

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of January 15, 2019 Board Meeting

IN ATTENDANCE:

Authority: Kevin Carroll
William Dunn
Andy Strine
George Meldrum
Jill Fuchs

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

Legal Counsel: William Denman

Other Attendees: Jen Allen, First State Manufactured Housing Association
William Kinnick, Delaware Manufactured Homeowner's
Association (DMHOA)

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. All members were present.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any comments or corrections to the October 2018 and November 2018 meeting minutes. The October 2018 minutes were not approved by the board as there was not a quorum present at the November 2018 meeting to approve them. Mr. Dunn made a motion to approve both sets of minutes which was seconded by Mr. Meldrum. The motion carried 5:0.

III. Executive Director's Report:

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

- He received an email from attorney Steven Spence, arbitrator for Layton's Riviera, regarding Docket 03-2018, Layton's Riviera vs. Absher Farms. Both parties came to a settlement agreement and the petition was dismissed.
- Mr. Sutton also received an email from the Community Legal Aid Society, Inc. (CLASI), notifying him that Docket 02-2018, Whitehouse Beach HOA vs. Whitehouse Beach, Inc. has been settled.
- Per the Board's request, Mr. Sutton emailed a spreadsheet to the Board calculating how much was paid in assessment fees for Timber Acres and Minquadale since both HOAs purchased their respective communities. A copy was also sent to the attorneys for each respective community.
- Mr. Denman asked Mr. Sutton to follow up with Attorney Michael Morton to get a copy of the specific statute he referred to in a previous meeting regarding Timber Acres and Minquadale

claims for refunds. He requested that this be added to the agenda for the next meeting and to invite Timber Acres and Minquadales to the next board meeting.

- Pot Nets Bayside contacted Mr. Sutton regarding penalties for non-compliance when a landlord raises rent above the CPI-U without approval from DEMHRA. Mr. Sutton advised them that this was a misconception and that the RTA does not approve rent increases and referred them to the DOJ's Consumer Protection Unit, Ms. Gina Schoenberg for further guidance.
- Mr. Sutton attended the last Task Force Meeting on December 19, 2018. He deferred the discussion of that meeting to the Chair.

IV. Chair's Report:

- Mr. Carroll reported that the Bill enacted as a result the recent Task Force was being finalized by the legislative attorneys. The Task Force will continue during the current General Assembly. A new Task Force must be appointed, and we will see what happens. All walked away from the table saying even if it is not formalized through the legislative process, the parties want to continue to talk. There was discussion regarding some specific changes to the bill.
- The conflict of 60 or 90 days' notice to tenants regarding rent increases has been changed to 90 days' notice. DEMHRA does not schedule rent increase meetings and this has been corrected. The two-year registration instead of one was not addressed. The 25-mile relocation radius was addressed but must be looked at as there are constitutional questions regarding this. Once finalized it will be circulated.
- Representative John Kowalko, Jr. is the new chair of the Housing Committee.
- Mr. Carroll informed the Board that our legal counsel will end his service to DEMHRA at the end of 2019. Mr. Carroll stated that from a business perspective, we need to decide where we are going regarding the transition. He said that Mr. Denman has a stellar reputation in the bar and he will be missed.
- Mr. Denman stated he has been here since 2003 and he will reach out to attorneys in his office to see if anyone would be interested in representing our board. He has not raised his fees since 2003 so another thing to consider would be the fees charged by his replacement. Mr. Denman and Mr. Carroll will talk off-line regarding the process for the transition.
- Mr. Meldrum informed the Board that Mr. Ed Speraw, a former longtime DEMHRA Board member, had passed away. Mr. Speraw was recognized for his selfless service to DEMHRA and to the manufactured housing community.

V. Financial Activity & Report

A. Financial Report

Financial Reports for October and November 2018 were distributed for informational purposes only. This information will also be posted on the DEMHRA website.

B. Approval of Financial Matters:

Legal Counsel invoices:

The Board reviewed the invoices from legal counsel for the month of October and November 2018. Mr. Meldrum made a motion to approve the October and November legal counsel invoices which was seconded by Ms. Fuchs. The motion carried 5:0.

C. Approval of Arbitrator Invoices

Adam Gerber (Whitehouse Beach). Revised invoice with breakdown of charges was submitted. No action needed.

Chad Lingenfelder (Layton's Riviera). Ms. Fuchs made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion carried 5:0.

Pamela Herman, Court Reporter (Wild Meadows). Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion passed 5:0.

National Court Reporters (Pot-Nets Bayside). Mr. Strine made a motion to approve this Invoice which was seconded by Mr. Meldrum. The motion passed 4:1 with one opposed. Mr. Sutton was informed the arbitrator couldn't find a local court reporter. It was noted that the fees were excessive. Mr. Carroll would like a running roster of court reporters and fees charged.

VI. Reports:

A. Compliance Matters:

Delinquent Parks:

1. **Cherry Creek:** Letter sent out 1/14/19.
2. **Appleby and Cloverleaf:** Said they mailed payment 2 weeks ago (the week of 1/1/19). Waiting for the Division of Revenue to verify whether or not payment was received.
3. **Dackerg Mobile Home Park:** Q 3 & 4 2017. No response to our legal counsel letter sent on 9/21/18.
4. **J & J Mobile Home Park:** No response to our legal counsel letter sent on 9/21/18.

B. Compliance Investigator Report:

Mr. Sutton reported that as of today 1/15/19, there are 37 parks that have not returned their Annual Registration Forms. He will be sending our Compliance Investigators to those parks to to conduct a physical count of mobile homes and verify from the previous report.

C. Open Dockets Arbitration Matters & Status:

1. **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. Awaiting on a report from Attorney Robert Gibbs.
2. **Docket # 4-2018 (Pot-Nets Bayside HOA vs. Pot-Net Bayside LLC):** Closed
3. **Docket #5-2018 (Murray Manor HOA vs. Murray Manor LLC):** Erin Brignola waiting to reschedule arbitration date. Mr. Carroll will reach out and offer his assistance if needed.
4. **Docket #6-2018 (Rehoboth Bay Community vs. Hometown America):** Community withdrew request and arbitration was cancelled. Closed.

D. Open Dockets – Arbitration Costs:

2017:

Total to Date for 2017 \$64,542.15

2018:

Total to Date for 2018 \$9,490.00

VII. Unfinished Business:

- A. **Update on St. Jones Landing Relocation Plan:** Jean Tholl is the last one to move. The mover's check should be here by 1/24/19.

- B. White Oak Relocation Plan:** Ms. Tinley received her application packet and wanted to meet with Mr. Sutton to discuss. She owes taxes and she was advised that any delinquent taxes would be deducted from any relocation payment she receives. Quarterly notices/updates on the relocation plan are being sent to the affected tenants.
- C. Update on Right of First Offer (Sales, Closings, Change in Use of Land):**

Shady Park is not sold yet. Another letter to be sent in April if not sold.
Oakway withdrew sale of park.
Vanessa Mobile Home Park is being sold. Waiting for documentation to send out notices to tenants
Mr. Sutton questioned if the tenants are eligible for relocation fees if they have not paid their assessment fees. Mr. Denman said there is a form that the landowners complete and it lists all tenants who have not paid. This form would flag those who are delinquent in their payment and this issue would be addressed at that time.
- D. Update on Board Re-appointments for Messrs. Meldrum and Daly:** Request by Mr. Sutton for them to follow up as they are on the DEMHRA website indicating their terms have expired.

VIII. New Business:

- A. Action Items:** There were 32 action items for 2018. Most are closed. The following action items need to be addressed:

WSFS – permission for Mr. Sutton to view account. Mr. Carroll will draft a letter for next meeting.
Increase in the amount of allowance to movers to move or relocate homes. Mr. Strine has been covering the shortfall sometimes because the movers charge is over the amount allowed. Mr. Strine volunteered to develop numbers internally and make a recommendation to be presented at the next meeting. Before any decision is made, Mr. Denman would like this to be placed on the agenda for public consumption to provide the public with an opportunity to comment at or before the board meeting on any proposed changes.
Mr. Dunn had a call from a community service person who works in the county office and was informed Glasgow Court is being investigated as complaints were received that some moves were done by a relative of the property owner and were never finished. Another complaint was that oil tanks had to be removed and tenants couldn't afford their removal which could cost about \$1,500. Mr. Carroll cautioned that going forward we need evidence and at that time we can discuss how we can improve our rules and regulations regarding the moving process.
Mr. Carroll stated that people should be aware of what they are getting themselves into when hiring a mover. If we can help facilitate that understanding it would be a good thing and is consistent that they get the full benefit of the statutes that we administer.
Ms. Fuchs suggested publishing information regarding contractor moves to assist tenants when they must hire a mover. Mr. Carroll cautioned how this is framed and it should address that the relocated home be returned to full livable condition and a certificate of occupancy and at the very least should say that the home shall be returned as agreed and all services put back in place.
Mr. Dunn suggested putting this information on the DEMHRA website.
- B. Updating the DEMHRA Website:** Mr. Sutton was notified that DEMHRA will have to update our website after January 31, 2019. The person who did it for us is retiring. Mr. Sutton has registered and is awaiting further instructions. Mr. Carroll will discuss this off-line to be sure we are covered in the short term and possibly consider outsourcing.

- C. New Mileage Rate 2019:** As of January 1, 2019, the new mileage rate is \$0.58.

IX. Public Comments: DMHOA President, Mr. William Kinnick stated that he was informed that Glasgow Court has about 48 outstanding CO's that need to be closed for homes that will be moved to other locations. They are not totally set up and there should be a procedure established. They are working on the first 20 right now. This is since 2014, 2015 and 2016. The ones that are complete were done by other movers, not the landowner's cousin. Another problem he stated is that the landowner is not going forward with the land exchange as it has been put on hold because they owe the County \$225,000 and the State \$118,000.

Mr. Kinnick had a phone call from a woman from New Castle County expressing interest in meeting with our board. He stated that lessons learned are good but at the same time Glasgow Court is an outlier. He stated that the reality is that we all agree there is more information out there and that going forward, we can learn from it. These are valid comments but at the same time we must keep in mind what our role is. Mr. Carroll is willing to sit down with them if it is a county code issue and we will do what we can do.

Regarding Glasgow Court, Ms. Jen Allen of First State Manufactured Housing Association stated that she had a phone call from New Castle County as well regarding the same issue. She said they are willing to sit down with DEMHRA's board. She was informed there are no smoke detectors and she proposed getting a box of them and handing them out. Mr. Carroll said he thinks Glasgow Court is an outlier and that there is more information out there and that going forward, we need to figure out what we can do, keeping in mind what our role is.

Mr. Strine discussed the relocation allowance and noted that if we are going to look at the relocation allowance, that it also includes non-relocatable benefits. In addition, he said that our demolition costs are about \$3,500 as opposed to \$3,000. When we came up with those non-relocatable benefit amount last time, it was \$12,000. If you take out what is available for demolition costs everything else becomes a ceiling.

X. Executive Session: There were no items to discuss so the Board did not go into Executive Session.

XI. Next Meeting Date – Adjournment

The Board set the next meeting date as February 26, 2019 at 1:30 p.m. Mr. Strine made a motion to adjourn the meeting. Mr. Dunn seconded the motion. The motion carried 5:0. As there was nothing further to discuss, the Board adjourned at 2:45 p.m.

Respectfully submitted,

Gregg Sutton
Executive Director