

**HOUSING AUTHORITY OF THE BOROUGH OF CLEMENTON
BOARD OF COMMISSIONERS MONTHLY MEETING
OCTOBER 12, 2022**

Chairman Schmidt called the meeting to order at 6:00PM and stated that the meeting was being held in accordance with the Open Public Meetings Act, also known as the Sunshine Law 10:4-6. Notice was sent to the Courier Post and the South Jersey Times on 7/12/2022 and was published in the Courier Post on 7/15/2022 and the South Jersey Times on 8/11/2022. Notice was also sent to the Borough Clerk on 7/12/2022, posted on the bulletin board at Wooster Towers and www.clementonhousingauthority.com. Due to the COVID-19 pandemic and following CDC guidelines, the meeting was held virtually.

Salute to flag.

Upon roll call the following were present: Commissioner Cater, Commissioner Konrad, Commissioner Watson, Vice-Chairman Closs, and Chairman Schmidt. Also present at this meeting were Vernon Lawrence, Executive Director, Anthony Ogozalek, Jr., Solicitor, Jaime Bordenave, President of The Communities Group, and Barbara Murray, Secretary. Absent: Commissioner Armbruster.

APPROVAL OF MINUTES

Chairman Schmidt asked for a motion to approve the minutes of the August 10, 2022 meeting as submitted. Commissioner Watson, seconded by Commissioner Cater, made a motion to approve the minutes of the August 10, 2022 meeting as submitted. Voice vote: All ayes (Commissioners Cater, Konrad, Watson, Vice-Chairman Closs and Chairman Schmidt). The motion carried.

Due to lack of quorum, there was no meeting in September.

APPROVAL OF BILLS

Chairman Schmidt asked for a motion to approve the payment of bills for August 2022 in the amount of \$28,449.86 and September 2022 in the amount of \$74,052.33 with proper certification. Vice-Chairman Closs, seconded by Commissioner Cater, made a motion to approve the payment of bills for August 2022 in the amount of \$28,449.86 and September 2022 in the amount of \$74,052.33 with proper certification. Roll call vote: Ayes: Commissioner Cater, Commissioner Konrad, Commissioner Watson, Vice-Chairman Closs and Commissioner Schmidt. The motion carried.

RAD Presentation

Chairman Schmidt advised the Board that he and Mr. Lawrence had a lengthy meeting a few weeks ago regarding the possible conversion to RAD and would like to present the information to the Board and hopefully action will be taken.

Chairman Schmidt turned the meeting over to Mr. Lawrence.

Mr. Lawrence introduced Jaime Bordenave, President of the Communities Group who presented to the Board the background of the inception of the RAD Program, the changes and improvements it has gone through, and how successful it is today.

Points discussed

- 1) HOPE VI & Choice Neighborhoods Programs which most Public Housing authorities do not meet the definition of severely distressed and therefore do not qualify.
- 2) RAD Program which is Section 8 based funding. Section 8 has more benefits and advantages than Public Housing has ever had and there are more authorities with Section 8 funding than there are Public Housing. Many Public Housing authorities have transitioned to this program and applied for a HAP contract with HUD. When this program began in 2012, the authorities received the same amount of revenue that they were getting at that time with the difference being that the authorities were now in a 20-year contract with HUD that needed to be renewed every time it came up and they also received an annual cost-of-living increase. This allowed the authority to have a bankable agreement with HUD; with Public Housing there is no agreement beyond the year that the authority is in. Improvements have been made to the program since its' inception, one being that the rent we receive keeps going up; about 80% of the units can get the fair market rent and 20% would get the RAD rents.
- 3) Small authority options:
 - a) Non-financial where there is no up-front rehab, only increase in rent
 - b) Securing debt by using the asset of the building if need to borrow money
 - c) Use the asset of the building and leveraging with tax credits, with no money coming from the authority. When the authority leaves Public Housing, all funding supplied by HUD is put into the transaction when the authority converts and that funding is de-federalized.
- 4) Chairman Schmidt added that there is a new option that came out this year for small authorities called RAD/Section 8 Blend (e.g., we could convert 50 to 55 of our units to Project Based Vouchers (voucher stays with the unit) but it would operate like the Tenant Based Vouchers in the Section 8 program where we would receive a HAP payment. Mr. Bordenave further explained that with RAD/Blending 20% of our units would get the RAD rents and the other 80% would get the fair-market rent. Mr. Lawrence added that with the Project Based units we would also receive admin fees.
- 5) Commissioner Watson asked what the tenants' portion of rent would be; Mr. Bordenave advised that their portion would be 30% of their income and those tenants who now pay the flat rent would have up to 3 or 5 years to pay 30% of their income. Commissioner Watson also asked what would happen to the Federal status of the building and our PILOT agreement; Mr. Bordenave advised that we would still be a housing authority and that he has never heard of any authority that converted having problems with the PILOT agreement.

- 6) Mr. Bordenave advised that meetings with the residents about the conversion are required and minutes of those meetings must be submitted with the application to HUD.
- 7) Commissioner Cater asked what, if any, negatives there are to converting to RAD; Mr. Bordenave advised that he cannot see any negatives.
- 8) Chairman Schmidt asked Mr. Bordenave if in his experience with HUD does he feel there is any possibility in the next 5 years of HUD making grants available for Public Housing unit rehabs; Mr. Bordenave advised that when HUD realized Congress was never going to give new money to move Public Housing to the Section 8 program but by letting the authority into the existing Section 8 program and access that stream of money, the authority gets more money for the project and Congress does not have to pass legislation that it is adding money. The authority only needs authorization to add more units into the program and the program itself allows the authority to access private sector resources.

Chairman Schmidt thanked Mr. Bordenave for his knowledge and time in presenting RAD to the Board.

A discussion followed.

RESOLUTION 2022-022 – Approval of the Initial Conversion to RAD/Section 18 Construction Blends & (ultimately) a Small PHA RAD/Section 18 Blend and Submitting an Application to HUD

Chairman Schmidt asked for a motion to approve Resolution 2022-022 - Approval of the Initial Conversion to RAD/Section 18 Construction Blends & (ultimately) a Small PHA RAD/Section 18 Blend and Submitting an Application to HUD. Commissioner Watson, seconded by Vice-Chairman Closs made a motion to approve Resolution 2022-022 - Approval of the Initial Conversion to RAD/Section 18 Construction Blends & (ultimately) a Small PHA RAD/Section 18 Blend and Submitting an Application to HUD. Roll call vote: Ayes: Commissioner Cater, Commissioner Konrad, Commissioner Watson, Vice-Chairman Closs, and Chairman Closs. The motion carried.

MANAGEMENT REPORT

Chairman Schmidt asked if we were able to spend down the remaining grant money for the boilers; Mr. Lawrence advised that we used some of it to up-grade the electric and also installed a new fire panel.

Chairman Schmidt asked if we need to review and up-date the flat rent schedule; Mr. Lawrence said yes but we could wait until November to do that.

Commissioner Watson suggested that we have a meeting with members of Clementon Borough Council to discuss the intentions of the Housing Authority and the RAD Program sooner than later. All commissioners agreed that the meeting should be in person.

Mr. Lawrence advised the Board that we received a 94% on our PHAS on all indicators, which means that we are a high-performer.

PUBLIC

Chairman Schmidt advised that any members of the public wishing to address the governing body of the Housing Authority of the Borough of Clementon may do so after being recognized by the Chair. Public comment will be limited to three (3) minutes per person. Anyone wishing to address the governing body again may do so for an additional three (3) and final minutes. Chairman Schmidt asked if anyone wanted to address the governing body.

Chairman Schmidt, seconded by Commissioner Watson, made a motion to adjourn at 7:32PM. Voice vote: All ayes (Commissioners Cater, Konrad, Watson, Vice-Chairman Closs, and Chairman Schmidt).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Vernon Lawrence', with a long horizontal flourish extending to the right.

Vernon Lawrence
Secretary