

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**1979 S. State St.**  
**Dover, DE 19901**

Pursuant to 29 Del. Code 10004, the Board of Directors of the Delaware Manufactured Home Relocation Authority shall convene a meeting on **June 3, 2021**, commencing at **1:30 P.M.** at 1979 S. State Street, Dover, Delaware 19901.

**Minutes of June 3, 2021 Board Meeting**

**IN-ATTENDANCE:**

Authority:	Mitch Crane William Dunn George Meldrum Richard Hrycyshyn Andy Strine  Pat Malone (Non-Voting Member) Via Zoom Gregg Sutton (Executive Director) Lorraine Hrycyshyn (Office Assistant)
Legal Counsel:	Melissa Rhoads
Other:	Jen Allen, First State Manufactured Housing Association William Kinnick, Delaware Manufacturing Housing Homeowner's Association

**I. Call to Order:**

Mr. Crane called the meeting to order at 1:31 p.m. All voting Board Members were present as Mr. Malone (non-voting member), attended the meeting Via Zoom.

**II. Review and Approval of Minutes:**

A motion to approve the April 29, 2021 minutes was made by Mr. Meldrum, and seconded by Mr. Hrycyshyn. The motion carried 5-0.

**III. Chair's Report:**

- Mr. Crane received some responses to the email that he sent to the legislators regarding manufactured housing. Their session will end on June 30, 2021. Mr. Crane noted that

DEMHRA was not consulted to provide clarification to the Statue, nor were they asked for their opinion on the proposed legislation regarding manufactured housing.

#### **IV. Executive Director's Report:**

Mr. Sutton noted that since the last regular Board Meeting on April 29, 2021, the following has occurred:

- When the last version of Chapter 70 was written, some corrections were necessary to cross-reference the old subtitles and paragraphs with the new subtitles and paragraphs that replaced them as the numbers have changed. All documents that were affected by the changes have been updated and posted on the DEMHRA website and in our Policies and Procedures.
- In the process of auditing the HOA's, it was discovered that some have not sent DEMHRA their by-laws. This is required for compliance with Chapter 70. We will audit all HOA files and those who are missing by-laws will be sent letters giving them 10 days to send them to DEMHRA. The letter states that if they do not send their by-laws as requested, they will be removed from our list and will not be eligible to participate in Right of First Offer or receive letters regarding rent justification.
- At the last meeting, the Board Members reviewed our IT person's engagement letter which requested a flat-rate payment for services rendered. Since then, our IT person has requested he be paid an hourly rate for services rendered. A log was created to record dates, time, and a description of services rendered that will be compared to all invoices submitted.
- We only have a few arbitrators on our list. A letter to solicit arbitrators was sent. Since we received no response to our solicitation letters to court reporters, we added an additional sentence to the arbitrator solicitation letter that asks for the Court Reporter's hourly rate.

#### **V. Legal Counsel Report:**

Ms. Rhoads provided an update on delinquent park accounts. Since her last report on April 29, 2021, the following has occurred:

- Eight (8) new parks were identified at last month's meeting as being delinquent and required demand letters sent for legal action to be taken. As a result of that action, Bethany Crest paid, Cubbage only has one leased lot and do not have to pay assessment fees, Up Country has paid, and Riverdale is on hold as there is a credit on their account, and they will be instructed by Ms. Hambleton at the Division of Revenue on how to apply the credit. Hartly MHP, Holly Hill Trailer Park, Magnolia Estates all had suits filed because they did not respond to the demand letters. Demand letter was also sent to Oakway MHP. In conversations with the owner, we were informed they would pay. They have not paid, so a suit will be filed. Outstanding complaints delayed because of COVID-19 are Towers, Bowers MHP, Minquadale and Sussex Manor. Further discussion of delinquent parks will be discussed later in this meeting when Delinquent Parks are discussed.

## **VI. Approval of Financial Matters**

### **A. Recent Financial Activity and Report (Information Only):**

Mr. Sutton reviewed the April 2021 Financial Report. This report is for informational purposes only, and it has been posted on the DEMHRA Website.

### **B. Legal Counsel Invoice:**

The Board reviewed the April invoice from Tighe and Cottrell in the amount of \$1,553.60.

### **C. Arbitrator Invoices:**

The Board reviewed the following invoices:

Mary Sherlock (Docket 03-2020) Murray Manor HOA vs. Murray Manor MHC, LLC, in the amount of \$420.00.

Other Invoices were reviewed by the Board as follows:

Hartford Mutual Insurance for Workers' Compensation in the amount of \$252.00.

Excel Business Systems service request to check Kyocera printer problem in the amount of \$166.66.

Excel Business Systems invoice to install fuser for Kyocera printer in the amount of \$456.52.

L&W Insurance for Professional Liability Insurance in the amount of \$2,291.00.

A motion to approve the above invoices collectively was made by Mr. Hrycyshyn and seconded by Mr. Dunn. The motion carried 5-0.

## **VII. Reports:**

### **A. Compliance Matters (Executive Director):**

#### **1. Delinquent Parks Report:**

Per the April 2021 Division of Revenue report, the following are more than two quarters delinquent: Dackerg, MHP, Dalton's MHP, Hedgerow Hollow, Hilltop MHP, Lakeside Homes, Mason-Dixon Trailer Court, Quality Homes, Sandhill MHP, Sea Air Village, The Crossings at Oak Orchard, Woodland MHP.

A motion to sue the above-mentioned delinquent parks was made by Mr. Strine and seconded by Mr. Meldrum. The motion carried 5-0.

**2. Compliance Investigator Report:** There was nothing to report.

**B. Arbitration:**

**1. Open Dockets for Arbitration Matters and Costs:**

**Rehoboth Bay vs. Hometown America: Docket 07-2016 & 08-2016 (Combined):**

This was one of the cases that was pending awaiting Supreme Court decision on another case regarding arbitrator discovery of documents. The Supreme Court ruled in favor of that arbitrator (David Weidman). Mr. Sutton contacted Mr. Young and notified him that he has sixty days (by April 28, 2021) to conduct a conference. Mr. Sutton will follow up with Mr. Young on June 28, 2021.

**Fred Neil vs. Wild Meadows (Docket 10-2017):**

This was one of the cases that was also pending awaiting Supreme Court decision on another case regarding arbitrator discovery of documents. The Supreme Court ruled in favor of that arbitrator (David Weidman). Mr. Sutton contacted Mr. Gibbs and notified him that he has sixty days (From April 20, 2021) to conduct a conference. Mr. Sutton will follow up with Mr. Young on June 21, 2021.

**Wild Meadows HOA vs. Wild Meadows MHC Writ of Prohibition (Docket 07-2018):**

Writ of Prohibition case is closed. The Supreme Court ruled in favor of Mr. Weidman regarding discovery documents. Mr. Weidman has recused himself from this case. Robert Cahill agreed to arbitrate. This case will now proceed with the initial arbitration. Mr. Sutton contacted Mr. Cahill and notified him that he has sixty days (From April 28, 2021) to conduct a conference. Mr. Sutton will follow up with Mr. Cahill on June 28, 2021.

**Murray Manor vs. RHP Properties (Docket 03-2019):** This docket can also resume due to the Supreme Court's previous ruling on Docket 07-2018. Mr. Sutton will follow-up on the status.

**Wild Meadows HOA vs. Wild Meadows, LLC: Docket 04-2019**

This was one of the cases that was pending awaiting Supreme Court decision on another case regarding arbitrator discovery documents. The Supreme Court ruled in favor of that arbitrator (David Weidman). Mr. Sutton contacted Mr. Stoner and notified him that he has sixty days (by April 28, 2021) to conduct a conference. Mr. Sutton will follow up with Mr. Young on June 28, 2021.

**Winterset Farms HOA vs. Winterset Farms MHP (Docket 01-2020):** This docket was also pending the outcome of the Weidman ruling. Mr. Sutton will follow-up.

**Murray Manor HOA vs. RHP Properties (Docket 03-2020):**

Closed. Murray Manor is no longer seeking rent increase above the CPI-U.

**Wild Meadows HOA vs. Wild Meadows LLC (Docket 04-2020):** This case was also pending the outcome of the Weidman ruling. Mr. Sutton will follow-up.

**Shady Park HOA vs Shady Park MHC LLC (Docket 01-2021):**

This was one of the cases that was pending awaiting Supreme Court decision on another case regarding arbitrator discovery documents. The Supreme Court ruled in favor of that arbitrator (David Weidman). Mr. Sutton contacted Mr. Gibbs and notified him that he has sixty days (by April 21, 2021) to conduct a conference. Mr. Sutton will follow up with Mr. Gibbs on June 21, 2021.

**Ridgewood Manor HOA vs Ridgewood Manor II MHC, LLC (Docket 02-2121):**

Pending. Still waiting for Mary Sherlock to conduct a conference.

Mr. Crane discussed that currently the tenants continue to pay their rent during the arbitration process, and if the arbitrator rules in their favor, they are reimbursed. Representative Kowalko has filed a Bill so that the tenants do not have to continue payment until after the arbitrator's final decision.

**VIII. Unfinished Business:**

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

**Parks for Sale:**

**Bree Street MHP** – This will be discussed later.

**Lynch's MHP** – The attorney for the buyer wanted us to re-open and re-send the right of first offer to the tenants so that they had the opportunity to form an HOA. Mr. Sutton told the attorney that they previously had this opportunity, and we would not re-send the letter as the Statue does not require it. Settlement was scheduled for May 19, 2021, but we have not heard anything. Mr. Sutton will follow up and provide an update at the next Board Meeting.

**Paradise Cove (Formerly Malone's Bayside Marina)** – Sold to Tortella Realty on December 29, 2020. There is an issue as to whether the park is seasonal. There are 35 homes but 28 lots are rented as seasonal. They are paying assessments for Seven (7) lots that they consider to be of permanent residency. Mr. Crane proposed that our legal counsel send them a letter indicating there is no evidence to dispute our findings that the park is not seasonal and they must pay assessment fees for all 35 rented lots. There was no objection so Ms. Rhoads will send them a letter notifying them of their responsibility to continue paying into the Trust Fund.

**Silver Oak Trailer Park** – Park has been sold. Attorney Rago was emailed on May 24, 2021, requesting an update on the status of the sale. There was no response. We have no information on the new owner. Mr. Strine suggested looking up the tax parcel information on-line since Mr. Rago is no longer involved.

**Towers MHP** – Ms. Rhoads stated this park is delinquent in their Trust Fund assessment fees and suspects that this may proceed the same as what is happening

with Vanessa MHP and may go to auction. Mr. Crane brought up the fact that when the property goes to sale or auction or whatever is ordered by the court, there is no judgment filed, so he asked where DEMHRA stands with collecting the assessment fees. Ms. Rhoads will check into this and provide an update at the next meeting.

**Vanessa MHP** – There is a silent auction scheduled for June 11, 2021. See previously discussed Towers MHP regarding the same issue.

**Willow Tree MHP** – Sold. Mr. Lopes has set up a Trust Fund account

### **Parks Going Through Change in Use:**

**Pine Point Park** – Mr. Sutton was contacted by the park manager and several tenants regarding the procedure for requesting relocation benefits. Applications were sent to them, and they were informed to include supporting documentation so that their benefits can be approved.

Per Mr. Crane's request, Mr. Sutton will send the Board Members Pine Point Park's Relocation Plan. Mr. Sutton will also send all applications with supporting documentation to the board members in advance of the board meetings.

### **Parks With Less Than 2 Lots and No Paying into the Trust Fund:**

Cubbages Subdivision, White Oak Subdivision and Bree Street will be placed in our inactive file.

**B. Update on Lynch's Sale of Park:** This was previously discussed.

### **C. Update on Procedures for Requesting Rent Increases:**

The counsel provided her opinion.

### **D. Counsel's Opinion on Rent Increase Notifications:**

DEMHRA's Solicitor analyzed Chapter 70 in response to a request for her opinion on the following two questions:

Question 1 – Is there any requirement at all to provide notices of rent increases that do not exceed the CPI-U?

Question 2 – Must the rent increases given to the Authority include the names and addresses of all affected tenants?

The counsel gave the Board her opinion on these two questions regarding rent increases.

Mr. Crane opened the floor for discussion regarding legal counsel's opinion and whether the Board agreed with her opinion. If so, action must be taken in accordance with her interpretation. If the Board agrees with legal counsel's opinion, the communities must be notified of what her opinion is.

As the Board agreed with Legal Counsel's opinion, Mr. Crane asked that our legal counsel to prepare a letter in simple language explaining our interpretation of the Code. The letter will be sent by DEMHRA to the communities. Mr. Strine suggested it also be sent to the First State Manufactured Housing Association.

**E. Update on Trust Fund Assessments Paid by ROC's:**

This came up again recently. There are two resident-owned communities, Minquadale and Timber Acres. Minquadale has not been paying into the Trust Fund and Timber Acres has been paying into the Trust Fund. Legislators were contacted by Mr. Crane and after looking into the Code, they were of the legal opinion that with resident-owned communities, there must be a landlord-tenant relationship.

Mr. Crane turned the meeting over to our Solicitor for her opinion. Regarding Minquadale, she agreed that there must be a landlord-tenant relationship and have some sort of lease agreements. The only reference to resident-owned communities in Chapter 70 that is relevant excludes them from rent justification but does not exclude them from anything else. It appears that there is a landlord-tenant relationship. If the Code intended to exclude resident-owned communities from all of Chapter 70, it is not clearly defined as such. In her opinion, resident-owned communities are only excluded from rent justification. Mr. Crane suggested that Minquadale should contact their legislators if they wish to be excluded from Chapter 70.

Mr. Crane is of the opinion that we have no choice but to follow what he believes is the correct legal interpretation, which is that Minquadale is required to pay into the Trust Fund. He asked our Solicitor to prepare a letter to inform Minquadale of what our interpretation of the law is and what their responsibilities are. They will be given a deadline to register and bring their account up to date.

**F. Update on Paradise Cove (Previously Malone's Bayside Marina):**

This was previously discussed.

**G. Counsel's Opinion on Paradise Cove:**

This was previously discussed.

**H. Approval of Policies and Procedures:**

This was previously approved. The codes were changed that were incorrect. It was decided this does not need a vote.

**IX. New Business:**

**A. Invitation to Submit Proposals for Auditing Services:**

We received a proposal from Raymond F. Book for auditing services for another three (3) years. A motion to accept their proposal was made by Mr. Meldrum and seconded by Mr. Hrycyshyn. The motion carried 5-0.

**B. New CPI-U (CPI-U Calculations):**

Mr. Sutton was contacted by a community owner notifying him that the wrong CPI-U was posted on the DEMHRA website. Mr. Sutton calculated it and it has since been corrected on the website. Mr. Sutton will check future CPI-U increases for accuracy prior to posting on the website.

**C. Transfer of Trust Fund Money to DOJ Legal fund Account:**

As a courtesy Brian Eng from the DOJ sends us this information.

**D. Change in Use of Land – Pine Point Park:**

This was previously discussed.

**E. Request from Rose Pritchett, Former Owner of Bree Street, for Refund of Payments Made to the Trust Fund:**

Senator Lawson informed Mr. Crane that Ms. Pritchett had contacted him regarding her situation with respect to being reimbursed for payments she made to the Trust Fund. Ms. Pritchett sold Bree Street to Scott Stumpf. She had been paying into the Trust Fund because she was told by the Authority many years ago that she had to pay, even though she informed the Authority many times that all the homes in the park were on separate tax parcels. There is documentation in our files that did confirm that she informed the Authority about the separate tax parcels. She contends that should not have been required to pay because it did not fall under the Code. However, she made a voluntary decision to register and make the payments. She said that she had been paying the tenant portion as well.

We can only go by what she told us. Just because she made the payments in full does not mean that half of it was not being paid by the tenants. Mr. Strine proposed that we apply the law as it is written, and we should offer to pay her half of what she paid (the other half was the obligation of the tenants). In the event any tenants request a refund, we would have to pay them as well.

Our Solicitor was asked if she had any reservations about this not being a legal way to handle this. She said she did not, but added that if there were a lawsuit filed, at that point we would not change our position. Proper notation in accounting for the next audit must be made explaining that we are reimbursing money that was deducted unlawfully. She also suggested we check the tax parcels on-line.

Mr. Strine made a motion that we offer to pay her half of what she paid into the Trust Fund. The motion was seconded by Mr. Meldrum and the motion carried 5-0. Mr. Crane noted that the settlement shall include a statement that she accepts half and forfeits all claims she may have in the future.

**F. Request from Scott Stumpf, New Owner of Bree Street, to be Removed from the List of Registered Community Owners**

Mr. Stumpf will not be required to pay into the Trust Fund. Bree Street will be placed in our inactive file.

**G. Request from DOJ Regarding Malone's Bayside Marina Rent Increases Above the CPI-U:**

Mr. Malone of the DOJ was asked what the opinion of the DOJ was regarding Malone's Bayside Marina having an increase above the CPI-U and not notifying DEMHRA or the DOJ. About two years ago, there were two complaints regarding



this. He reached out to one of people filing the complaint. One thing he found out from that complaint was that Mario Malone did not have any rent increases after that. Mr. Malone is waiting to interview the second person who filed a complaint. The prosecutor and he will decide what the next step will be. Mr. Sutton asked if there is anything DEMHRA must do now, and Mr. Malone said not at this point.

**H. Request Glasgow Court Attorney to send DEMHRA all Rent Increase Letters:**  
Mr. Sutton has received them.

**I. Board Members Terms of Expiration:**

Mr. Sutton stated the Board Chair's term expires in August of this year, and Mr. Strine's term expires in September. Mr. Dunn's term expires in December. DEMHRA has nothing to do with this. The Board Members should express interest to the proper authority if they wish to be considered for their term to be renewed. Board members will remain in their current positions unless the appointing authority replaces them.

**J. Portal Welcome Letter from Dept. of Finance to Community Owners:**

Mr. Sutton received a call from a community owner inquiring if Trust Fund Payments could be paid on-line. Mr. Sutton had not heard anything about this so he called the Department of Finance and found out that a letter was sent to the communities that they can pay on-line. If communities call DEMHRA regarding this, we have the contact names of who they can contact at the Department of Finance for help. DEMHRA was never notified that Trust Fund payments can be made on-line.

**K. Action Items:**

A court ordered silent auction for the sale of Vanessa MHP will take place on 6/11/21.

Bree Street was previously discussed.

White Oak Subdivision owners have separate tax parcels and should be removed and placed in our inactive file.

**X. Public Comments:**

Mr. Crane welcomed any comments or questions from the public. Mr. Kinnick informed the Board that Layton's Riviera is now a nature preserve. Our Solicitor stated there was an update that as of September 1, 2020, the park owns all but one trailer and is no longer required to register with DEMHRA as of 4<sup>th</sup> Quarter 2020.

**XI. Executive Session:** The Board may discuss, in Executive Session, pending arbitration cases, personal matters, and litigation for the purpose of receiving legal advice relating to such matters.

As there were no items to discuss, the Board did not go into Executive Session.

**XII. Next Meeting Date: Adjournment**

The Board set the next meeting date as July 22, 2021, at 1:30 p.m.

The meeting was adjourned at 2:31 p.m. Hybrid Zoom Meetings will continue until the Board decides to discontinue them.

Respectfully submitted,

Gregg Sutton  
Executive Director