

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of June 4, 2019 Board Meeting

IN ATTENDANCE:

Authority: Kevin Carroll
William Dunn (Arrived Late)
Andy Strine (Left Early)
George Meldrum
Jill Fuchs (Absent)
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)
Henry Clum, Delaware Manufactured Homeowner's
Association (DMHOA)

I. Call to Order:

Mr. Carroll called the meeting to order at 1:32 p.m. All members were present with the exception of Mr. Dunn who arrived late. Mr. Strine left the meeting at 2:25 p.m.

II. Review and Approval of Minutes:

A motion to approve the minutes was made by Mr. Strine and seconded by Ms. Fuchs. The motion carried 4:0 with one in absentia.

III. Executive Director's Report:

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

- A FOIA request was received from Patricia Weyl regarding Pot Nets Bayside rent justification. This will be discussed in more detail under New Business.
- A notice was received for the sale of Lynch's Mobile Home Park. Right of First Offer letters were sent out to the 18 tenants on June 3, 2019.
- The last two residents of White Oak Mobile Home park have been paid their relocation benefits.
- Mr. Sutton contacted the new owners of Shady Park (MHP, LLC) and requested they contact Ms. Hambleton at the Division of Revenue to set up their Trust Fund Account. Sandhill Mobile Home Park had co-owners and one of them bought the other out. No Right of First Offer letter needs to be sent.

- Mr. Sutton received a ruling from the Supreme Court on Docket 04-2017, Sandhill Acres. This had been appealed to the Superior Court and the Supreme Court overturned the Superior Court's ruling. The arbitrator's decision was upheld by the Supreme Court and the rent increase was approved.
- The arbitrator for Wild Meadows Dockets 10-2017 and 07-2018 was awaiting the Supreme Court ruling on Docket 04-2017, Sandhill Acres. Now that the ruling has been received Dockets 10-2017 and 07-2018 will be ruled on by the arbitrator.

IV. Chair's Report:

- A letter was sent to Mr. Sutton and Mr. Carroll from Senator McBride and Representative Cook regarding Minquadale Village taking the position that Minquadale Village is a resident owned community with no rental agreements or lots rented or offered for rent. Both argued that under the specific language of 29 DE Code, Section 7001 and 7003, Chapter 73 does not apply to Minquadale. Minquadale does not want to pay into the Trust Fund. Confirmation was received from one of Minquadale's attorneys, Bob Valihura that there are in fact rental agreements and there are lots rented. Mr. Denman suggested that since the Attorney General in the past has been reluctant to take a position, legislative changes be made it clear that these types of communities are not subject to Chapter 70. Mr. Carroll reiterated that the Board needs to determine their final decision with respect to that. On one end of the spectrum, Minquadale contends that they are not subject to Chapter 70. Timber Acres, on the other hand, is at the other end as they want to continue paying into the Trust Fund. Mr. Carroll stated that we need clarity in the law so we can do right by the tenants. Both communities need to provide the Authority with copies of the rental agreements. Senator McBride and Representative Cook are both basing their conclusions on the assumption that there are no rental agreements.
- Mr. Strine asked the Board members if they agreed from a policy perspective whether the resident-owned communities should be entitled to relocation benefits in addition to what they would reap in rewards from the sale of the property. It was unanimous that they should not be included. Mr. Carroll noted that the law is unclear regarding this.
- Mr. Dunn questioned whether the McBride/Cook letter has been approved. Mr. Strine made a motion to recommend to the legislators that brought up this issue that they put forth a bill that has the exact language relative to the Right of First Offer and relocation benefits, limiting it to just that piece. Mr. Strine made a motion to make this recommendation to the legislators which was seconded by Mr. Dunn. The motion carried 5-0. Mr. Carroll wants to make it clear that the Board has not taken a formal position. He will respond to the McBride/Cook letter and correct the record. He will present the draft of this letter to the Board at the next meeting.

V. Approval of Financial Matters

A. Recent Financial Activity:

Mr. Sutton reviewed the March and April Financial Reports. This was for informational purposes only and will be posted on the DEMHRA website.

B. Approval of Legal Counsel Invoices:

The Board reviewed the invoice from legal counsel for the month of April 2019. Mr. Strine made a motion to approve the invoice which was seconded by Ms. Fuchs. The motion carried 5:0.

C. L&W Professional Liability Insurance:

The Board reviewed the invoice. Mr. Meldrum made a motion to approve the invoice which was seconded by Mr. Dunn. The motion carried 5:0.

D. Hartford Insurance Workmen's Compensation:

The Board reviewed the invoice. Mr. Dunn made a motion to approve the invoice which was seconded by Mr. Meldrum. The motion carried 5:0.

E. Trust Fund:

Mr. Dunn noted the Trust Fund continues to grow. It was discussed that under new legislation \$1.00 will be taken out of the assessment fees paid by the tenants and land owners respectively and that money will be going into a Legal Fund (details of which to be worked on prior to the administration of this new change), resulting in a reduction of approximately \$200,000 per year which the interest gained in the Trust Fund would cover.

VI. Reports:

A. Compliance Matters:

- 1. Delinquent Parks:** Mr. Sutton discussed the delinquent parks report. When the current quarter shows up on the monthly delinquent report, the park will be called or emailed to let them know it is due. If they are still not paid by the next report, DEMHRA sends a letter. If they do not send in a payment by the next report, they will be turned over to legal counsel. Currently legal counsel will be contacting the following parks that are two quarters or more late: Fords, Forest Park, Shady Park, Stage Village and Holiday Acres. Mr. Sutton noted that some parks are carrying credit balances and that they are notified to send in coupons to Christine Hambleton so she knows which quarter they should be applied to.
- 2. Compliance Investigator Report:** Mr. Sutton reported that Shady Park was audited by our compliance investigator. They fall within the margin of error on the number of homes they have been reporting. Random audits are done quarterly.

B. Open Dockets Arbitration Matters & Status:

- 1. Docket # 10-2017 (Wild Meadows HOA and Fred Neil vs. Wild Meadows MHC, LLC):** This was previously discussed in the Executive Director's Report.
- 2. Docket # 4-2018 (Pot-Nets Bayside HOA vs. Pot-Net Bayside LLC):** This was previously discussed in the Executive Director's Report.
- 3. Docket #7-2018 (Wild Meadows HOA vs. RHP Properties/Wild Meadows LLC):** This was previously discussed in the Executive Director's Report.

C. Open Dockets – Arbitration Costs

There were no outstanding arbitration costs to report.

VII. Unfinished Business:

A. White Oak Relocation Plan:

This was previously discussed in the Executive Director's Report. Compliance officers will verify that the last remaining home on Lot #12 has been demolished before benefits are paid to Key Properties Group.

B. Update on Right of First Offer (Sales, Closings, Change in Use of Land):

Parks for Sale - Shady Park was previously discussed in the Executive Director's Report. Vanessa Mobile Home Park was sold and they are awaiting settlement. Oakway has been taken off the market.

Mr. Denman suggested following up every six months with parks for sale for an update.

Mr. Dunn asked if anyone knew if there are any upcoming communities that will be going through a change in use of land. Mr. Strine knows of one in 2020 with about 200 units.

C. Update on Reimbursements for Minquadale and Timber Acres:

This was discussed previously in the Chair's Report.

D. Board Appointments for Messrs. Meldrum and Daly:

No updates at this time.

E. Increasing the Amount Paid to Movers for Single and Double Wide Mobile Homes:

This was discussed in a previous meeting and Mr. Strine presented the data to justify increasing the amount. He made a motion to increase the relocation and demolition amounts by \$1,500 for both single wide and double wide homes. The demolition costs for the landlord should remain as is. By default, the relocation benefits paid to the tenants would increase from \$8,000 to \$9,500 for a single wide home and \$12,000 to \$13,500 for a double wide home. Non-relocatable benefits would increase from \$5,000 to \$6,500. He made a motion to approve the increases as presented. It was questioned why the increases are the same for both single and double wide homes. Mr. Strine explained that homes are usually demolished because they in such bad shape that they are inhabitable. Mr. Carroll would like this formally placed on the next agenda to be addressed at the next meeting.

VIII. New Business:

A. Letter from DEMHRA Legal Counsel to Book & Associates Regarding Status of Any Pending Legal Actions Against DEMHRA:

Status – There are no pending legal actions against DEMHRA.

B. FOIA Request from Patricia Weyl for Docket 04-2018, Pot Nets Bayside documentation. She has contacted the DOJ to file a complaint that she feels our FOIA administrative and copying fees are too excessive:

Mr. Sutton reported that the FOIA form on the DEMHRA website is incorrect. The FOIA form listed under Title 29, Chapter 100 cites that the first 20 pages are free, then a charge of \$0.10 for each additional page. The administrative cost is the hourly salary of the lowest paid person in the office after the first hour. Mr. Carroll asked Mr. Sutton to update the DEMHRA website to agree with that listed under Title 29, Chapter 100.

C. CPI-U Update:

The new rate as of April 15, 2019 is 1.503%. Some rent increase letters reflect the old rate. When this happens, Mr. Sutton contacts the land owner to let them know and it is their decision if they want to resend a corrected letter or let it as is.

D. Sandhill MHP New Ownership Structure:

This was previously discussed in the Executive Director's Report.

E. Action items:

The list of action items was discussed and Mr. Carroll requested that the following items be placed on the agenda for the July 23, 2019 Board Meeting:

Increase amount for Mover's Fees for relocation and demolition payments and increase in the amount of other benefits

Update on procedure for paying movers and requesting certificate of occupancy before payment is made

Update on demolition permits

Update on Glasgow Court plan of action by DEMHRA to recoup Trust Fund Payment

Approval of the draft of a letter to Senator McBride and Representative Cooke correcting the record that DEMHRA has not taken a position on this

IX. Public Comments

Mr. Kinnick provided a memo to DEMHRA regarding recovering all funding for Glasgow Court land use change. It has been approximately six years since the request for change in land use was executed, and the landowner still hasn't provided an approved permit for the change in use of land. This exceeds the 3-year stipulation to execute the land use change. In a January 2019 meeting with New Castle County Executives and its departments, they agreed that the landowner is still in violation of county codes which would preclude their ability to obtain a permit. DMHOA and its homeowners request immediate action on recouping our Trust Fund money for the lack of a land use change action. Mr. Carroll noted that this will be taken under advisement.

X. Executive Session: As there were no items to be discussed in Executive Session, the Board did not go into Executive Session.

XI. Next Meeting Date – Adjournment

The Board set the next meeting date as July 23, 2019 at 1:30 p.m. Mr. Dunn made a motion to adjourn the meeting. Mr. Meldrum seconded the motion. The motion carried 4:0 with one in absentia. As there was nothing further to discuss, the Board adjourned at 2:28 p.m.

Respectfully submitted,

Gregg Sutton
Executive Director