

**MINUTES OF THE REGULAR MEETING OF THE HIGHTSTOWN HOUSING
AUTHORITY BOARD OF COMMISSIONERS OF THE HOUSING
WEDNESDAY, June 17th, 2015 AT 7:00 P.M.**

Call to Order: Vice Chairperson Carole Nelson called meeting to order at 7:00 P.M.

Open Public Meetings Act Statement: In compliance with Chapter 213 of the Public Laws of 1975, Notice of this Meeting was given by way of the Annual Notice published in the Trenton Times, Princeton Packet and are posted on the calendar at The Hightstown Borough Municipal Building by the Authority and posted in a public place reserved for such announcements in the lobby of the Community Building of the Housing Authority Office.

Roll Call: by Keith LePrevost showed that those present and absent were as follows:

- **Present:** Allen Keith LePrevost, Executive Director, Commissioner Esther Velázquez, Commissioner Carole Nelson, Vice Chair, Commissioner Pascale Emmanuel, Commissioner Christopher Moraitis, Commissioner Brent Rivenburgh and Commissioner Yolanda Swiney.
- **Also Present:** Steven Misiura, Council Liaison, Tamara Lee, Borough Planner, Leonard Coates, HA Attorney, Robin Byrnes (Resident), Donna LePrevost, (public)
- **Absent:** Commissioner James Eufemia

Approval of Minutes: Regular Meeting Minutes of: April, 15th, 2015

Hearing no corrections or comments on the Minutes, Commissioner Nelson moved to approve the minutes as presented.

Commissioner Nelson proposed the Open Public portion of the meeting be moved on the agenda to follow the committee reports to allow time for the professionals to speak. Commissioner Emmanuel forwarded the motion, seconded by Commissioner Valesques. The motion carried.

Committee Reports:

Keith introduced Steve Misiura and Tamara Lee to discuss the affordable housing plan. Steve commented this is a carryover from the last meeting where questions were raised he was unable to answer.

Tamara began with a discussion of COAH and the affordable housing situation in NJ. She stated that affordable housing plans have been bogged down in NJ due to the Round 3 rules that introduced "Growth Share" as the new model. There were so many legal challenges that the courts asked COAH to rewrite the rules, which it failed to do. The courts ruled in March that COAH is now defunct and that there will be 15 administrative judges in NJ that will oversee the affordable housing plans. Each town must make their best efforts to present a plan to the court for approval. She went on to give a history: 1992 Round 1, Hightstown was certified, given credit for 30 units of the HA. Keith questioned whether HUD approved this use of the HA and Tamara said no, they were never consulted.

1998 Round 2 Submission. COAH failed to respond, but disqualified the HA units.

2003 Round 2 submission. COAH failed to certify. HA units were disqualified

2005 Round 3 submission. COAH failed to certify

2008 The Borough offered the HA \$35K per unit in rehab funds for 23 units. No action or opinion from COAH

2012 The borough submitted the same plan to COAH, offering the HA \$35K per unit, or \$805K for 23 units.

2013. The borough in a rush to spend down their affordable housing trust funds before the Christie administration confiscated the funds began. The question was asked- "what happened to the \$805K dedicated to the Housing Authority". Neither Steve nor Tamara could answer that. Commissioner Swiney questioned what the balance of the funds are today, Tamara did not have a clear answer, except for the spending that was done on Habitat, and the money spent by the professionals.

There currently are no real rules and obligations. Keith noted that the "Fair Share Housing Center" published a report in April stating the need in Hightstown is currently 138 units. Tamara spoke on this, somewhat dismissing that report, stating the courts may use some other methodology. Tamara went on to discuss the fair housing act and how the Borough is an inclusionary town meeting the intent of the act. Unfortunately the Borough spent all the money that would have been dedicated to the HA. Commissioner Swiney questioned why the borough spent the money without the courts approval, and why was the HA excluded. Tamara conceded that the town knew the HA was not an acceptable use of the funds. Keith noted that the Borough is utilizing all 100 units of the HA in the new plans and that with bonus credits under the old rules, the town could benefit from up to 138 affordable housing credits. Tamara agrees the boroughs intent is to prove the HA provides the opportunity for affordable housing for the entire borough. Commissioner Emmanuel questioned Tamara on what is the Borough doing to promote new affordable housing development in Hightstown. Tamara responded that the borough is considering creating an affordable housing zone on Rogers and Academy. Keith questioned whether this new zone is creating an expanded pocket of poverty. Tamara disagrees, stating the new units would be for low income people, not very low income as is in the HA.

Leonard Coates spoke stating he and the Executive Director of the HA have been in contact with Sonia Burgess, the Director of Public housing in region 2 and Shie-Fong Sun, chief legal counsel for region 2. HUD has stressed that the local housing authority boards has jurisdiction over local policy and budgets, but HUD has the final jurisdiction in all instances. HUD understands that the local housing authorities are having financial difficulties and are living on less than 83% of their needed funding. HUD would consider allowing a housing authority to enter into a cooperation agreement with the local municipality if there is a significant contribution to the preservation and maintenance of the housing stock. All of this would need to be negotiated with HUD and the local board. HUD will object to the borough filing this plan without a cooperation agreement in place. Keith noted that there are a couple instances in the state of NJ where HUD has allowed these agreements. They were both in response to hurricane Sandy and the HA being significantly damaged. The local municipality contributed significant amounts of money to the HA for the preservation and rehabilitation of the units. Tamara asked if HUD has reviewed the Borough of Hightstown's plan. Mr. Coates responded, "No one has seen it" that is why we sent the letter to the borough that was never responded to. Keith noted that the only times the plan was discussed was in "Executive session" of the June planning board meeting, excluding the public. Mr. Coates is very concerned with the time frame. Tamara stated that the current plan that is being submitted does not include the Housing Authority, which the board reacted as a contradictory statement. Are we included or are we not? Tamara started describing the Fair housing act and did not answer the question. Keith stated that the problem we are having is that this plan is being done behind closed doors, excluding the public. Tamara stated that is done purposely because this is a legal issue. The public will be included after the plan is complete and submitted to the courts and we get feedback from the court. Mr. Coates reiterated that the Borough cannot include the HA in their plan without a cooperation agreement in hand. HUD will object. He continued, "You are talking out of both sides of your mouth

to say that the HA is here in Highstown providing 100 units of very low income housing, but they are not part of our plan, only an example of how we are providing low income housing”. Commissioner Rivenburgh commented, why is HUD looking for money from the local community? Keith responded that the HA’s in 2015 are being funded at approximately 83% of what is required for a stable operation. We are receiving less than 50% of the capital funding that is required. Currently the HA is approximately 2.5 million dollars short of where its capital reserves should be. HUD and the federal government do not have the money, and there is no appetite in the congress and senate to expand the funding for housing. So, if the local community is willing to invest a substantial amount of money into preserving the affordable housing units, HUD has said they will entertain a cooperation agreement. Tamara stressed the town is not seeking any deed restrictions, but the state law states something different. She feels we are an exception the courts will consider. Tamara stated it is not up to her to release the plan, the borough attorney would need to do that. Mr. Moraitis stated the borough gave Habitat 200K for 4 units- was that money well spent, or would that have been better served at the Housing Authority. Tamara agreed that was not the best use of the funds, but it is done and committed. Keith and Mr. Coates stressed the need for HUD to have something in writing before they are willing to discuss the issue. Tamara does not want to discuss the plan, she wants the attorneys to discuss the plan and the release of any drafts. Mr. Coates wants to know how and why we would submit a draft summary to the courts. What are we trying to accomplish? Commissioner Valesques strongly commented we need to see a draft and does not understand why the Borough is being so evasive. Keith feels this entire issue could have been resolved months ago if the parties, including Steve and Tamara could have communicated with the board. Tamara stated there was no time to send an email or phone call to the board or the HA. Tamara and Steve feel the Borough attorney needs to address this issue at this point. Mr. Coates wants the Borough to submit a plan that has a chance to succeed. Tamara agrees. Commissioner Rivenburgh questioned Tamara as to what exactly is required in a Deed Restriction. Tamara responded. Brent continued to question that what effect would this have on the HA and its operations. Keith responded that the problem lies in the fact we do not know what the future brings. If when the HA is spun out into a nonprofit, we may have to make some of the units “moderate income” or even some market rate just to make the property work. If there is a deed restriction, we would then be in violation of that agreement. It would seriously hamper any future plans the HA may have. Tamara agrees, but she is not asking for a deed restriction, but a waiver that has never been done before in the state. Commissioner Rivenburgh asked Mr. Coates if he has any knowledge of any other municipalities attempting this. He answered no. Mr. Misiura stated the Borough has been trying to communicate to the board, they were willing to come to our last meeting. Keith noted that only 2 commissioners were able to make the last meeting and he did not want to waste the Boroughs money if we did not have a quorum of the board. This is why the letter was sent to the Mayor, trying to get a conversation going. Steve questioned Keith and Tamara “I thought you two were talking” Keith responded he emailed Tamara a list of 6 specific questions on April 14th, they had one short conversation as it was too early in the process and she has not responded to him since. Tamara said she felt she had answered his questions and felt no other response was needed. Steve and Tamara are confused by the Term “significant contribution”, Leonard reiterated the only thing we can go by is what the Borough has offered in the past, \$35,000 per unit. Keith expressed the conversation was becoming circular at this point, so the board should move on. The professionals were excused from the meeting.

Open Public Meeting: At this time the public is invited and encouraged to participate in open forum. It is requested by the Chairman of the Board and the Commissioners of the Housing Authority that all comments and opinions be relevant and timely, and be expressed in a manner which contributes to and advances the orderly progress of the meeting and for all concerned. The Chairman or presiding Commissioner may determine that it is necessary to limit the amount of time allotted to speakers from the public.

No members from the public were present, but Keith described the issue the residents were having. 3 Residents who are disabled feel it is unfair for “senior” citizens to get on air conditioner for free in the summer and they have to pay. Keith has explained to them and shown them the policy, but they feel it is unfair. Keith has discussed with the residents the difficulty in establishing a policy that would grant some a free air conditioner, and not others. The policy committee will take a look at the policy and come up with some thoughts.

Resolutions:

- **Resolution 2015-4. To authorize the payment of \$1000 to the United Methodist Church for the Summer Basketball program. Moved by Commissioner Moraitis, seconded by Commissioner Valesques, approved.**
- **Resolution 2015-5 to authority the payment of \$5000 to the Borough of Hightstown for the Dawes Park Summer Recreation program. Moved by Commissioner Moraitis, seconded by Commissioner Nelson, approved.**
- **Resolution 2015-6 to approve the 2014 Audit. Resolution was tabled to the July meeting to give the commissioners more time to read and review the audit.**

Executive Director Report:

- We are currently at 99% occupancy. We are renovating a three bedroom apartment for a new tenant.
- We did not receive the Safety and Security Grant. We could not show adequate evidence of crime and emergent need. This is a good thing, but makes us very low priority for grants.
- We have received the secondary bids from the security camera contractors. The specification was refined and sent out to the 10 lowest bidders from the first round. The final bids have been received and the bid results are included in the board package. The process and the bids are being reviewed by our legal counsel and they will prepare the final contract.
- Our landscape projects have begun with the grinding out of some stumps, moving plants and replanting areas around building 6. I have reviewed the final planting plans for building 6 and that work has begun. All the mulching and edging has been done and the seasonal plantings have been completed.
- The Resident garden is in process and we have 4 residents that are working in the plots.
- Carole Nelson presented our poster contest entrants with their gift certificates on May 11th. The posters were all sent to the national headquarters of NAHRO for

- final judging. We had copies of the posters made and framed for the community room.
- We have researched and selected a natural gas provider. PSE&G will still be the gas company, but we will be purchasing the commodity directly from Direct Energy Business. A fixed rate plan was selected which should save us approximately \$8,000 per year based on our current usage.
 - All of the porches and balconies on the property have been scrubbed and power washed.
 - I attended the PHADA (Public Housing Authority Directors Association) conference last month. The main issues continue to be the budget and regulatory issues that continue to be detrimental to our business. The 2016 budget that is being reviewed in Congress is near sequestration levels of funding, Capitol funding is being cut again, and HUD is coming out with new regulations for us to comply with. The newest is an Affirmative Fair Housing Plan which is estimated to take 2-300 hours to complete. The plan then needs to be updated annually at an anticipated cost of 40-60 hours.
 - I have spent a tremendous amount of time this month researching and speaking with resources I have available to gather information on with the proposed “Affordable Housing Plan” and how it may impact the HA. This has involved meetings with our legal council, discussions with the HUD region 2 Legal Council and emails with the State of NJ DCA. Legal opinions are forthcoming from HUD in Newark and Washington when and if the Borough responds in writing to our attorneys request.

Financial Update: April, May, 2015

In review of the financial reports for the month of April/May, 2015, the Hightstown Housing Authority completed the month with positive results. Highlights include:

Income:

- Residential income has come in slightly below budget due to incomes of our residents.
- Laundry income is slightly over budget for the year.
- Subsidy income is slightly over budget due to the Federal 2015 budget. We are continuing to operate under 2014 assumptions until June when HUD is supposed to have completed their 2015 budget reviews. They will make whatever adjustment to our subsidy at that time. As of this date we do not have a current ACC contract. HUD has promised by June to have the final allocations.

Expenses:

- Administrative and Maintenance salaries are over budget for the month, but on track for the year. May was a 3 payroll month, which caused the additional expense.
- Staff Training is over budget for the year due to Commissioner Courses at Rutgers.
- Travel is over budget for the month, but will come in line next month. This is due to expenses for the recent PHADA conference and small housing authority meetings.
- Audit Fees are over budget for the month, but on budget for this year.
- Sundry Administrative is over budget for the month due to travel expenses related to the recent PHADA conference.
- Electric is under budget. The electric company has been estimating our bills. We have complained to them and the Board of Public Utilities and we are now on a “must read” list for the next 12 months so we can develop an accurate baseline. Now that we are getting accurate readings, we can determine our true savings.
- Gas continues to be well below budget due to the radiator valve work done last year.
- Misc. Maintenance supplies are over budget due to apartment turnover and renovations.
- Maintenance contract costs are over budget due to cycle painting and concrete repair.
- Exterminating is over budget due to a bed bug treatment this past month.
- Grounds maintenance is over budget this period due to the annual plantings and the gutters have all been cleaned and repaired.

The enclosed financials include: Income Statement for the Current Period- April 1 to May 31 (VS Budget), Cash Flow and General Ledger-Cash account.

You will notice a decrease in cash flow for the period. This is due to all of our insurances renewing at a cost of over \$28,000. This gets posted to “prepaid insurance” and expensed on a monthly basis

Announcements: The next meeting is scheduled for July 15th, 2015 at 7:00 pm.

Adjournment: The meeting was adjourned by a motion made at 8:56PM.

Respectfully Submitted by:

Allen Keith LePrevost, Executive Director