

MINUTES OF A REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SALEM

April 25, 2019

A regular meeting of the Salem Housing Authority (SHA) Board of Commissioners was held on Thursday, April 25, 2019 at the Broadway Tower Community Room. 205 Seventh St. in Salem, NJ. The meeting convened at 5:04 pm.

Chairwoman Ferguson announced the Sunshine Law Requirement had been met, properly posted and advertised.

Karen Chiarello proceeded to call the roll at this time. Present were: Chairwoman Rebecca Ferguson, Commissioner Cathy Lanard, Commissioner Robert Lanard, Commissioner James Smith, Executive Director/Secretary Paul Dice. Also present were Solicitor Adam Telsey and SHA staff.

Chairwoman Ferguson asked for a motion to approve the minutes of the March 28, 2019 meeting. Commissioner R. Lanard made a motion and Commissioner C. Lanard seconded. All others present were in favor.

Financial Summary

For the month of March, the SHA posted \$11,724 in negative net income. The SHA maintains \$49,906 in positive year-to-date net income.

Occupancy Rates

Our occupancy rate has improved from 93.3% to 94.5%. Our goal remains 98%. The whole team is working together. The group went out to lunch the day of the meeting as a thank you for their hard work. Commissioners R. Lanard and Smith said they are doing a good job.

Demolition of West Side Court (WSC) and Transfer of Tenants to the Section 8 Program

We are thrilled to report that the U.S. Department of Housing and Urban Development (HUD) approved our application for the demolition of WSC. We have a lot of work ahead of us. We believe the tenants

will be best served by our providing them with Tenant Protection Vouchers. They will then be able to find suitable housing wherever it best suits their situation.

We do not have HUD authority to dispose of the property. We made the decision not to apply for disposing pending additional discussion with the City of Salem regarding waterfront redevelopment.

We have discussed the issue of paying down the Capital Fund Financing Program (CFFP) debt. This was a group of Public Housing Authorities (PHA's) who put together a bond for financing and used the capitol fund as collateral. This had us concerned initially because the debt that was calculated and attributable to WSC at \$379,327 of the \$898,406 remaining. After a conversation with HUD we found out that they are concerned with our overall CFFP debt ratio, not paying down WDC's share. Our annual CFFP debt service need to remain equal to or less than 33% of our annual Capital Fund award. Because our Capital funding is up considerably, the remaining units will cover much more debt than in years past. Therefore, and according to our accountant, we only need to retire an estimated \$101,755 to bring the annual payments below the required 33% debt ratio. We can cover that amount using our 2018 Capital Fund Award.

We will likely need to continue paying the CFFP, after the debt is paid down, through the end of the amortization period. This currently runs to October 29, 2025. We could pay the full debt, but this would deplete the Capital Fund and reserves and we do not want to be in that position. Commissioner Lanard asked why you would pay out of the reserve if you have the option of using other people's money. And the answer is, we wouldn't. We will not have the opportunity to pay down the debt again. This means we likely will not have the funding needed to demolish Anderson Drive in the same fashion we are planning for WSC. We will have to re-evaluate this position as we move through the WSC project.

We estimate the cost of resident relocation will be between \$152,000 (76 x \$2,000/family unit) and \$228,000 (76 x \$3,500/family unit). This money will have to come from the Capital and Operating Funds unless we are able to secure outside sources. These are our best estimates, without formal bids, currently coming from our architect. We are working on a revised budget. We will submit this and an action plan well in advance of implementation.

According to the architects, the estimated cost of demolition is \$340,000, for complete demolition. This is an expense that is going to require outside funding. We do not foresee being able to cover this cost from the Capital and Operating fund revenue. The hope that is someone a developer will fund this as part of a waterfront redevelopment project. The demolition would likely be performed in phases, this would undoubtedly increase the cost. We would not want to wait until everyone had moved out to begin the demolition process.

Paul Dice, Executive Director, attended a Brownfield Development Area (BDA) meeting with City of Salem officials. Since there is a common interest with the City in terms of port development and possibly including WSC in those plans, Paul was asked to attend these meetings on a regular basis. Paul is not sure how much input he will have but wants to be sure we are included in their though process.

We have a meeting scheduled with U.S. Department of Agriculture (USDA) personnel on Tuesday, May 14, 2019 at 3 pm at the Westside Court community room to discuss various funding options they have for commercial and residential projects. They are especially interested that the property could be used for commercial projects in the future.

Paul will be requesting a meetings with the Salem City Council to discuss our plans. He will be contacting Anita Garcia to set this up. Commissioner Smith and Solicitor Telsey said this probably could be done in open session since it is only to discuss the plans for the demolition.

Karen Chiarello updated the group on Tim Gregory's use of the Westside Court community center. Thing are going well with the cardio drumming class. We are grateful to Mr. Gregory for all he has done to help with cleaning up the community center.

Resolutions

Chairwoman Ferguson advised that there were resolutions to approve:

Resolution #10-2019 Approving the payment of Bills for April

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #11-2019 Resolution Approving a Contract for Pest Control Services

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #12-2019 Resolution Approving a Contract for HVAC Services

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #13-2019 Resolution Approving a Contract for Electrical Services

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner C. Lanard

Roll Call: Unanimous

Resolution #14-2019 Resolution Approving a Contract for Plumbing Services

Roll Call Vote:

Motion: Commissioner R. Lanard

Second: Commissioner Smith

Roll Call: Unanimous

Chairwoman Ferguson asked if there was any old business. There was not.

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Chairwoman Ferguson asked if there was any public comment. There was not.

Commissioner R. Lanard asked how many ready vacant apartments we had. Tom LaPerierre stated that there were 2 ready vacant and that there was a toured scheduled for next Monday. Commissioner R. Lanard then asked if we had had any fires recently. The staff stated that there had been a small fire in WSC in February. He stated that there has been an arsonist targeting vacant homes. The fire suppression canisters that we ordered should be delivered this week. Betsy Loyle added that the Board might notice an increase in expenses for carbon monoxide/ smoke detector combos that are being upgraded. They have a sealed battery that can not be tampered with. This upgrade is not mandatory yet, but we are being proactive in anticipation of a mandatory requirement.

At 5:29 Chairwoman Ferguson asked for a motion the adjourn the meeting. Commissioner C. Lanard made a motion and Commissioner Smith seconded. All present were in favor.

The next meeting will be held on Thursday, May 23, 2019.

Paul Dice – Secretary

Date