

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

**1979 S. State St.  
Dover, DE 19901**

**Minutes of March 17, 2022 Board Meeting**

**IN-ATTENDANCE:**

Authority: Mitch Crane  
Andy Strine  
Richard Hrycyshyn (Via Zoom)  
Pat Malone (Non-Voting Member)  
  
Gregg Sutton (Executive Director)  
Jane Sabo (DEMHRA Office Assistant)

Absent: Melissa Rhoads, Legal Counsel  
William Dunn  
George Meldrum

Via Zoom: Jen Allen, Donna Bartman, Helen Burke, Deborah English, Keith Fake,  
Janie Kiminski, Ellen McGoldrick, Keith Reinike, Joe Shorah, Chris  
Sweeney, and Kim Sweitzer.

**I. Call to Order:**

Mr. Crane called the hybrid Zoom meeting to order at 1:30 p.m. and announced that there was a quorum consisting of three (3) board members.

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

A motion was made and seconded to approve the minutes of February 10, 2022. The motion passed 3-0.

**III. Applications for Relocation Assistance:** Mr. Strine suggested that applications for relocation assistance be taken first on the agenda because of the likelihood of a quorum suddenly changing, so it was agreed to change the order on the agenda

**Applications for Approval – Pine Point Park:**

**Lauren Rooks , 20 Pine Point Park, Millsboro, DE 19966**

Single-wide relocation benefit in the amount of \$12,000 + \$200 (Appraisal Fee).

A motion was made and seconded to approve \$12,200 in non-relocation benefits. The motion passed 3-0.

**Elwood Hitchens and Jill Edwards, 19 Pine Point Park, Millsboro, DE 19966**

Single-wide non-relocation benefit in the amount of \$5,700 + \$200 (Appraisal Fee)  
A motion was made and seconded to approve \$5,900 in non-relocation benefits. The motion passed 3-0.

**Applications for Approval - Timberlane:**

**Rosiles-Frutos Baltazos, 99 Willow Tree Lane, Newark, DE 19702**

Abandonment payment for a single-wide in the amount of \$1,500.  
A motion was made and seconded to approve \$1,500 in abandonment benefits. The motion passed 3-0.

**Leticia Bernal, 52 Sycamore Tree Circle, Newark, DE 19702**

Abandonment payment for a single-wide in the amount of \$1,500.  
A motion was made and seconded to approve \$1,500 in abandonment benefits. The motion passed 3-0.

**Tameka Demby, 159 Sassafras Tree Circle, Newark, DE 19702**

Single-wide non-relocatable benefits in the amount of \$12,000 + \$200 (Appraisal Fee).  
A motion was made and seconded to approve \$12,200 in non-relocatable benefits. The motion passed 3-0.

**Marcela Hernandez-Cazares and Reyna Leguizamo 165 Sassafras Tree Circle, Newark, DE 19702**

Single-wide non-relocatable benefits in the amount of \$7,300. Reybold Homes paid the appraisal fee. They owe \$24.95 in school taxes. A motion was made and seconded to approve \$7,300 in benefits pending the payment of their school taxes. Reybold Homes will be reimbursed \$200 for the appraisal. The motion passed 3-0.

**Lester D. McMichael, Jr., 168 Sassafras Tree Circle, Newark, DE 19702**

Single-wide non-relocatable benefits in the amount of \$7,300. + \$200 (Appraisal Fee)  
Reybold Homes paid the appraisal fee. A motion was made and seconded to approve \$7,300 in non-relocatable benefits. Reybold Homes will be reimbursed \$200 for the appraisal. The motion passed 3-0.

**Raul Oriano-Serrano, 93 Willow Tree Lane, Newark, DE 19702**

Single-wide non-relocatable benefits in the amount of \$6,500 + \$200 (Appraisal Fee)  
Reybold Homes paid the appraisal fee. A motion was made and seconded to approve \$6,500 in non-relocatable benefits. Reybold Homes will be reimbursed \$200 for the appraisal. The motion passed 3-0.

**Michelle Reese, 89 Willow Tree Circle, Newark, DE 19702**

Single-wide non-relocatable benefits in the amount of \$12,000 + \$200 (Appraisal Fee)  
A motion was made and seconded to approve \$12,200 in non-relocatable benefits. The motion passed 3-0.

**Elsie Reyes, 71 Cypress Tree Circle, Newark, DE 19702**

Single-wide non-relocatable benefits in the amount of \$12,000 + \$200 (Appraisal Fee paid by Ms. Reyes)

A motion was made and seconded to approve \$12,200 in non-relocatable benefits. The motion passed 3-0.

**Abel Rosiles-Frutos, 53 Sycamore Tree Circle, Newark, DE 19702**

Abandonment payment for a single-wide in the amount of \$1,500.

A motion was made and seconded to approve \$1,500 in abandonment benefits. The motion passed 3-0.

**Baltazar Rosilas-Frutos, 99 Willow Tree Lane, Newark, DE 19702**

Abandonment payment for a single-wide in the amount of \$1,500.

A motion was made and seconded to approve \$1,500 in abandonment benefits. The motion passed 3-0.

**IV. Chair's Report:**

- A request was made at a workshop a year and half ago that there be legislation relative to the compensation of the board members for attending board meetings. Currently in Delaware, there are 56 boards receiving compensation. Mr. Crane suggested that the DEMHRA Board be compensated \$100.00 per meeting. A Bill was drafted and filed by State Representative Madinah Wilson-Anton on March 17, 2022. The Bill is being supported by both sides of the aisle.
- Another recommendation from that same workshop involved the definition of a community owner/landlord. The recommendation was to change the definition of a community owner/landlord to read two (2) or more contiguous lots where one or more persons have an ownership interest and containing five (5) or more manufactured homes whereas the residents pay lot rent would fall under the jurisdiction of DEMHRA. That legislation should be filed soon and that would have to come up for discussion and will probably need an amendment,
- House Bill 180, which came out of DMHOA, redefines requirements when there is a Right of First Offer (ROFO). It states that a community owner must provide the identity of a potential purchaser of the community if requested by the community HOA, and notice must be sent to the manufactured home community owner of any decision to sell, transfer, abate any or all of the community to the HOA, DMHOA or its successor and its authority. That bill was at committee in the House last March and passed the House by a party-line vote, It went over to the Senate Housing Committee and an amendment was added by Senator Townsend defining a bona-fide purchaser as a written agreement to buy a manufactured home community who has done either of the following; tended a non-refundable deposit, or substantially completed due diligence. If it passes the Senate it will then return to the House for a vote or additional amendment. Mr. Strine added that it needed clarity and should be verified that it is a real contract or offer as opposed to somebody just randomly saying that they will buy it with no legal commitment.

Another recommendation that resulted from last year's workshop involves a community where there is no registered HOA. In that case, other tenants in the group, or individually, have the right to make an offer, even if it is feasibly not financially possible that the right should still exist.

- Mr. Crane stated that two weeks ago, he requested a list of all mobile home movers because the residents in New Castle County going through a change in use were having a difficult time finding movers. According to Ms. Jen Allen of the First State Manufactured Housing Association, this is a nationwide issue. Mr. Crane stated that Representative Wilson-Anton was provided a copy of that same list. Several movers on that list have already indicated that they were only available to work in Sussex and Kent Counties. This means increasing the amount of money that they are being paid for the relocation, might be an incentive for them to work in all three counties. A feasibility study may need to be done to address this issue.
- Mr. Strine commented that an adjustment in relocation benefits was done two years ago but with inflation, etc. this certainly is not a static thing.

## V. Executive Director's Report:

Since the last meeting on February 10, 2022 the following has occurred:

- Received an in-person audit from our auditor, R.F. Book and Associates. This was a result of a request we made last year to have them come to our office as well to review our processes and procedures. We will receive that report in a few more months.
- The new CPI-U is 3.616% effective March 14, 2022. It has already been posted to the DEMHRA website.
- At the last board meeting, the Board asked for a comparison between the Trust Fund balance of 2021 and 2020. The Trust Fund balance as of December 31, 2020 was \$11,473,321.29 and at the end of December 31, 2021, the Trust Fund balance was \$12,289,556.41.

V. **Legal Counsel Report:** Legal counsel, Ms. Rhoads was unavailable to present her report, however Mr. Crane inquired about whether or not there was a change in two of the communities that were included in her previous report, **County Seat Gardens MHP** and **Mount Pleasant Mobile Home Park**. Mr. Sutton said that they were still delinquent. A Motion was made and seconded to take further legal action against these two parks. The motion passed 3-0.

- **Pepper Ridge:** Quarter 2 of 2021 has not been paid, the bill was due 7/20/2021, was delinquent after October 10/20/2021. It was referred to legal on 12/16/2021.
- **Pine Haven** – is delinquent for Quarters 1, 2 and 4 of 2021. Referred to legal September of 2021. Have not received a response.
- **Sand Hill Mobile Home Park** – Quarters 2 and 3 of 2021. Trying to locate a missing Check. In some cases, the correct Tax ID was not put in, We now require that they send a copy of the check with the number on the back the of the check to the Department of Finance before the matter is sent to legal.
- **Angola Crest** – Quarter 4 has not been paid: they are not late yet for Quarter 2. They have just paid Quarter 1. When a park is one Quarter late, an email is sent to them stating they are one Quarter late and we give them 10 days to respond. If they do not respond, we tell them we may refer them to legal when they become 2 quarters late.

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

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

The February 2022 Financial Report was reviewed.

- Revenues were \$14,295 for the month of February,
- Expenditures for the month of February were \$115,212.12, and of that, \$75,000 was relocation expenses
- Compliance Investigator Expenses were \$107.05
- Arbitrator Expenses were \$29,316.70
- Trust Fund as of February 28, 2022 is \$12,289,556.41
- Operating Account is \$29,144.36
- February Petty Cash was \$340.85

### **B. Approval of other Invoices:**

- Tighe and Cottrell invoice for the month of January was \$2,769.50.
- The Spanish Group – Translation of Documents for DEMHRA website was \$248.13.
- IT – Computerization 1 on 1 (Johnny Page) in the amount of \$1,650.
- Excel Business Services was \$156.25.
- Arbitrator: Ronald Stoner, Docket 04-2019, Wild Meadows HOA was \$9,387.50.

A motion was made and seconded to approve the above invoices collectively. The motion passed 3-0.

## **VII. Reports:**

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

#### **1. Compliance Investigator Report:**

A compliance investigator was sent to Kentwood Estates MHP as there was a difference of over 100 lots on the community owner registration form that the owner submitted. There was still a discrepancy of over 50 lots after the audit. Mr. Sutton called the owner and there was an error as far as the number of lots reported. On February 25, Mr. Sutton visited the community and his count of the number of mobile homes, vacant lots, and abandoned homes was within the +/- 5 margin of error. He declared the matter of Kentwood Estates closed.

#### **2. Delinquent Parks Report:**

Already discussed in the legal counsel report.

### **B. Arbitration:**

#### **1. Open Dockets - Arbitration Status and Costs:**

##### **Wild Meadows HOA vs. RHP Properties/Wild Meadows MHC (Docket 07-2018)**

Arbitrator ruled in favor of the owner. This is on appeal to Superior Court.

**Wild Meadows HOA vs. RHP Properties/Wild Meadows LLC (Docket 04-2019):**

March 10, 2022 the rate increase above the CPI-U was denied, parties have 30 days to appeal the decision.

**Winterset Farms HOA vs. Winterset Farms MHC (Docket 01-2020):**

March 10, 2022 an Arbitration Appeal found in favor of the community owners was upheld by Superior Court. Matter was not appealed by either party. This Docket is now closed.

**Wild Meadows HOA vs. RHP Properties/Wild Meadows LLC (Docket 04-2020):**

As of March 7, 2022, the parties received arbitrator transcripts and initial briefs will be on March 18, 2022. Reply briefs will be due by April 8, 2022, and a decision will be promptly made thereafter

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

As of March 10, 2022, we received brief from the Superior Court for a motion to have the records filed under seal with exhibits.

**Ridgewood Manor HOA vs Ridgewood Manor II MHC, LLC (Docket 02-2021):**

Received Ridgewood Manor MHP motion to file opening brief. The appendix thereto is a confidential filing.

**Canterbury Crossing HOA vs Canterbury Crossing MHP (Docket 03-2021):**

As of March 11, 2022, a briefing was completed, briefings were reviewed and an arbitration opinion is pending.

**Pot Nets Lakeside HOA vs Pot Nets Communities (Docket #04-2121):**

As of March 7, 2022, the parties requested a rescheduling of the hearing and a detailed schedule is due April 26, and 27.

**Willow Tree Affected Tenants (Daphne Carmen) vs Willow Tree Properties (Docket 06-2021):**

As of January 7, 2022, a closed letter and documents were received, and the arbitrator ruled in favor of the community owner. This case is now closed.

**VIII. Unfinished Business:**

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

**Parks for Sale:**

- Update on Silver Oaks Trailer Park - Per Attorney Rago, this sale fell through and the owner is negotiating a contract with another potential buyer.
- Update on Up Country MHP -New owner contact information was received. Update on Sussex Manor – New owner contact information was received, and have registered with DOR.
- Update on Driftwood Village – New owner contact information was received.
- Sussex East – ROFO Sent by HOA on January 10, 2022
- Sussex West – ROFO Sent by HOA on January 10, 2022
- Colonial Estates – Letter received February 2, 2022 from the HOA declining purchase of property.

## **B. Change in Use:**

### **Ford's MHP:**

Three (3)-month update letter sent February 28, 2022.

### **Pine Point Park:**

Three (3) month update letter was sent on January 28, 2022. The report outlining the status of applications was reviewed. There are about six (6) tenants who have not applied for benefits and they must vacate by April 30, 2022. Mr. Sutton was contacted by the owner about what to do with those who do not apply. Community owner advised us that if tenants do not vacate by April 30, 2022, they will face eviction. Mr. Strine suggested that the owner contact those who have not applied and let them know there is no reason to delay the application process, eliminating their eviction.

### **Timberlane:**

The six (6)-month letter sent on January 30, 2022. Reybold notified Mr. Sutton that they will be extending the deadline to apply for benefits to October 2022.

Mr. Crane requested Mr. Sutton send a copy of the status of applications to Representative Wilson-Anton. The report was sent to her on February 11, 2022.

### **Paradise Cove:**

Mr. Pat Malone and Deputy Attorney General Michael Clark met with park manager Holly Harding and their attorney, Bob Valihura last week. They are scheduled to go to the office in Sussex County to discuss further to see if they can come to an agreement with what will be happening to the park. The DOJ has brought many legal questions to the community owner and their attorney explaining what the issues are and what the stance is of the Department of Justice. The DOJ is ready to move forward with charges into the Chancery Court if negotiations and discussions with the owners and attorneys are not fruitful. Mr. Malone stated that he is not able to discuss any negotiations being conducted. The plan is to be able to get an email out to the community by the evening of March 18<sup>th</sup>.

Mr. Sutton mentioned that there are a total of 35 lots in Paradise Cove. Of those 35 lots, there are 7 lots that tenants are permanent residents. There are 28 people who signed seasonal leases from last year. We sent a compliance investigator after Thanksgiving, because their leases state they must be off the premises by October 31. When the compliance investigator visited in November, there were 5 to 6 cars parked at Paradise Cove. We then notified the attorney for Paradise Cove and gave him our findings. We advised their counsel that to be declared a seasonal park, folks cannot be on the property after a certain date. We then referred the matter to the DOJ.

Pat Malone of the DOJ said they are looking at the leases as being illegal leases because people signed seasonal leases and that will be part of their negotiations with the community owner. At this point, there is not going to be any action taken on anyone from Paradise Cove until the DOJ either reaches an agreement or this ends up in Chancery Court, and then everything will be put on hold, at least that is what the DOJ will ask for.

**C. Rich Hrycyshyn's Proposal for Board Meeting Schedule**

Mr. Hrycyshyn earlier in the year made a proposal. that we schedule board meetings A year in advance instead of scheduling future meetings at the end of each meeting. It was the consensus of the group that based on board members' schedules, it would be difficult to schedule meetings a year in advance. Therefore, Mr. Hrycyshyn rescinded his proposal.

Mr. Crane did not rule out the possibility of future boards changing the board meeting schedule.

**D. Community Owner Registration Update:**

Every September we send out notices to all community owners that they have to register by December 31. As of today, 118 out of 181 communities have returned their registrations. A compliance investigator will be sent out to audit those communities who have not returned their registration forms.

**E. State Email Address Update:**

The Chair gave Mr. Sutton permission to contact the Department of Technology and Information (DTI), to request State of Delaware email addresses for DEMHRA staff, to include the Chair. The only delay is addressing procedures on how to implement the process of authenticating every time we log in to our state email.

Mr. Crane also discussed the cost of this service recommended limiting the state email addresses only the DEMHRA staff and the Board Chair. They did not think there was a need for everybody on the board to have one. The only people that communicate with the outside world including the legislature are the three (3) staff members and the Chair. I think if we limit just those four (4) people (Mr. Sutton said it was about \$119 per person per year), he did not want to finalize anything with them until we had board approval because it is an expenditure. A motion was made and seconded to approve the expenditure. The motion passed 3-0.

**IX. New Business:**

**A. Criteria For Appraisals of Non-Relocatable Homes (Andy Strine):**

Due to the inconsistency in appraisers appraising the value of non-relocatable homes, Mr. Strine proposed a uniform criteria for appraising mobile homes. The following criteria will be added to the DEMHRA Policies and Procedures manual and this appraisal criteria will be given to community owners to be included in their relocation plan and sent to every mobile home appraiser:

1. Interior and exterior pictures of the subject unit must be taken and compared to exterior pictures of comparable units
2. Compare the condition, size, year, make, and model of subject unit to units with similar features
3. Adjustments must be made of comparable sales to get to the valuation or referencing a national valuation publication such as the NADA guide to determine the appraised value of the home.



It must be noted that since Mr. Strine presented the proposed criteria, he could not make the motion to accept it. Therefore, Mr. Hrycyszyn made the motion to accept the proposed criteria and add it to the DEMHRA Policies and Procedures manual. The motion was seconded by Mr. Crane and passed 3-0.

**B. HOA Registration (Eligibility Requirements):**

With regards to HOA eligibility requirements, to be in good standing, HOAs are required to register annually with DEMHRA. The registration includes the following: their most recent bylaws; proof of incorporation with the State of Delaware for the current year; a list of current officers and contact information; and proof of payment of annual State of Delaware franchise tax. If the HOA does submit this information annually, they will be removed from the DEMHRA website and not be eligible to participate in the Right of First Officer process. The question was raised what do you do when you have two (2) HOA's in a community for a right of first offer. According to Chapter 70 the HOA that has been there the longest has the right of first offer. However, if that HOA with the most seniority has not sent in their yearly updates, they are not in good standing. In those cases, the junior HOA will have priority and standing when it comes to the right of first offer.

**C Publishing Landlord/Tenant Payments on the DEMHRA Website:**

After the audit from R.F. Book and Associates was completed, we received a subsequent email from the auditor stating that payments to tenants from the Trust Fund must be made available to the DEMHRA website on a quarterly basis. The auditor was advised that we are in compliance because whenever there are applications approved by the Board for relocation assistance, the amounts awarded are included in the minutes which are published on the DEMHRA website.

**D. Policies and Procedures**

New policies and procedures approved by the Board will be included in the DEMHRA Policies and Procedures manual

New entries will be identified and annotated in the manual by the effective date of the change

**E. Add Spanish Translation Headers to DEMHRA Website**

Spanish translation headings will be added to certain headings on the DEMHRA website

They will be readily identified in parenthesis by the word Espanola beside the specific heading

**X. Public Comments:**

Mr. Crane then took questions and concerns.

Mr. Chris Sweeney, a resident of Paradise Cove and HOA President had a concern that residents were being coerced into signing a seasonal lease in which he felt was contradictory to Title 25 Chapter 70 as the residents had previously had access to their homes year-round.

DEMHRA, along with the DOJ, is looking into the allegations that people were being intimidated or forced to transfer their leases from full-time to seasonal and DEMHRA has asked for proof of the leases. DEMHRA contends that Paradise Cove cannot convert from a full-time lease to seasonal lease without going through the Change In Use process. Mr. Crane stated that the question of what is and is not seasonal is one that causes the problem and the Code is really vague on it. Mr. Sweeney promptly pointed out about utilities being shut off, but it doesn't say it should be one utility shut off by the community or by the individual to shut it off. DEMHRA sent a compliance investigator down there after the season to see if people were still at their residences and some were. DEMHRA is working with, and making demands of the community owner for information to support their position, or to answer our questions about the lease situation and who is authorized to be there all year. DEMHRA is prepared to take legal action if advised to do so by legal counsel.

On another matter, Mr. Sweeney advised the Board that the park manager from Paradise Cove called recently and left him a voice mail message that his house in Paradise Cove had burned down on March 16, 2022. On behalf of the Board, Mr. Crane expressed his sorrow on the fact that Mr. Sweeney's house had burned down. Mr. Crane informed Mr. Sweeney that as this an open investigation, there was little that DEMHRA could do regarding his dilemma.

Mr. Joe Schorah, another Paradise Cove resident stated that when he placed his stick-built home on the property 16 years ago, he was under the assumption that it was a full-time facility. Mr. Crane informed Mr. Schorah that stick-built homes are not within DEMHRA's jurisdiction; only manufactured homes, and that there was nothing DEMHRA could do in his particular case.

**XII. Next Meeting - Adjournment:**

With nothing further to discuss, the meeting was adjourned at 3:04 p.m. The Board set the next meeting date as April 14, 2022 at 1:30 p.m.

Respectfully submitted,

Gregg Sutton  
Executive Director