



SALVATORE FOGARINO • Chairman
JAY LAPP • Vice Chairman
EDWARD HUTCHINSON • Commissioner
DIGNA TOWNSEND • Commissioner

THURAISSINGHAM MOHANAKANTHAN • Commissioner
ANDREW HALTER • Commissioner
ANGELO MARTILINI • Commissioner
KIMBERLY GOBER • Secretary/Executive Director

Minutes: APRIL 17TH, 2017

"The Board of Commissioners of the Housing Authority of the Borough of Glassboro, County of Gloucester and State of New Jersey met in session on Monday, April 17th, 2017 At 6:00 p.m. Chairman Sal Fogarino called the meeting to order requesting the "Pledge of Allegiance" be proclaimed.

ROLL CALL:

Executive Director Kimberly Gober called the roll and the following answered "aye":

- ✓ Chairman Sal Fogarino
- ✓ Vice Chairman Jay Lapp
- ✓ Commissioner Thuraissingham Mohanakanthan
- ✓ Commissioner Angelo Martilini
- ✓ Commissioner Andrew Halter
- ✓ Commissioner Edward Hutchinson

Also in attendance were:

- ✓ Executive Director Kim Gober
- ✓ Mark Asselta, Esq. Solicitor
- ✓ Stella Barnes, Administrative Assistant
- ✓ Nelly Rojas, Administrative Aide
- ✓ Anna Miller, Glassboro Council Liaison
- ✓ Noah Freiberg, Pennrose
- ✓ Jacob
- ✓ Rick Ginnetti, The Brooke Group

Absent:

- ✓ Grace Seeney, Accountant
- ✓ Madeline Vazquez, Site Manager
- ✓ Commissioner Digna Townsend

BOOK SOLICITOR:

The Solicitor declared a quorum present as well as called the meeting to order and announced public notice of the meeting had been properly given to the South Jersey Times, Gloucester County and posted at the Borough Hall in accordance with the Open Public Meetings Act.

Public Portion:

Motion to **Open Meeting to the Public**

MOTION: COMMISSIONER ANGELO MARTILINI

SECOND: COMMISSIONER JAY LAPP

1. **Resident Wilma Reilly** attended the meeting with the following concerns:

- Carbon Monoxide detectors: Are they connected to the Fire Alarm? If not, where are they located? Chairman Fogarino replied that it all depends on the Unit you live in. GHA will look into it and ask Paul Letizia, AHO Director which type GHA Ms. Reilly lives in Apt. #180. Executive Director Kim Gober suggests to always call a work order into Madeline Vasquez, Site Manager if any residents have any questions or concerns about their apartment. Chairman Fogarino suggested Kim reach out to Fire Chief Steve Smith.
- Speeding into the development: Commissioner Angelo Martilini suggested a speed bump which would slow people down.

The Chairman and Executive Director offered that GHA has gone that route and the Police Department reports we don't need one. (After an investigation and putting speed trackers on the street)

- Weekend: Would the Maintenance Trucks Park in the spots reserved for staff. That would free up other parking spots for weekend visitors.
- Apartment #110 states she needs her filter replaced. Apartment needs should be reported as a work order.

Executive Director Kim Gober suggested if there are any complaints or concerns from the residents, please call in a work order and the office (Madeline Vazquez, Site Manager) will handle it.

- The residents would like a newsletter. We will request that Madeline post the Schedule of Meetings.

Motion to **Close**

MOTION: COMMISSIONER ANGELO MARTILINI

SECOND: COMMISSIONER EDWARD HUTCHINSON

AGENDA

MINUTES:

Motion to approve the **Minutes:**

MOTION: COMMISSIONER ANGELO MARTILINI

SECOND: COMMISSIONER EDWARD HUTCHINSON

Chairman Fogarino abstained. He was absent for the last meeting.

FINANCIALS:

Grace Seeney is absent.

- Kim Gober stated certain things are booked quarterly and for the period ending in March there is loss \$29,000.
- Ross Grant will end June 30th, 2017 due to an active RAD application. The officials at HUD state the application will close this year and the approval of the early demo will not affect the application. The Home Services Grant from the County will continue. (\$54,000).
- Rick Ginetti: Ross Grant is a Public Housing Grant. That may be going away.
- Auditors are performing field work.
- We are operating on continuing resolution which expires April 28th, 2017.

Motion to approve **Financial Reporting:**

MOTION: COMMISSIONER ED HUTCHINSON

SECOND: COMMISSIONER ANGELO MARTILINI

DIRECTOR'S REPORT AND CORRESPONDENCE:

It is very important to file the Financial Disclosures for the DCA. Submission is by April 30th.

GHA has been working on the Title Searches

Spring Safety Training: Site Manager Madeline Vazquez has received confirmation from Glassboro Police Department. She is working on a date to finalize.

Smoke Free Public Housing: Executive Director Gober feels this will be a challenge for the Housing Authority. HUD wants it in place by July of 2018 and the GHA has to be in compliance. HUD's regulations say smoking must be 25 feet from the building. A survey of residents went out and it came back 50-50. GHA will have to start reaching out to the residents to advise them of HUD's standing. Once GHA converts to RAD, this is still effective. GHA will have to work

with the attorney to incorporate it into the lease. This is a going to be a challenge and a costly undertaking for the Housing Authority.

Dr. Ben Carson, Director of HUD: Commissioner Hutchinson, Chairman Bill Bain (HAGC) and Executive Director Gober went to the NAHRO convention in Washington. The ED's take on Ben Carson, MD is that he seems to be caring and she hopes he sees the big picture. He will promote regulatory reform. Hopefully Dr. Carson keeps the staff that is "in the know" in place at HUD. Commissioner Hutchinson reports that the man came across as very intellectual who gave a great speech with no questions and answers. He did say to expect budget cuts. Dr. Carson may stand up to his boss but down the road, he just may resign, because he is a man of heart. ED Gober stated the industry groups, including John Clark and Tim Kaiser of PHADA met with Dr. Carson to present concerns of the industry.

A copy of Commissioner Hutchinson's report on the NAHRO Convention and literature have been handed out.

PENNROSE REPORT:
Noah Frieberg and Jacob Fisher

DEMO: on schedule. Environmental remediation has been performed on all of Whitney, the school and five units of Ellis Manor. The schedule for the disconnect of utilities will be later than expected. The middle or end of May is the scheduled date. Demo will be bumped to May. ED Kim Gober stated we need a weeks' notice to have equipment there. The demo of buildings will be starting after Memorial Day. Commissioner Hutchinson commented it is a must that all workers are following OSHA rules. Executive Director Kim Gober stated that HAGC Modernization Coordinator, Ron Bernardini, is monitoring the construction and the draw requests as well as reviewing the certified payrolls.

APPLICATION: DUE MAY 2, 2017

1) Scope of the Project: Size of the project.

- **Cost:** has gone up because of the Davis Bacon wage requirements.
- **Tax reform:** pricing for the tax credit has gone down. Depreciation and losses that the investors receive as part of investing in the building... they get that at the tax rate which is 90 to 95 cents per tax credit.
- **Site:** had been redesigned from a 66 Unit first phase to an 81 unit first phase. In the 2015 application the project scored perfect but there was some competition. Given the economic conditions it would have been better to build a bigger building at that time and the tie breaker would be better and more competitive than other projects. Now this would cause a 4+ million dollar gap and it would not be a feasible project.

Commissioner Lapp inquired if Pennrose is now saying they cannot build the project? Noah replied that it's not about Pennrose making the money expected, it's that GHA does not have a feasible project at this point.

Commissioner Martilini questions if Pennrose is suggesting going back to a smaller building with fewer units? Commissioner Lapp feels that would not be as attractive in the application.

Noah passes out financial explanations of the two scenarios to convey why GHA is coming up with the financial gap: A high level budget of the different line items that it takes to construct the project and the sources that will come in.

On the left is the current project as approved by the Borough (83,000 sq. ft. - 81 units) versus On the right a hypothetical project (63,000 sq. ft - 66 units). For illustration purposes these are at \$175.00 per square feet from contractors for an "all in cost" construction project. Commissioner Martilini questioned if that would change with the different square footage projects? Noah said yes, slightly, the vertical cost would remain the same; the site cost would go up. This project would be reduced to one building with 66 units.

The highlighted costs are the 2 biggest areas for the gap. First, with 83,000 sq. ft. building there is a \$14.7 million construction cost. Then there are soft costs, contingency costs, marketing costs as well. For the 63,000 sq. ft building the cost is 11 million construction cost.

LIHTC- tax credit equity generated from the sale of the credits to an investor is at 95 cents (currently prescribed by the state). With the Senior project, the cap is \$ 1.4 million dollars.

Rick Ginnetti explains regardless of the amount of units that \$1.4 million dollars is the fixed amount. It is a different economic time now. Now you have to have feasibility. The Projects are taking a beating. You must balance the budget. If you are willing to take the chance and take a risk and get awarded, the state may correct the gap. Pennrose is more comfortable with a 1.2 million gap rather than a 4.5 + million gap. It is much more manageable.

Chairman Fogarino questioned where does the demolition figure in this? Noah replied that the demolition is a separate budget. The repayment of that loan is imbedded in the developer's fee if Pennrose cannot find other funding.

Executive Director Kim Gober offered actually paying for the demo did not have an effect on the gap. The gap would be more if the demo was added in.

Jacob Fisher stated from an economic risk standpoint, add \$500,000 to the 1.1 million and that's what Pennrose would have to come up with to earn the Developers Fee, so it is in Pennrose' interest to make this happen.

Noah affirms that this does not have to go back to the Planning Board at this point. The currently approved site plan for 81 units will be approved by the NJHMFA. Before they actually start building, Pennrose will have to go back to the Planning Board. The goal is to build up to the benefit of the tax credits. The cost of construction has gone up because Pennrose is building on Housing Authority land with Housing Vouchers in Glassboro and that requires the Davis-Bacon Wage Rates.

Jacob Fisher said that the reason you procure a developer is their ability to procure financing and their ability to take on the guarantees of construction. This project has seen more challenges that most projects. No one has been able to change those challenges but Pennrose is trying to stay active to submit the best application to receive the award of tax credits. Given the financial factors, 66 Units would be more feasible. There was a lot of discussion about raising the amount of units to get the tax credits but now 81 units is not just not practical given the current financial situation. Pennrose does have the ability to build more units should they find another source of funding in the coming year.

Rick Ginnetti offered that a lot of Developers are backing out of Projects right now and that may help GHA. Kim Gober said that The Tax Credit program has bi-partisan support and is the only funding for Affordable Housing out there. GHA hired Pennrose to make these decisions for the best application we can get. She questioned if Pennrose felt comfortable that operationally, they can keep the building operating at proper levels with 61-66 Units? Jacob Fisher replied they were, having the Housing Vouchers, with the same staffing, same support services.

Mark Asselta, Esq. questioned which field will it be applied in?

2) Application: where GHA is best suited:

Noah presented information about whether to go into the Senior Cycle or Supportive Housing Cycle.

Kim, Rick and Noah went to HMFA to present information to them. They walked away from the meeting feeling the HMFA wasn't as accepting of the data presented. They understand the state may be awarding as many awards in the Supportive Cycle as they do in the Senior Cycle. The Supportive Housing Cycle would still be a Senior Project with supportive housing units (Bancroft) the same financial units, it would be the same except it would go into a different bucket for the application. As you get closer to the application period, people start talking and you learn about the Projects. In the Supportive Housing Cycle there will be at least 2 awards.

Rick Ginnetti explained that the project can't be 81 units because of the financial gap. The Unit number needs to come down. If we could convince the HMFA that GHA deserves the senior point this project wins. It's a decision to be made collectively but Pennrose needs to guide us. After May 2nd there is no communication with the State until the awards are announced. Jacob Fisher indicates that Pennrose would recommend the Supportive Housing Cycle. There seems that there is the existence of more awards and smaller pool of applicants. Pennrose needs some flexibility to put in the best application. If they receive the award in August, then they will negotiate with contractor, then the investor. They don't turn credits back in, if Pennrose did that, they wouldn't be able to reapply for two years.

Chairman Fogarino: Motion to go into closed session:

Motion: Commissioner Angelo Martilini

Second: Commissioner Ed Hutchinson

Mark Asselta, Esq. states that the Closed Session will be to talk about the Pennrose Application

EXECUTIVE SESSION

Chairman Fogarino: Motion to return from closed session

Motion: Commissioner Angelo Martilini

Second: Commissioner Ed Hutchinson

The Commissioners authorize Executive Director Kim Gober to work with Pennrose Properties, LLC. on which cycle to apply in.

NEW BUSINESS- RESOLUTIONS:

2017-21	RESOLUTION APPROVING REGULAR MONTHLY EXPENSES MOTION: COMMISSIONER ANGELO MARTILINI SECOND: COMMISSIONER JAY LAPP
2017-22	RESOLUTION APPROVING REVISED LABOR RATES & SCHEDULE OF CHARGES FOR TENANT RELATED REPAIRS & WORK ORDERS MOTION: COMMISSIONER EDWARD HUTCHINSON SECOND: COMMISSIONER ANGELO MARTILINI
2017-23	RESOLUTION AUTHORIZING EXECUTIVE SESSION

ADJOURNMENT

Motion to **Adjourn**

MOTION: COMMISSIONER ANDREW HALTER
SECOND: COMMISSIONER ANGELO MARTILINI

The motion was carried by a unanimous voice vote of the Commissioners present.

Respectfully submitted,



Kimberly Gober, Executive Director

DATED: May 5, 2017