chairman Ruiz-Mesa read the Sunshine Law.

Chairman Ruiz-Mesa entertained a motion to approve the minutes of the Regular Meeting held on December 21, 2018. A motion was made by Commissioner Peretti and seconded by Commissioner Fiocchi. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Yes)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Abstain)
Chairman Mario Ruiz-Mesa	(Yes)

Chairman Ruiz-Mesa called for the Financial Report from the Fee Accountant. Linda Cavallo reviewed the Financial Report for the three months ended December 31, 2017. Mrs. Jones commented in regards to the HAP revenue and expenses. The Authority is using funds from the last fiscal year as part of the HUD “cash management” program so it appears there is a HAP loss, but the Authority actually has the funds. It will eventually catch up.

Chairman Ruiz Mesa requested the Executive Administrative Report. Mrs. Jones updated the Board on the possible government shut down. The government shut down does not effective the VHA's day to day operations. The VHA has reserves for several months. It does effect the Section 8 housing assistance payments to the landlords. Since the Authority is under a cash management plan with HUD, they do not allow the Authority to keep any reserves for the Section 8 Program. Therefore, there would not be enough funds to pay landlords. If

there is a government shutdown, the VHA will send out a post card to all the landlords to inform them of the housing assistance payment delay.

The fire incident repairs at Kidston Towers have begun. The Authority has experienced several broken pipes due to low temperatures. Parkview broiler blew up and an air handler burned out at Kidston Towers. Everything is back online.

Mrs. Jones stated Rick Ginnetti will be updating the Board tonight on the Rental Assistance Demonstration (RAD) Program. There are a couple of resolutions tonight to be approved for the RAD conversions for Tarkiln/Asselta and Parkview. This is a major step in the RAD conversion process.

Committee Reports: None.

Old Business: Rick Ginnetti reported the VHA is in the final stages of the RAD conversion for Tarkiln/Asselta and Parkview. In late December HUD approved for those properties the submission the Authority made of the financial plan. Mr. Ginnetti explained the Resolutions presented tonight are for the authorization for the Executive Director to sign the conditional commitment and to take all actions for closing on these two conversions. The closing for Tarkiln/Asselta will probably take 4-6 months. The closing for Parkview may take about 90 days. Once the resolution is approved it will be uploaded to HUD. The next process is to get all the legal documents together and submit to HUD for final approval. Then closing can be scheduled. Mr. Ginnetti briefly refreshed the Board on the RAD program. RAD is converting Public Housing to a Section 8 Project Based housing. The difference is basically from the housing authority's management side. All residents remain and qualify. Mr. Ginnetti explained the management of the RAD conversion and discussed how the transaction will work. He reviewed the financing for the RAD conversion and the involvement of lenders, Capital Bank and the Cumberland County Improvement Authority. He also discussed some improvements and construction costs for the improvements and overall conversion expenses and fees. The Board was provided with a flow chart. Mr. Ginnetti reviewed and explained the Tarkiln/Asselta flow chart. The VHA will maintain ownership of the property. HUD has a regulation stating a housing authority cannot have a Section 8 voucher and pay itself money from the Section 8 Program. The Authority will need to have another entity as the Housing Authority Payment (HAP) owner. The HAP owner will be an entity created by the Authority. Mr. Ginnetti recommends an instrumentality because it can be run by the same board. The tenant's relationship would change and their current lease through public housing will be cancelled. The tenants will receive a new lease with the new entity. The housing authority will pay the HAP payment to the new entity. There will be a property leasing and management agreement between the Housing Authority who is the property owner and the new entity. In the agreement, the Housing Authority will have the responsibility to act as the service provider to the new entity. The Housing Authority will provide the personnel for the new entity. Setting up this structure, under RAD all federal regulations on the property go away because Section 8 money is not considered federal money and is considered private money. It is the private side of affordable housing. The entity with the agreement will allow the entity to pass all the money back to the Housing Authority to pay its staff and expenses. This project creates a cash flow and the Board can decide what to do with the cash flow without federal regulations. The difference with the Parkview RAD conversion is there is not a lender, but there is an entity. Mr. Ginnetti reviewed and explained the flow chart for the Parkview RAD conversion. Tarkiln/Asselta and Parkview will be converted to Project Based Vouchers. The vouchers do not come from the Authority's existing pot of vouchers. HUD will give you the new vouchers for these properties and will provide the Authority with the HAP money that goes along with the new vouchers because they are going to take away the public housing money the Authority receives now. HUD will pay the Authority an administration fee for administering the vouchers. There will be an increase in administration revenue to the Housing Authority. The Authority will still be required under Section 8 to complete HQS inspections by an outside housing authority as well as a Rental Reasonableness study. Commissioner Luisi asked if this would affect the Authority's current Section 8 Program. Mr. Ginnetti stated it increases the VHA's Section 8 program and makes it bigger, but it does not affect the tenant based vouchers. The amount the Authority has for tenant based vouchers remains the same. The Authority will receive new project based vouchers for the RAD conversion projects. Once these properties convert to RAD and are project based vouchers, any tenant that is in a unit that has a project based voucher is now in the Authority's Section 8 Program

and after one year in their lease they are allowed to request a tenant based voucher, but the Authority has to have one available. If a voucher is available they get a preference and can get that voucher to enable them to port out of the area if they wish to or find something in the same area. Mr. Ginnetti recommends establishing a "turn-over cap", which you are allowed to do under RAD. This means for every 4 tenant based vouchers that get turned over the Authority can chose to make 1 out of 4 available to a possible eligible project based resident. Mrs. Jones stated this RAD conversion also provides a stable income base. With the RAD program, HUD guarantees that they will never lower the subsidy below what it is at closing.

New Business: None.

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

Resolution #2018-01
Resolution to Approve Monthly Expenses

Chairman Ruiz-Mesa stated he reviewed all the bills and recommended payment in the sum of \$1,055,360.53. A motion was made by Commissioner Peretti; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2018-02
Resolution Approving Official Newspaper for Business Related Matters

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-02. A motion was made by Commissioner Peretti; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2018-03
Resolution Approving Official Newspaper for Contracting Purposes

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-03. A motion was made by Commissioner Asselta; seconded by Commissioner Peretti. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)

Chairman Mario Ruiz-Mesa (Yes)

Resolution #2018-04

Resolution Authorizing Expenditures with 2016 Capital Fund for Purchasing of an Enclosed Trailer

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-04. A motion was made by Commissioner Peretti; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2018-05

Resolution Authorizing Expenditures with 2016 Capital Fund for Purchasing of Maintenance Equipment

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-05. A motion was made by Commissioner Asselta; seconded by Commissioner Peretti. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2018-06

Resolution to Execute the RAD Conversion Commitment (RCC) for Tarkiln Acres and Asselta Acres

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-06. A motion was made by Commissioner Peretti; seconded by Commissioner Asselta. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2018-07

Resolution to Execute the RAD Conversion Commitment (RCC) for Parkview Apartments

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-07. A motion was made by Commissioner Asselta; seconded by Commissioner Peretti. The following vote was taken:

Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)

Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

Resolution #2018-08
Resolution Approving Operating Subsidy 2018

Chairman Ruiz-Mesa called for a motion to approve Resolution #2018-08. A motion was made by Commissioner Peretti; seconded by Commissioner Asselta. The following vote was taken:

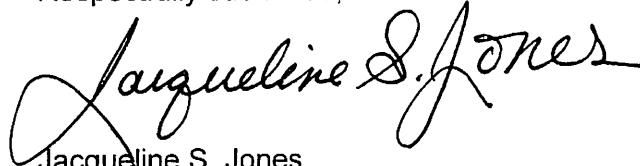
Commissioner Chris Chapman	(Absent)
Commissioner Rudolph Luisi	(Yes)
Commissioner Nicholas Fiocchi	(Yes)
Commissioner Alexis Cartagena	(Absent)
Commissioner Daniel Peretti	(Yes)
Commissioner Brian Asselta	(Yes)
Chairman Mario Ruiz-Mesa	(Yes)

There is no need for Executive Session tonight.

Chairman Ruiz-Mesa asked for comments from the Commissioners, press and/or public.

With no further business to discuss, Chairman Ruiz-Mesa entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Asselta; seconded by Commissioner Peretti. The vote was carried unanimously by the Board Members present. The Regular Meeting of the Board of Commissioners was adjourned at 8:00 p.m.

Respectfully submitted,



Jacqueline S. Jones
Secretary/Treasurer