

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

110 N. Main Street, Suite F
Camden, DE 19934

Minutes of July 30, 2018 Board Meeting

IN ATTENDANCE:

Authority: Kevin Carroll
William Dunn
Andy Strine
George Meldrum
Elizabeth (Beth) McGinn (Late)

Dan Daly (Non-Voting Member)
Gregg Sutton (Executive Director)
Jane Sabo (DEHMRA Assistant)

Legal Counsel: William Denman

Other Attendees: Joel & Candi Lichtenberg, Barclay Farms
Susan Hairgrove, St. Jones Landing
Jill Fuchs, Barclay Farms
Fred Neil, Wild Meadows
Jen Allen, FSMHA
Nancy Davis, Timber Acres
Juanita Belcher, Hub Court
Bob Valihura, Minquadale

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. All Board members except Ms. McGinn were present, who arrived at 1:35 p.m.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any comments or corrections to the June 5, 2018 meeting minutes, and if not, requested that the Board consider approval of the minutes. Mr. Dunn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Ms. McGinn arriving after the vote was cast.

III. Executive Director's Report:

Mr. Sutton noted that since the last board meeting, the following has occurred:

- As a management tool, the office developed spreadsheets to track the status of open action items to include park compliance issues, delinquent parks, arbitration matters, items requiring the Chair's signature and check disbursement requests.

- On 7/23/18 Mr. Sutton received a call from a tenant of White Oak Mobile Home Park indicating she was notified that the park was going through a change in land use and asked if there was any help he could provide her. She was advised that we could not provide any assistance until we received official notification from the landlord. On 7/27/18, the landlord advised the Authority that they were in fact going through a change in land use.
- Mr. Sutton received a visit from a former resident of St. Jones Landing on 7/24/18 stating that he was moved in September of 2016 but the mover failed to issue him a certificate of occupancy. He advised Mr. Sutton that he has been notified by the county that he needed a certificate of occupancy or he may be locked out of his home. He stated he never received the certificate of occupancy from the mover.
- On 7/30/18, Mr. Sutton also received an email from Mr. William Kinnick of DMHOA regarding complaints that approximately 50 Glasgow Court tenants were notified that they were occupying their homes without a certificate of occupancy. Mr. Kinnick inquired as to whether or not DEMHRA had any SOP in place to address relocation expenses to the tenant when there is a change in use, and when the contractors are paid. Mr. Sutton told Mr. Kinnick there is nothing in writing, but we typically pay the contractors once we are told by the contractor and the tenant that the home has been moved.
- Mr. Sutton received an email and a subsequent phone call on 7/27/18 from the Chair about House Resolution 24 and that will be discussed in more depth in the Chair's report.

IV. Chair's Report:

- Mr. Carroll discussed the formation of a Manufactured Housing Task Force and House Resolution 24, as amended by House Amendments 2 and 3 establishing the task force in question. The task force consists of a State Representative from the majority appointed by the Speaker, a State Representative for the minority appointed by the Speaker, three full time resident owners of manufactured homes (one from each county), three (3) members, one from each county, appointed by First State Manufacturing Housing Association and the Chairman from DEMHRA. There are also non-voting members from the Attorney General's Office, the Director of the Delaware State Housing Authority, one attorney from the Community Legal Aid Society, one member from Delaware Law School, one attorney appointed by First State Manufactured Housing, one licensed real estate professional, and one member with expertise regarding non-profit housing development appointed by Housing Alliance of Delaware. The purpose of this task force is to conduct a comprehensive review of Chapter 70. The kickoff meeting is scheduled for 7/21/18 at 1:00 p.m. If the Chair cannot attend, Mr. Sutton will attend in his stead. The meetings will be held monthly.
- A request was received from Debbie Gottschalk of Representative Baumbach's office requesting copies of all arbitration appeal decisions.

V. Financial Activity & Report

A. Financial Report

Mr. Sutton provided a financial summary for June. This report was for informational purposes only.

B. Approval of Financial Matters:

Legal Counsel invoices:

The Board reviewed the invoices from Mr. Denman for the months of May and June 2018.

Mr. Strine made a motion to approve May and June legal counsel invoice which was seconded by Mr. Meldrum. The motion passed 5:0.

C. Approval of Arbitrator Invoices

- **P. Hermann, Court Reporter (Briarwood Manor).** Informational only. This invoice was never paid.
- **P. Hermann, Court Reporter (Wild Meadows).** Mr. Dunn made a motion to approve this invoice which was seconded by Mr. Strine. The motion passed 5:0.
- **Wilcox & Fetzer Court Reporter (Rehoboth Bay).** Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion passed 5:0.
- **S. Spence, Attorney (Wild Meadows).** Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion passed 5:0.

VI. Reports:

A. Compliance Matters

1. Per Mr. Sutton, the compliance investigators have completed inspections of all outstanding 2017 Community Owner Registration forms.
2. **Dackerg Mobile Home Park:** Mr. Sutton requested our Legal Counsel send a letter.
3. **Countryside:** Mr. Sutton reported that he contacted the Division of Revenue who informed him their payment will be sent in shortly.
4. **J & J Mobile Home Park:** Mr. Sutton reported that this park is already being handled by our legal counsel.
5. **Layton's Riviera:** The new owner has registered with the Division of Revenue and is waiting for paper coupons to be mailed from the Division of Revenue.
6. **Compliance Investigator Report:** White Oak MHP was inspected and there are two homes. Back in February our compliance officer inspected the park and there were 10 at that time. Mr. Sutton spoke with the owner who informed him that everyone moved out except for two tenants. Layton's Riviera. Pictures were taken by our compliance investigator and there is a discrepancy of one which was off site. It was verified there are 29 homes.

B. Arbitration Matters:

1. **Docket # 4-2017 (Sandhill Acres HOA vs. ARCAP, LC)** Rent increase above CPI-U approved. Case appealed and awaiting a decision from Superior Court. The case is stayed as of 7/2/18 per Attorney Sharp.
2. **Docket # 9-2017 (Rehoboth Bay Community HOA vs. Hometown America)** Rent increase approved for \$74.85 plus CPI-U. Appealed to Superior Court March 31, 2018. No decision as of yet.
3. **Docket # 10-2017 (Wild Meadows HOA and Fred Neil vs. Wild Meadows MHC, LLC)** Arbitration scheduled for March 15, 2018. No decision yet and stayed per Attorney Gibbs.
4. **Docket # 1-2018 (Donovan Smith HOA vs. KDM Management)** Rent increase denied. Appealed to DE Superior Court May 23, 2018. No action as of yet.
5. **Docket # 2-2018 (Whitehouse Beach HOA vs. Whitehouse Beach Inc.)** As of 7/2/18 parties agree to settle. Attorney Gerber will send out confirmation.

C. Arbitration Costs:

1. **Open Dockets:** Total for 2017 \$33,087.35
2. **Closed Dockets:** Total for 2017 \$27,732.81
\$60,820.16

VII. Unfinished Business:

A. Update on St. Jones Landing Relocation Plan.

All American Capital Inc. (Maris/Lindale), 20 Edgewater Drive, Magnolia, DE: Tenants filed for bankruptcy and Ms. Hairgrove stated that All American Capital is the lien holder. It was questioned if the lienholder can apply for relocation benefits. The home has already been moved but it has not been approved by the Board. Mr. Denman discussed that the title of the home is in Mr. Lindale and Ms. Maris' name and All American Capital is listed as the lien holder. He stated that just because the owners filed for bankruptcy, it is not automatic and that the title to the home transfers from the tenant to the lienholder. There has to be documentation that makes All American Capital have ownership interest in this home to justify applying for relocation benefits. Mr. Denman further stated that it would seem that if they are the lienholder and they execute on the lien there should be some documentation that All American Capital acquired the title to the property or within the context of the bankruptcy proceeding they abandoned it, there would be a bankruptcy court order showing the home is now owned by All American as the lienholder. There is a suggestion of bankruptcy document which resulted in an automatic stay. St. Jones Landing initiated some type of legal action against the tenants and their attorney Peter Schaefer filed the suggestion of bankruptcy resulting in an automatic stay. Mr. Strine added that the home was abandoned and he sees no reason why All American Capital cannot apply for benefits. This was tabled until All American gets a new title, and clarification is received whether it is an abandonment or relocation.

B. Norris-Ekes, 24 Edgewater Drive, Magnolia, DE. There is no title to the home. Ms. Ekes has contacted the DMV and it isn't in their system and they refuse to issue a title. No benefits can be paid without the title per the statute. There should be something written into the statute for those instances when the DMV does not have a title that other documentation providing proof of ownership would be acceptable. The DMV will be contacted again. This was tabled again until a title can be produced. Ms. Norris-Ekes is applying for benefits in order to pay her taxes. Before benefits are approved Mr. Sutton will send our compliance investigator out to confirm that the home is physically at that site and stay on top of when the home is actually demolished. No benefits will be paid until that time. A motion to approve payment pending confirmation before and after demolition was made by Mr. Dunn and seconded by Mr. Meldrum. The motion passed 3:1:1 with Mr. Strine abstaining and Ms. McGinn opposing the motion.

C. Update on Minquadale Village and Timber Acres. The HOAs own the community and they have been paying lot rent. Mr. Sutton questioned at what point they should have discontinued paying assessment fees. Ms. Davis of Timber acres questioned whether they are entitled to a refund for assessments they paid and weren't supposed to. Timber Acres is selling the land only. Mr. Denman suggested both communities file an application for a refund of assessments that have been paid to the authority for the affected period with a short statement of the reasons why they are entitled to a refund and then it can be formally acted upon. Also, someone needs to sign off that if the assessment fees are returned, and they are not eligible for relocation or abandonment benefits. If the reimbursement request forms are received prior to the next Board Meeting, they can be submitted for approval.

D. WSFS letter request for Mr. Sutton to have access to bank account: Mr. Carroll signed the letter approving Mr. Sutton's access.

VIII. New Business:

A. Applications for Relocation Assistance: There were no new applications.

B. Update of Right of First Offer (Sale of Parks)

No discussion, previously discussed.

C. Board Members' Term of Office Renewals

Mr. Sutton received a call from someone from Representative Baumbach's inquiring about the Board Members' terms of office. The website has outdated information. Mr. Carroll plans to continue and someone should contact the Governor's office regarding this.

D. Falcidian Engagement Letter

Mr. Sutton noted there is a rate increase. Since there was a 33% increase over the last five years, Mr. Carroll proposed staying with Falcidian or exploring other options. A motion to stay with Falcidian was made by Mr. Meldrum and seconded by Mr. Strine. The motion passed 5:0.

E. CPI-U Increase

Mr. Sutton advised the Board that as of July 18, 2018 the CPI-U is now .08% and it is posted on the website.

F. Serrano Check

Mr. Sutton advised the Board that a \$1,500.00 check was issued to the Authority for Virginia Serrano, a former resident of St. Jones Landing. Ms. Serrano had already signed a letter authorizing the check to be signed over to the Authority to pay her delinquent property taxes. The Board approved the payment in December 2017. However, it seems the paperwork got delayed, and in the meantime, penalties accrued for non-payment and Ms. Serrano received another tax bill amounting to \$1,808.05. Mr. Sutton questioned if we should pay only the benefit amount or that with the penalties. Mr. Sutton was instructed to pay the initial benefit and follow up with the tax authority for resolution of the matter.

G. Sale of Park (Magnolia Crossing)

Mr. Sutton received a call from a tenant that Magnolia Crossing was being sold and wanted information about the procedure. Information was provided but there has been no contact since then and nothing has been received.

H. Trust Fund Reassessment (Mr. Dunn)

Mr. Dunn went over the charts he created that track the Trust Fund from December 2013 to May of 2018 to determine if it was feasible to decrease the amount in the Trust Fund by decreasing the monthly assessment paid by \$.50 for both the community owner and the tenant. Mr. Dunn's report suggested the following: If the Trust Fund is reduced by \$1.00, at that rate, it will still keep on growing from the fees and interest at \$320 to \$400K per year. There is currently enough in the account to handle 500 double-wide homes. At this rate the Fund will not reach \$15,000,000 until 2024 or 2025. Mr. Carroll suggested monitoring of the Trust Fund to determine if adjustments should be made. A motion was made by Mr. Strine to table this matter until next year and the motion was seconded by Mr. Meldrum. The motion passed 4:0:1 (one opposed).

IX. Public Comments: After hearing Mr. Dunn’s proposal to lower the Trust Fund assessment, Mr. Fred Neil, along with the other concerned tenants in attendance, unanimously opposed any reduction in the Trust Fund assessment at this time.

X. Executive Session: By motion made and duly seconded the Board went into Executive Session to discuss arbitrations and any pending litigation for the purpose of receiving legal advice pertaining to such matters. The Board went into Executive Session at 2:57pm. A motion was made to come out of Executive Session, which motion was seconded and unanimously approved, at which time the Board came out of Executive session at 3:07 pm.

XI. Next Meeting Date – Adjournment

The Board set the next meeting date as September 25, 2018.

Mr. Dunn made a motion to adjourn the meeting. Mr. Meldrum seconded the motion. The motion passed 5:0. As there was nothing further to discuss, the Board adjourned at 3:10 pm.

Respectfully submitted,

Gregg Sutton
Executive Director