

**MINUTES OF THE ASBURY PARK HOUSING AUTHORITY BOARD OF
COMMISSIONERS REGULAR MEETING HELD OCTOBER 15, 2018.**

The session convened at 6 PM with the following persons present.

Present:

Chairperson Gregory Hopson
Vice Chair Frank Syphax
Commissioner Charlotte McAllister
Commissioner Donna Troppoli
Commissioner Carol Torre (6:11p arrival)

Absent:

Commissioner Angeline Brown

Also Present:

Thomas Sahlin, Executive Director
Qaasim Johnson, Director of Housing
Lester Taylor, Esq., Legal Counsel

Required notice read by Thomas Sahlin.

NOTICE: In accordance with the Local Public Meetings Act of 1975 and as amended, advanced notice of the meeting including the Agenda, was sent to the local newspapers, delivered to the City Clerk's Office, posted on the Asbury Park Housing Authority website, and posted at all Asbury Park Housing Authority Offices at least (48) hours prior to convening the meeting.

Salute to the Flag led by Thomas Sahlin.

PUBLIC PARTICIPATION

Chairman Hopson- At this time we as usual we will do our public comments. Please keep your comments to 3 minutes. Give your name and your location and we will have our first person.

Joseph Mitchell, Robinson Towers- I want to thank the board especially Q for putting out the letters saying that there are telephone times to be available to call the office and for the walk in times that will be available for us to be able to see somebody personally, I really appreciated that, thank you.

**RESOLUTION 10-01-2018- RESOLUTION APPROVING EXPENDITURES FOR THE
MONTHS OF SEPTEMBER 2018, INCLUDING SECTION 8 EXPENDITURES.**

Acceptance of this Resolution was moved by Chairman Hopson, seconded by Vice Chair Syphax.

Commissioner Troppoli- Question, this isn't about the bills. Um, am I missing this or the minutes aren't on this agenda?

Thomas Sahlin- They are not on this agenda, they will be caught up on the next agenda.

(There were no further discussions or comments on this Resolution from the Commissioners.)

Ayes- Commissioners Torre, McAllister, Troppoli, Vice Chair Syphax, Chairman Hopson

Opposed-None

Absent-Commissioner Brown

Abstain- None

Motion Passes

RESOLUTION 10-02-2018- RESOLUTION ADOPTING THE 2018-2019 APPROVED OPERATING BUDGET AND AUTHORIZING SUBMISSION OF SAME TO DEPARTMENT OF COMMUNITY AFFAIRS

Acceptance of this Resolution was moved by Vice Chair Syphax, seconded by Commissioner Troppoli.

Vice Chair Syphax- Was this the same thing we had in March?

Thomas Sahlin- It's the exact same. The numbers have not changed. The process with "DCA" always is that we introduce a budget, you approve it, we submit it to "DCA". We just received their approval last week and now we must adopt it.

(There were no further discussions or comments on this Resolution from the Commissioners.)

Ayes- Commissioners Torre, McAllister, Troppoli, Vice Chair Syphax, Chairman Hopson

Opposed-None

Absent-Commissioner Brown

Abstain- None

Motion Passes

RESOLUTION 10-03-2018 RESOLUTION AUTHORIZING LEGAL SERVICES (GENERAL COUNSEL) TO THE LAW OFFICE OF MANDFREDI AND PELLECHIO

Motion made by Chairman Hopson to take into Executive Session, seconded by Commissioner McAllister

It was presented to the Board and taken into Executive Session. Once out of Executive Session, the decision was made to continue legal services with Florio, Perrucci, Steinhardt, and Cappelli.

Ayes- Commissioners Torre, McAllister, Troppoli, Vice Chair Syphax, Chairman Hopson

Opposed-None

Absent-Commissioner Brown

Abstain- None

Motion Passes

**RESOLUTION 10-04-2018 RESOLUTION APPROVING THE CONTRACT
AMENDMENT BETWEEN THE ASBURY PARK HOUSING AUTHORITY AND
FLORIO, PERRUCCI, STEINHARDT, AND CAPPELLI, LLC.**

Acceptance of this Resolution was moved by Vice Chair Syphax, seconded by Commissioner McAllister.

Commissioner Troppoli- Can someone please summarize that for me please?

Thomas Sahlin- Yes. So we entered into a contract for 2017-2018 with Florio, Perrucci and I'm going to say "and all", Lester's firm. In the course of that contract for general counsel, we ended up incurring additional expenses outside the original scope. We incur \$47 thousand and change related to the financial closing for Boston Way Village. I provided a breakdown of general counsel and landlord tenant representation, as well as for the RAD and ARIE. And the primary reason for going over the original not to exceed amount was due to that Boston Way Village closing. Now technically it is a separate source of funds from the operating costs of the legal contract. That being said if we had the opportunity with ARIE your CDC, to have that carved out and be a contract with your redevelopment agency, we would have done so. The only problem was ARIE didn't have any money until the closing of Boston Way. We actually haven't received that money just yet because HMFA experienced a delay with their bond issue. That being said from a procurement stand point, we just thought it was more responsible to do a contract amendment. The fund for that overage was offset by the ground lease payment that the housing authority received at closing. So again it's just keeping the procurement process in line with what we are supposed to do.

Commissioner Troppoli- Ok, thank you very much.

Vice Chair Syphax- Question. Is money in the ARIE account now or it's still pending?

Thomas Sahlin- Still pending, still pending. ARIE is due its first installment of its developer fee from the Boston Way. Again the trigger event was the bond issue HMFA. At this point they need to finalize the rate on that. And I have been told that by the end of the month it actually should be wire transfer should be in process. That's what I'm being told now.

Vice Chair Syphax- Oh, so that's what your being told? Ok. So that means that it probably won't be until next year.

Thomas Sahlin- If it's not until next year then it's really us and the developer that will be waiting on that because all three parties were subjected to the same restrictions on when that first equity installment can be distributed.

Chairman Hopson- I know initially we all thought that it was gonna happen right away but we found out about the bond issue and everything else so we are waiting, all three parts are waiting.

Thomas Sahlin- So currently, again even though they've announced that they are doing their bond issue, we're still subject to it being finalized.

Commissioner Troppoli- So, Tom what account is all this money coming out of please?

Thomas Sahlin- The bank account or what expense account?

Commissioner Troppoli- Expense account?

Thomas Sahlin- So the expense, it's actually being expensed against the income that we received from Boston Way. So as of right now it was coded as a technically a predevelopment expense from Boston Way but it's being charged off against the income that came into the Boston Way.

Commissioner Troppoli- Thank you.

Thomas Sahlin- Your welcome.

Thomas Sahlin- So at this point that takes care of all the resolutions with the exception.

Commissioner Torre- Don't we have to redo that roll call or did everyone vote on it?

Thomas Sahlin- Everyone voted yes, then Commissioner Troppoli had a couple of questions. So everyone's vote has been recorded. So we still do have, we have to go back to resolution 10-03 after we've gone into executive session. Before we do so and hopefully it's ok, I actually....

Chairman Hopson- Before you do that, Commissioner Torre has something she would like to share.

Commissioner Torre- Yes, I looking at the PHAS. Ok, this dates back to March? Did we see this before because I don't remember seeing one with that score?

Thomas Sahlin- No we actually just got that from HUD

Commissioner Torres- Ok I have a couple question about it.

Thomas Sahlin- Sure

Commissioner Torre- Ok, alright. So the way they did the scoring, ok the physical alright maybe but why is the financial score so low?

Thomas Sahlin- A large part of that is still a fact that we have that open audit finding dating back to 2010.

Commissioner Torre- We have the what?

Thomas Sahlin- The open audit finding dating back to 2010 which is that accumulative COCC deficient. So it's been something that has reoccurring, we have been shipping away at the accumulative deficient over the years until that....

Commissioner Torre- Which is that, what is that from?

Thomas Sahlin- It's from the 2010 independent audit that was conducted.

Commissioner Torre- Ok.

Thomas Sahlin- So at that time your central office had been operating at a deficient and the prior management had used surpluses from the sites to offset that deficient which is not allowed.

Commissioner Torre- I thought we paid that back, we didn't?

Thomas Sahlin- So it's less a matter of paying that back. The arrangement was that over time the central office would obviously decrease that deficient and that would be an open audit finding until it reaches zero. I can tell you from a draft copy of last year's audit for 3-31-18 it was obviously draft, not final yet, that deficient was cut from \$963,000 I believe it was to \$462,000. That's where it's currently at. Close to \$460,000.

Commissioner Torre- So as long as we have that deficient, this score will always be lower?

Thomas Sahlin- It will be lower, yes.

Commissioner Torre- Until we pay it all?

Thomas Sahlin- Until it's been brought to zero. So..

Commissioner Torre- Well how do we bring it to zero?

Thomas Sahlin- So by being as economically efficient as possible. Part of that is going to be coming from Boston Way. Our property manager fees because we negotiated a property management contract with the developer by continuing our redevelopment with Lincoln Village and reducing our reliance on the federal subsidies. I can tell you one thing, is that even though we got a little less conservative then the initial operating budget that was presented by Long Branch, we were still a bit conservative, on the operating subsidies. We are getting a much better rate this year than we anticipated. That's going to help.

Commissioner Torre- Is there more to that because that seems like a pretty heavy penalty? It looks like, you know almost a third.

Thomas Sahlin- It's the bulk of it but it's also the fact that not just the finding itself but our balance sheet. That deficient is recorded on the balance sheet. There are a lot of equations; debt to income ratios, liquidity, and thing like that that HUD uses to calculate that score and having that accumulative deficient on your balance sheet doesn't help.

Commissioner Torre- Ok what about the next one, the management?

Thomas Sahlin- The management. Alright so, your new Director of Housing, Qaasim and myself, we spent about an hour on the phone with the Newark field office. That's being driven by two major factors which are occupancy as of 3-31 and TAR which is Tenant Accounts Receivable as of 3-31. HUD wants us to keep at least a 96% occupancy rate. As of 3-31 we were at 93%, that's a big deal. So, we've actually been developing an action plan and a lot of the activities we've taken, that have taken place over the last couple of months have put somewhat of a dent and we just need to come up with a long term plan at keeping it at that level. So, I will get into the staff introductions shortly.

Commissioner Torre- Is that the 31 apartments that were vacant?

Thomas Sahlin and Chairman Hopson- Yes

Commissioner Torre- And we have?

Thomas Sahlin- We've leased up some and got warrants of removals on others so the numbers have been fluctuating. Part of our solution to that problem obviously is turning over units. And so today was your new Director of Maintenance's first day. We walked through all the senior sites. We looked at the vacant units, the state of each of them. Obviously we couldn't walk through every single vacant unit in one day. But it's going to be coming up with a plan to turn over units as quickly as possible. And then having the maintenance and management departments communicate more effectively so that units don't sit being unleased even though they've been turned over or maintenance isn't aware of units that have become vacant so they can actually start.

Commissioner Torre- Well these 31 though have been vacant a while.

Thomas Sahlin- They have been. A lot of them came from prior to the RAD. Units were intentionally not being filled to be able to have buffer units for the construction.

Commissioner Torre- But are they not rentable? Is that what your saying?

Thomas Sahlin- Some are still in the hands of maintenance. Others are actually they've been a challenge to try to get leased because I can tell you with Lumley Homes in particular, the efficiencies.

Commissioner Torre- Yea?

Thomas Sahlin- We will have individuals that come up on the waiting list, it's their turn to be offered a unit, and they are offered an efficiency and they actually a lot of them are outright turning it down. And saying I don't care if I get put to the bottom of the waiting list, I'm going to wait for a one bedroom.

Commissioner Torre- I know but I'm still, being in the business, I still cannot comprehend that people won't fill these quickly because I know there are people that want and need apartments and don't care the size. I mean maybe not the ones on our list but believe me, I hear it every day and people come to me and want apartments and I don't have them especially at the budget amount they are looking at. They don't exist.

Commissioner Troppoli- How many efficiencies are there?

Thomas Sahlin- In total?

Commissioner Troppoli- Well that are presently unrented. How big of a problem is this?

Qaasim Johnson- Currently two.

Commissioner Troppoli- Ok that doesn't sound so horrible.

Qaasim Johnson- Another major issue that we are facing is dealing with the fact that a lot of the applicants on the wait list that are coming up as being available for a unit, when we do our due diligence with the background check and things off that nature, they are disqualified for whatever reason. So that bumps us back to now having to go to the next person on the list. And even if that person is ready, they are dealing with the fact that they have to give 30 days' notice to their current landlord or not being prepared financially. So now we are in a waiting period to determine do we move on pass this person and go to the next person on the list which technically we cannot do based off of our ACOPS. So now we are sitting in possibly a 30-60 day turn around before we can actually get that unit leased and that's a lot of the issues that we are

dealing with now. So it's not that we are not bringing people in the door. It's just that some of the people we are bringing in the door...

Commissioner Torre- But they, at max, they have 30 days' notice to give where they live. And I know that there is a provision if they have a lease and they are on a waiting list for housing, they can break their lease.

Qaasim Johnson- Well, I don't know how the lease was set up with their current landlord. That's not something that I can get in the middle of negotiating for them.

Commissioner Torre- Clearly that's not the problem anyway because they have to give 30 days' notice.

Chairman Hopson- Correct.

Qaasim Johnson- Yes.

Qaasim Johnson- And that's if they are able to break the lease. Some people, if they are not on a month to month and they are on a year lease, they have to make the decision to either I'm going to...

Commissioner Torre- Well that's what I'm saying. I believe the law is if you're on the waiting list for public housing, that the landlord has to allow.

Commissioner Torre- That's something that I will definitely look into and confirm because that would be a great negotiating tool to use in the future.

Thomas Sahlin- And one thing that Qaasim just brought up is our ACOP. Our ACOP is extremely outdated. So there is one thing in particular that I know that we've discussed at length, which is the part about if you have an arrest or conviction for certain crimes. There is a period of 10 years currently for our ACOP, which we have to stick to where they must be denied for the unit.

Commissioner McAllister- Excuse me, 10 years for what?

Thomas Sahlin- Certain drug offenses and violent crimes.

Commissioner McAllister- Depending on the crime itself?

Thomas Sahlin- Exactly, if it's shoplifting we have....

Commissioner McAllister- Before it was three years coming out of a program showing that you graduated, it's a three year period. So I don't know if that changed.

Qaasim Johnson- The way it reads now, it's actually 10 years from any criminal activity whatsoever so it really can be construed for 10 yr. A person could have been charged for exam in 2005 and did 5 years which means they were released in 2010. Per our ACOP, they wouldn't be avail for housing until 2020.

Thomas Sahlin- Which is excessive and restrictive. So without going off on a tangent because I don't want to tie up everyone's time, that at length conversations with representatives from Corey Bookers office. Now anyone that follows that, they've been championing their reentry revision to how housing authorities are dealing with that. Part of the leverage that we have with our ACOP, we can drastically shorten that period of time. We also do have the ability to exercise the discretion depending upon the nature of the crime. There are certain things we cannot allow an individual say who is on the lifetime sex offender list to enter any of our properties, we cannot do it; production of methamphetamine. But there are other areas where we do have discretion. So, we have had fair hearings where the applicant was initially denied, but after hearing their story, verifying via facts, we were able to overturn the decision.

Acceptance of this Resolution was moved by Chairman Hopson, seconded by Vice Chair Syphax.

(There were no further discussions or comments on this Resolution from the Commissioners.)

Ayes- Commissioners Torre, McAllister, Troppoli, Vice Chair Syphax, Chairman Hopson

Opposed-None

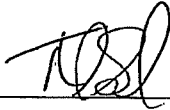
Absent-Commissioner Brown

Abstain- None

Motion to close, moved by Vice Chair Syphax, seconded by Commissioner McAllister

All in favor

Meeting Adjourned, 8:43 p.m.



Thomas Sahlin, Executive Director