

# **Housing Authority of the City of Vineland**

**REGULAR MEETING**  
**Thursday, July 23, 2020**  
**3:00 p.m.**

The Regular Meeting of the Housing Authority of the City of Vineland was called to order via teleconference by Chairman Ruiz-Mesa on Thursday, July 23, 2020 at 3:00 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 Rudolph Luisi	
Commissioner Alexis Cartagena	<b>(Absent)</b>
Commissioner Gary Forosisky	<b>(Absent)</b>
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, Linda Cavallo – Accountant, Rick Ginnetti, The Brooke Group and Gloria Pomaes, Executive Assistant.

Chairman Ruiz-Mesa read the Sunshine Law.

Chairman Ruiz-Mesa entertained a motion to approve the minutes of the Regular Meeting held on June 18, 2020. *Tabled for next month.*

Chairman Ruiz-Mesa called for the Financial Report from the Fee Accountant. Linda Cavallo reviewed the Financial Report for the nine months ended June 30, 2020.

**Committee Reports:** Commissioner Chapman provided a Contract Committee report. The Contract Committee reviewed the Environmental Services Contract proposals received virtually. The Committee recommends an award to Pennoni Associates, Inc. to provide environmental services for the VHA. No questions from any Board Members.

Commissioner Chapman provided a Budget Committee report. The Budget Committee reviewed all the budgets provided. The Budget Committee recommends approval of budget.

**Old Business:** Rick Ginnetti provided an update on the Kidston and Olivio Towers RAD conversion. The VHA has been working on the Kidston/Olivio RAD conversion for a couple of years. In late May, the RAD financial plan was submitted to HUD. This week an email was received approving the transaction. Normally, a RAD Conditional Commitment (RCC) is received from HUD, but HUD is still working remotely and things are delayed. Receiving the email will allow the VHA to get started on the next step. Once the RCC is received, a resolution will need to be passed next month authorizing the Executive Director to execute the RCC and take all actions necessary to get to closing. As a note, the Affordable Housing Corporation of Vineland will need to pass one or two resolutions next month as well authorizing its execution of documents to carry out this transaction. This transaction follows the pattern that was done with the Tarkiln/Asselta/Parkview transaction where the AHCv is the project HAP owner and in HUD's mind they are the project owner. Rent is payable to the AHCv and leases with the tenants are signed with the AHCv. However, there is an agreement with the VHA to provide management and all the operational necessities for the AHCv. The VHA is going to be the Section 8

administrator for the RAD conversion. The housing authority cannot pay a HAP payment to itself so HUD determined the best course of action is to setup affiliated non-profits to be the HAP owner. Rick Ginnetti reviewed the budget for the Kidston/Olivio project. The sources of some of the funds come Ocean First Bank, which is generated by a tax-exempt bond, the Federal Home Loan Bank as well as the VHA. In the resolution part of the meeting there is resolution 2020-40 acknowledging the Local Finance Board's of positive findings of the application. The Local Finance Board finds the deal as being financially sound and recommended moving ahead on the deal. This is a requirement for any tax-exempt offering that a housing authority issues. Rick Ginnetti discussed and explained the resolution acknowledging the Local Finance Board's findings. The usage of funds was discussed. Some of the funds will go to toward paying down the capital fund bond to eliminate a portion of the payment the VHA has to make. It will also reimburse all the VHA's out of pocket costs to date for the RAD conversion, the soft costs and project management costs to run the project through construction will be covered and to fund operating reserves and the operating account as well as upfront funds in a replacement for reserve account so that if there any additional repairs that are needed there is money available. There will be funds for the construction work that consists of the risers and bathrooms at Kidston, the roofs and repointing and resealing of the brick at both buildings, replacement of windows at Olivio and some common area windows at Kidston, upgrade common area bathrooms, accessibility upgrades throughout the building, common area ceiling tiles as well as lighting in units, common area and common area lights to make them high efficiency LEDs. If within the budget, additional work may include elevator rehabilitation in Olivio and security cameras.

COVID-19 has slowed the RAD conversion process down. A policy has to be developed for the contractors as well as the housing authority staff to make sure to the greatest extent possible that contractors and residents are kept separated. Protocols are being developed that the contractor will have to follow to ensure the VHA keeps the residents safe. As things progress if anything changes with the virus or there is a spike that is unreasonable certain work may be delayed.

There is going to be significant work in the units at Kidston. There will be temporary relocation of the residents. The residents have been notified and multiple meetings have been held to inform them. The residents were sent general information notices with respect to relocation. The residents at Kidston may be temporarily out of their units for approximately 4-6 weeks. The plan is to vacate up to 20 units and fix those units up as a "hotel suite" to move residents into those units while their units are be renovated.

Ten (10) units at Kidston and Olivio will be converted to traditional project-based vouchers at 110% of the Fair Market Rent as opposed to the lower rated RAD voucher. This generates approximately an additional \$44K a year worth of income. There is enough revenue to pay all current expenses, fund the replacement reserve account for future capital reserve and still have a cash flow.

The RCC should be issued tomorrow or beginning of next week. It will take about 30 days to fully draft the closing package and send to HUD. HUD has been taking 60-90 days to review. The Authority is hoping to get it to 30-60 days for their review of the final package to enable the VHA to close this transaction in October or November of this year. The timing is tight because everything is moving slower due to people's work schedule due to the COVID-19.

There have been ongoing resident communications. The last resident meeting was held through Zoom. The residents have a designated number directly to Rick that they can call with any questions.

Mrs. Jones stated the plan for D'Orazio is to wait until the Fall to discuss the project. Depending on the status of COVID and determining if there is some way the Board can meet in person to discuss the project, which was the next step in the process, evaluate which direction to go.

Rick provided an update on the Scattered Sites. The Authority has been working on the disposition of the Scattered Sites for a few years. HUD had changed their guidelines where the Scattered Sites did not qualify for the disposition process proposed and then within a year HUD changed it back to make it qualify. HUD is actually at the point now where scattered site housing is an automatic approvable disposition because they are trying to get rid of them across the country because over time they cannot be maintained. The VHA had to reappraise all the scattered sites and submitted its revised final package to HUD. HUD has approved the scattered sites disposition, but not prior to asking all their questions. The approval had some statements that were not acceptable to how the VHA wants to sell the properties. The VHA had to get a final determination of how much work was to be done on the properties to sell them. They were appraised at market value but being able to get a mortgage. In New Jersey, you are not going to be able to sell a property with a septic system without going in and replacing the septic system. The VHA wants to upgrade any properties in need of code compliance. The biggest issue is HUD did not want to allow us to sell those properties at market value to the authority's residents. That is clearly a fair housing violation and we cannot discriminate. HUD's only policy allows us to sell it to the residents. The original reviewer was confusing a HUD Section 32 Homeownership Plan where you actually do sell your homes to your residents but at a reduced price. The VHA wants to sell the houses at full market value and provide Section 8 vouchers to its residents. If the resident wanted to purchase the house, the affordability was made up with the Section 8 voucher. The VHA wants to follow the relocation requirements and the fair housing regulation and sell these houses to the residents if they want to buy them at the appraised value. Rick spoke to another HUD reviewer last week and he agreed. HUD is reviewing the application with the committee and the VHA should hear an approval with the ability to sell to the residents some time in the next couple of weeks. The next step would be to apply for the tenant protection vouchers as well as meeting with residents one-on-one. The homeownership counseling, budget and credit counseling, which are done in person is a challenge right now. Discussions on possibly scheduling counseling at the Corbin Center practicing social distancing. The virus has affected a lot of things and things are moving slower than we would like. The approval should be received shortly.

Mrs. Jones stated in the past there was discussion about updating the VHA's homeownership policy. She asked Rick to provide an overview of the Homeownership Policy and how it relates to Section 8, how it relates to a Section 8 voucher and the possibility of maybe some down payment assistance for the VHA's residents if they are interested and qualify to purchase a home. Rick initially reviewed the VHA's Section 8 homeownership plan and he felt there were several areas that needed to be modified in the regulatory area and operational changes that would benefit to make it work better. This will be something to get back to the Board for review and approval if not in August but in September. Rick also discussed down payment criteria in the relocation plan and the importance of counseling for the residents who wish to purchase a home.

Mr. Gabage stated under the previous homeownership programs the housing authority was permitted to keep the money from the sale of the homes. He asked if this would happen with the sale of these homes. Rick stated the yes. The sale of these homes is not a homeownership program. The Section 8 is a homeownership program. This is a straight disposition and when the application was submitted to sell these homes it was stated the VHA wanted to use the resale proceeds to further affordable housing in Vineland as well as use the proceeds on its RAD projects for rehabilitation if necessary and if money is available after that to help develop other affordable housing projects. In HUD's approval, they are going to allow us to keep the sales proceeds for that. In September, if D'Orazio is discussed, Rick may show some budgets to the Board on how the Board may possibly redevelop D'Orazio as a self-development.

**New Business:** None.

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

**Resolution #2020-35**  
**Resolution to Approve Monthly Expenses**

Chairman Ruiz-Mesa has reviewed the expenses and recommends them for payment in the sum of \$1,232,933.47. A motion was made by Commissioner Asselta; seconded by Commissioner Chapman. The following vote was taken:

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

**Resolution #2020-36**  
**Resolution Awarding Environmental Services Contract**

Chairman Ruiz-Mesa called for a motion to approve Resolution #2020-36. A motion was made by Commissioner Asselta; seconded by Commissioner Chapman. The following vote was taken:

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

**Resolution #2020-37**  
**Resolution Approving Operating and State Budget 2020-2021**

Chairman Ruiz-Mesa call for a motion to approve Resolution #2020-37. A motion was made by Commissioner Asselta; seconded by Commissioner Chapman. The following vote was taken:

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

**Resolution #2020-38**  
**Resolution Awarding As-Needed Yardi Consulting Services**

Mrs. Jones explained Yardi is the software currently being used for property management and accounting purposes. During COVID-19, the Authority started using more features of the software. The VHA wants to expand upon that and be able to use the Yardi waiting list portal for

the residents and the landlords to be able to communicate more efficiently especially during this COVID-19 environment. This resolution authorizes the VHA to go beyond the \$17,500 limitation. The Authority can authorize this because Ron Miller is a Qualified Purchasing Agent. This resolution gives the Authority the approval to do this. This will take the Authority through September 30, 2020. Chairman Ruiz-Mesa called for a motion to approve Resolution #2020-38. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The following vote was taken:

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

**Resolution #2020-39**  
**PHA Certification of Compliance Annual Plan**

Mrs. Jones stated the 5 year and annual plan is something the Authority is required to do as a public housing authority. This year it is the beginning of the 5-year plan. It lists all the goals and objectives the Authority has for the next 5 years. The Authority has repeated its goals and objectives for the last few years, and this includes a conversion to RAD, the disposition of the scattered sites as well as redevelopment of D'Orazio. If these items are not listed in the plan, then the Authority is not permitted to move forward. Chairman Ruiz-Mesa called for a motion to approve Resolution #2020-39. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The following vote was taken:

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

**Resolution #2020-40**  
**Resolution Acknowledging Finding of Local Finance Board**

Mrs. Jones explained this resolution is acknowledging the approval of the Local Finance Board for the Authority to move forward with the issuance of \$3.6M in housing revenue bonds. This will be for the Kidston and Olivio properties. Chairman Ruiz-Mesa called for a motion to approve Resolution #2020-40. A motion was made by Commissioner Asselta; seconded by Commissioner Chapman. The following vote was taken:

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

There is no need for Executive Session.

Chairman Ruiz-Mesa asked for comments from the press and/or public. No comments. No additional comments from Board Members.

With no further business to discuss, Chairman Ruiz-Mesa entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Chapman; seconded by Commissioner Asselta. The vote was carried unanimously by the Board Members present. The Regular Meeting of the Board of Commissioners was adjourned at 3:44 p.m.

Respectfully submitted,



Jacqueline S. Jones  
Secretary/Treasurer