

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of October 18, 2018 Board Meeting

IN ATTENDANCE:

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

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

Legal Counsel: William Denman (Absent)

Other Attendees: Susan Hairgrove, St. Jones Landing
William Kinnick, DMHOA
Jen Allen, FSMHA

I. Call to Order:

Mr. Carroll called the meeting to order at 1:37 p.m. All Board members with the exception of Mr. Dan Daly were present. Mr. Carroll noted that legal counsel, Mr. William Denman had advised him that he was sick and would not be in attendance.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any comments or corrections to the September 25, 2018 meeting minutes, and if not, requested that the Board consider approval of the minutes. Ms. McGinn made a motion to approve which was seconded by Mr. Strine. The motion passed 5:0.

III. Executive Director's Report

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

- A spreadsheet of all appealed arbitration decisions was requested by and sent to Ms. Debbie Gottschalk, a legislative attorney for the Division of Research. Since 2013, there were 13 dockets that have been appealed to Superior Court. This information was given to the Task Force at the September 26th meeting.
- At the Manufactured Housing Task Force meeting on September 26, 2018, proposed reorganization of Chapter 70, substantive technical recommendations and concerns regarding the definition, rent justification, right of first offer refusal and change in land use were discussed.

- We received a request from Attorney Steven A. Spence to appoint a mediator for Rehoboth Bay HOA vs. Hometown America. Mr. Michael Morton requested a mediator be appointed at last month's Board meeting. Subsequent to the appointment of a mediator, we were informed by Legal Aid that they no longer needed a mediator and the request was cancelled.
- On October 2, 2018 Mr. Sutton met with Marlena Gibson (Mr. Carroll and Mr. Strine were teleconferenced in), to determine how the Housing Authority calculates the CPI-U. This will be discussed later under new business.
- Robert Ray, President of Sand Hill Acres HOA, informed Mr. Sutton that the tenants are not being notified by the owner when there are rent increases. He was directed by Mr. Sutton to contact the Department of Justice (DOJ), Consumer Protection Unit.
- Mr. Sutton attended the September 15, 2018 annual Manufactured Housing Workshop in Bear, DE. There were approximately 30 residents in attendance. Presenters were from the DOJ, DMHOA, DEMHRA, Delaware Health and Social Services Drinking Water Department, and Delaware State Housing Authority. New Castle County Police Department did not make a presentation but an investigator from the DOJ, who was a retired New Castle County police officer gave a presentation. The next workshops are scheduled in Kent County on October 22, 2018 and in Sussex County on October 29, 2018.
- Mr. Sutton received a phone call from Michael Bonner of Pot-Nets Bayside regarding a rent increase. Apparently, there was an issue because one of the tenants was out of town and would not be able to make the meeting and by the time they returned the 30 days to schedule arbitration would have expired.
Mr. Bonner quoted the statute to Mr. Sutton which states that rent increase meetings are scheduled by DEMHRA. Mr. Carroll stated it is up to the landowner to recommend to the Authority a date, time and place of the meeting.

IV. Chair's Report:

- Mr. Carroll reported that the Manufactured Housing Task Force continues with their preliminary discussions between property owners and homeowners. He was not able to attend the last meeting. Meetings will continue in October, November and December to finalize some type of finished product by the end of the year.
- Mr. Carroll had a few open items that were discussed previously: Minquadale payments to the Trust Fund; sending out annual registration forms every 2-3 years instead of annually and preparation of the CLE or a more rigorous training program for perspective arbitrators and possibly hiring a service to do it. DEMHRA is always looking to curb costs but this shouldn't be more than a few hundred dollars and would be well worth the money spent.
- Mr. Dunn inquired if anything has been discussed regarding the 25-mile radius for relocations. If it is increased and relocations go into another state, some movers may not be licensed in those states. It was suggested that Mr. Dunn either attend or dial into the Manufactured Home Task Force meetings.
- As this was her last meeting, Mr. Carroll also thanked Ms. Beth McGinn for her services while serving as a Board member.

V. Financial Activity & Report

A. Financial Report

Mr. Sutton provided a financial summary for August 2018. This report was for informational purposes only.

B. Approval of Financial Matters:

Legal Counsel invoices:

The Board reviewed the invoices from legal counsel for the month of September 2018.

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

C. Approval of Arbitrator Invoices

C. Lingenfelder (Layton's Riviera). Mr. Strine made a motion to approve this invoice which was seconded by Ms. McGinn. The motion passed 5:0.

VI. Reports:

A. Compliance Matters

- 1. Dackerg Mobile Home Park:** Mr. Denman sent a letter of non-compliance on 9/21/18.
- 2. J & J Mobile Home Park:** Mr. Denman sent a letter of non-compliance on 9/21/18.
- 3. Fords MHP:** DEMHRA sent a letter on 8/15/18 requesting coupons from the Delaware Division of Revenue.
- 4. Layton's Riviera:** New owner is up-to-date on assessment fees. There is no way we can collect past due assessments from the old owner.
- 5. Pom Run** – Mr. Sutton will continue efforts to contact Mr. Silicato for new owner information. Mr. Strine suggested looking at the tax information.
- 6. Sandhill MHP** – Letter sent by DEMHRA on 9/24/18.
- 7. Compliance Investigator Report:** Nothing to report.

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. Decision reversed by Superior Court, rent increase denied.
- 2. Docket # 9-2017 (Rehoboth Bay Community HOA vs. Hometown America):** Was to go to mediation but we were informed by Community Legal Aid that the matter will not be mediated.
- 3. Docket # 10-2017 (Wild Meadows HOA and Fred Neil vs. Wild Meadows MHC, LLC):** Docket in briefing stage. Final briefs were due 9/27/18. No decision has been rendered at this time.
- 4. Docket # 1-2018 (Donovan Smith HOA vs. KDM Management)** Rent increase denied. Appealed to DE Superior Court May 23, 2018. 6/26/18 Superior Court denied increase as community owner failed to provide documentation of costs directly relating to operating, maintaining or improving the community.
- 5. Docket # 2-2018 (Whitehouse Beach HOA vs. Whitehouse Beach Inc.):** As of 7/2/18 Parties agreed to settle. Attorney Gerber will send out confirmation. Emailed Attorney Gerber for updates on 9/10/18 and 10/8/18. No response.
- 6. Training of Arbitrators:** Mr. Morton proposed that arbitrators should be trained as they are not familiar with the statute. He suggested a CLE program be developed. It was agreed that Mr. Morton and Mr. Carroll will investigate this matter. Mr. Sutton questioned whether cost is a factor when appointing a mediator. Mr. Carroll suggested putting a list together and allowing the arbitrator to make the decision.

C. Arbitration Costs

2017:

- 1. Open Dockets:** Total for 2017 \$30,098.10
- 2. Closed Dockets:** Total for 2017 \$32,922.05
\$62,020.15

2018:

- 1. Open Dockets to Date:** \$ 620.00
- 2. Closed Dockets:** \$ 7,341.00
\$ 7,961.00

VII. Unfinished Business:

- A. Update on St. Jones Landing Relocation Plan:** There are 4 homes to be reviewed for benefits approval at today's meeting.
- B. White Oak MHP Relocation Plan:** There are 2 homes to be relocated. Tenants have not applied for benefits as of yet.
- C. Update on Right of First Offer (Sales, Closing, Change in Use of Land)** Information only.
- D. Update on Community Annual Registration:** 102 forms were returned leaving 83 outstanding.

VIII. New Business:

A. Applications for Relocation Assistance (St. Jones Landing)

All-American Capital, 20 Edgewater Drive, Magnolia, DE

All-American Capital was the lienholder since previous owner filed for bankruptcy. Home already moved to Bridgeville. A new title with All-American Capital as owner was received. All-American Capital is applying for \$8,000 in relocation benefits. The Board reviewed this request based on the documents provided. Ms. McGinn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine abstaining.

Lot # 24 (Norris-Ekes)

I-Realty is requesting demolition benefits in the amount of \$3,000. Mr. Dunn made a motion which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine abstaining.

Leo and Jean Tholl, 22 Edgewater Drive, Magnolia, DE

Mrs. Tholl is requesting relocation benefits in the amount of \$8,000. There was a discussion regarding legal issues since Mr. Tholl has passed away and his name is still on the title to the home. Mr. Carroll noted for the record that he does not represent this Board in a legal capacity but thought that any checks issued would be issued in both names and the estate would deal with it. Mr. Strine stressed the importance of resolving this in a timely manner so he won't have to evict Ms. Tholl on 10/28/18, which is the one-year deadline to move. Mr. Dunn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine abstaining.

Shana Mustachio, 37 Riverview Drive, Magnolia, DE

Ms. Mustachio is requesting abandonment payments in the amount of \$1,500. Mr. Dunn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 pending satisfaction of taxes with Mr. Strine abstaining.

Lot # 37 (Mustachio)

I-Realty is requesting demolition benefits payment in the amount of \$3,000 for the abandoned property formerly owned by Norris-Ekes. Mr. Meldrum made a motion to approve which was seconded by Ms. McGinn. The motion passed 4:0:1 with Mr. Strine abstaining.

B. Action Items

Mr. Sutton discussed the Action Items (information only).

C. CPI-U Methodology

Mr. Strine presented his findings regarding the CPI-U calculations. His numbers do not agree with Ms. Gibson of the DE State Housing Authority. It seems there was an error made in the beginning in the way Ms. Gibson's office calculated it. In Mr. Strone's opinion, "the numbers don't lie" and Ms. Gibson is choosing to ignore this. Mr. Carroll invited the Housing Authority to this meeting but they did not show up. He suggested that this be presented to the Manufactured Housing Task Force. Mr. Carroll suggested the Board review this issue. Even though we can't fix it, we can weigh in on it and it will force a public agency or quasi-public agency to do their mandatory duty which they have to under the statute.

IX. Public Comments: Mr. Kinnick provided an update on the RTA funding. Currently the relocation allowance to the mover is up to \$8,000 for a single-wide home and \$12,000 for a double-wide home. Mr. Kinnick had researched this issue and found that a recent relocation in The Village of Cool Branch was \$22,000. Mr. Carroll requested Mr. Kinnick prepare a letter suggesting that the Authority consider increasing the maximum allowance. Mr. Strine commented there should be caution exercised when deciding the increase as whatever the Board decides on will be the amount all movers are going to charge.

Mr. Kinnick also noted that he agreed with Mr. Strine that if there are concerns about the rent increase meetings, arbitration should be filed right away to avoid running past the 30day limit to file.

X. Executive Session: There was nothing to discuss for an Executive Session.

XI. Next Meeting Date – Adjournment

The Board set the next meeting date as November 28, 2018 at 11:00 am.

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 2:52 p.m.

Respectfully submitted,

Gregg Sutton
Executive Director