

Housing Authority of the City of Cape May
Regular Board of Commissioner Meeting Minutes
February 28, 2022, 4:00 p.m.

The regular meeting of the Housing Authority of the City of Cape May (CMHA) was held February 28, 2022, at 4:00 p.m. in the Management Offices of the CMHA located at 639 Lafayette Street, Cape May, NJ 08204.

The meeting was called to order by Chairman Lafferty. Chairman Lafferty requested everyone to rise for the Pledge of Allegiance.

Chairman Lafferty read the Sunshine Law.

Upon roll call those presents were:

Chairperson Dr. Keith Lafferty	(in person)
Vice-Chairperson Patricia Hodgetts	(in person)
Commissioner Laurel Nuschke	(in person)
Commissioner Dr. Patricia Martz	(in person-4:10pm)
Commissioner Lynda Towns	(in person)
Commissioner Dr. Christopher Traficante	(in person)

Commissioner Faison was not present for this meeting.

Also, present were Jacqueline Jones, Executive Director, Maryellen Francke, Secretary, Mike Watson, Esquire – Solicitor (via zoom), Linda Cavello (via zoom) – Accountant and Rick Ginnetti, Consultant.

Minutes

Chairman Lafferty requested a motion to approve the Regular Meeting minutes from February 28, 2022. A motion was made by Commissioner Nuschke and seconded by Commissioner Traficante. The following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patti Hodgetts	(Yes)
Commissioner Laurel Nuschke	(Yes)
Commissioner Dr. Patricia Martz	(Yes)
Commissioner Lynda Towns	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Chairman Lafferty asked the Auditor Frank DeFroda to present the FY 2020 Annual Audit Report.

Mr. DeFroda reviewed 2020 Audit. Highlighting Independent Auditor’s letter, the qualifications to the audit; it was noted that because the GASB 75 Pension Numbers have not been submitted by the State of New Jersey, this audit does not include that liability. The financial statements were reviewed including revenues and expenses for FY 2020.

Mr. DeFroda noted that financial data has been submitted to HUD for approval.

The Management Letter was reviewed to include two recommendations with respect to employee wages and pension contributions. Specifically, that the payroll and pension contributions be reviewed on a regular basis.

Chairman Lafferty thanked Mr. DeFroda for his review who then left the meeting.

Chairman Lafferty then asked Ms. Cavallo to present the monthly accounting report. Ms. Cavallo reviewed the Financial Report for the four months ending January 31, 2022.

Executive Director's Report

Ms. Jones noted most of the meeting would be dedicated to discussions concerning revitalization and the direction the Board may want to pursue.

Ms. Jones advised that there is one vacant unit on Broad Street that should be leased up by the end of March 2022. That will leave one other vacancy at Broad Street Court.

With respect to Tenant activities, Ms. Rosenberg, is working on plans for the Summer such as taking the children off-site for some experiences near and around town. Also, Ms. Jones will be submitting a budget for the summer activities at the next meeting.

Ms. Jones stated there is a resolution to approve the calendar 2022 operating subsidy, this is just a formality as there are forms that the accountant must complete and submit to HUD.

Ms. Jones referred to the revitalization of the Osborne, Lafayette, and Broad Courts and moving toward making decisions that need to be made to move forward with this program. To solidify any decision, she and Rick Ginnetti must do some exploration and investigation to give the Board some potential options. The Board will be asked to approve the expenditure of \$20,000.00 to engage professionals to prepare some initial studies.

Ms. Jones then turned the meeting over to Rick Ginnetti for an update on JCP&L as well as a review of the revitalization process.

JCP&L:

Mr. Ginnetti reported that after several years of discussions, the bottom line is that there are several items that still need to be resolved with respect to the language in the Deed Notice and the Deed Notice Settlement Agreement. There are two major items as follows:

The Attorney for JCP&L, even though he is saying this agreement relates to Osborne Court because that is where the contamination is, they want certain rights over all of the properties.. The Authority thought this matter was resolved. The demand is that if something comes up, they will be responsible for the cleanup, but they do not want to talk about compensation to the Authority, such as loss of rental income or the cost to relocate tenants.

The other issue is the remediation completed on Broad Street many years ago. Since the DEP issued a No Further Action Letter, the Authority is not looking for any additional monetary compensation for the work already done, but again, JCP&L is asking if in the future additional contamination is found then the Authority should not be compensated for any loss of rental income as well as relocating the Tenants.

The Environmental Attorney has written a letter to the JCP&L Attorney asking that further discussions to be held on these matters as well as some other changes in the language. If this cannot be resolved with the Attorneys, then there will be another meeting scheduled with the principles.

REVITALIZATION:

Since the Authority first began to talk about a RAD conversion HUD has changed some of the parameters. Now, for small housing authorities, they will allow 80% of the units, for us that is sixty-four units, to get project-based vouchers at 110% of the fair market rent as determined by HUD. This would result in a substantial increase in rental revenues.

It was determined during the initial discussions concerning redevelopment that the Authority was not in a monetary position to move forward with that type of program. However, based on additional studies, it appears the Authority can revitalize the units. At one point there was a question about elevation. An engineer explored the issue and his initial assessment is that building could occur on Broad Street. There is a 5-10% possibility that a minimum number of family units could be built on Broad Street. However, there are issues with doing that, but it is worth pursuing.

The Board was presented with a 4% LIHTC REHAB Project Budget. This relates to a Section 18- RAD Blend with 80% of the units (68) at 110% of the Fair Market Rate. Mr. Ginnetti pointed out that the budget was for planning purposes only as the numbers are subject to change. The numbers also include converting the senior/disabled efficiencies to one-bedroom units.

Mr. Ginnetti also talked about the need to secure funding sources. Going through NJHMFA means asking for 4% tax credits, which is the best path for the Authority. Beyond this, the Authority would need to acquire investors. Since there is only so much money through this type of funding additional monies will be needed, which could be secured from other sources such as the City.

Commissioner Towns suggested that the Board explore options for adding additional units on the senior/disabled sites as that is where there is a greater need. Currently, there are more than one hundred applicants on that list whereas the family waiting list has much fewer applicants.

Ms. Jones clarified that the Authority would explore all options for both the senior and family units.

Mr. Ginnetti concluded his presentation stating the first thing that must happen is to engage an architect to do a preliminary concept design for revitalization program.

Resolution #2022-03
Resolution Approving February 2022 Expenses

Chairman Lafferty called for a motion to approve Resolution 2022-03, expenses for February 2022 in the Amount of \$92,120.30. A motion was made by Commissioner Nuschke; seconded by Commissioner Traficante.

The following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patti Hodgetts	(Yes)
Commissioner Laurel Nuschke	(Yes)
Commissioner Dr. Patricia Martz	(Yes)
Commissioner Lynda Towns	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Resolution #2022-04
Resolution Certification of FY 2020 Annual Audit

Chairman Lafferty called for a motion to approve Resolution 2022-04. A motion was made by Commissioner Towns; seconded by Commissioner Traficante.

The following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patti Hodgetts	(Yes)
Commissioner Laurel Nuschke	(Yes)
Commissioner Dr. Patricia Martz	(Yes)
Commissioner Lynda Towns	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Resolution #2022-05
Resolution Audit Review Certificate

Chairman Lafferty called for a motion to approve Resolution 2022-05. A motion was made by Commissioner Traficante; seconded by Vice-Chair Hodgetts.

The following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patti Hodgetts	(Yes)
Commissioner Laurel Nuschke	(Yes)
Commissioner Dr. Patricia Martz	(Yes)
Commissioner Lynda Towns	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Resolution #2022-06
Resolution Approving Operating Subsidy

Chairman Lafferty called for a motion to approve Resolution 2022-06. A motion was made by Commissioner Traficante; seconded by Vice-Chair Hodgetts.

The following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patti Hodgetts	(Yes)
Commissioner Laurel Nuschke	(Yes)
Commissioner Dr. Patricia Martz	(Yes)
Commissioner Lynda Towns	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

Resolution #2022-07
Resolution Authorizing Executive Director to Evaluate the Authority's Properties to Determine the Extent and Scope of Revitalization for Preliminary Concept Design

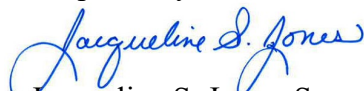
Chairman Lafferty called for a motion to approve Resolution 2022-06. A motion was made by Commissioner Martz; seconded by Commissioner Traficante.

The following vote was taken:

Chairperson Dr. Keith Lafferty	(Yes)
Vice-Chairperson Patti Hodgetts	(Yes)
Commissioner Laurel Nuschke	(Yes)
Commissioner Dr. Patricia Martz	(Yes)
Commissioner Lynda Towns	(Yes)
Commissioner Dr. Christopher Traficante	(Yes)

With no further business to discuss, Chairman Lafferty entertained a motion for adjournment of the Regular Meeting. A motion was made by Commissioner Nuschke; seconded by Commissioner Martz. The vote was carried unanimously by the Board Members present. The Regular Meeting of the Board of Commissioners was adjourned at 5:40p.m.

Respectfully submitted,



Jacqueline S. Jones, Secretary/Treasurer