

**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 convened a hybrid meeting on **July 21, 2022**, commencing at **1:30 P.M.** at 1979 S. State Street, Dover, DE 19901.

**Minutes of July 21, 2022 Board Meeting**

**IN-ATTENDANCE:**

Authority:	Mitch Crane William Dunn Richard Hrycyshyn George Meldrum Andy Strine Patrick Malone (Non-Voting Member) Via Zoom  Gregg Sutton (Executive Director) Jane Sabo (DEMHRA Assistant)
Legal Counsel:	Melissa Rhoads
Other:	William Kinnick, Delaware Manufactured Housing Home Association Henry "Rick" Clum, Delaware Manufactured Housing Home Association
Via Zoom:	Jen Allen, First State Manufactured Housing Association Joanne Kent, Falcidian Nicole Faries, Baird, Mandalas, and Brockstedt Lynn Myrvold, Sun Communities Taryn Edmonds, Hometown America Carlos Sanchez, Lynch's MHP Juetsy Rodriguez, Lynch's MHP

**I. Call to Order:**

Mr. Crane called the hybrid Zoom meeting to order at 1:30p.m. All were in attendance with the exception of Mr. Dunn, who arrived late.

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

A motion to approve the June 16, 2022 minutes was made and seconded. The motion carried 4:0 with one in absentia.

## **III. Chair's Report:**

- Mr. Crane discussed the new CPI-U and Senate Bill 317, which references the notification of the new CPI-U relative to rent increases.  
If a new person is hired and can start on Monday, July 25, 2022, he will have one week with Mr. Sutton. Mr. Sutton will be available after that to assist the new Executive Director, as needed, until the end of the year.
- Mr. Crane went off the agenda and asked Ms. Joanne Kent of Falcidian if she would like to make her presentation at this time so that she wouldn't have to sit through the meeting until her agenda item was addressed. Her presentation follows in the reports section of the minutes.

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

Since the last meeting, the following has occurred:

- Mr. Sutton announced his retirement, effective August 1, 2022. He thanked the Board as well as Mr. Kinnick for their assistance. He thanked the Board for the opportunity to serve in this position for the past six years. On behalf of the Board, Mr. Crane thanked Mr. Sutton for his service.
- Mr. Sutton further discussed that the new CPI-U is now based on a 24-month average instead of a 36-month average.  
Senate Bill 317 was passed on June 30, 2022, and requires that the Delaware State Housing Authority send the new CPI-U to DEMHRA within five days of release. DEMHRA has 10 days from the receipt of the rent increase from the community owner to certify the rent increase request. The new law requires certification of all rent increase notices, even if they are below the CPI-U. We will be sending all certification letters each Friday with proof of mailing.
- Mr. Sutton met with the owner of Lynch's MHP last week. Lynch's MHP will be closing the park and they are trying to evict some of their tenants. They were told that DEMHRA cannot control the behavior of their tenants and cannot offer any legal advice. They were advised to consult with their attorney. If there are Code violations, they were advised to contact the Department of Justice.

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

- Fishhook MHP paid and the case was dismissed.
- Pine Haven has been sold to Bluewater. The former owner is working with the Division of Revenue to pay their past-due assessments. They will be responsible to pay assessments through September. Bluewater is aware that they must register with the Division of Revenue.
- THP MHP and Dackerg MHP have paid but with the complex new system the Division of

Revenue uses, their payments were found in the system but were not properly applied. These issues are being resolved.

These cases will not be dismissed yet and are pending.

- Laws MHP is having service issues (attempt to file suit and attempt to serve). The owner has passed away. Ms. Rhoads not been able to contact her husband and will attempt to find out who is running the park. Mr. Sutton suggested sending a compliance investigator to the park to find out who the point of contact is and Ms. Rhoads agreed.
- County Seat Gardens is having service issues as well. We have a good address but the owner Has reportedly moved to Florida,.

## **V1. Approval of Financial Matters:**

### **1. Recent Financial Activity & Report (Informational Purposes Only):**

The June 2022 Financial Report was reviewed and posted on the DEMHRA Website. Mr. Sutton will reconcile the petty cash and replenish it to the maximum amount of \$500 before he leaves.

### **2. Approval of Legal Counsel Invoices:**

The Board reviewed the June invoice from Tighe and Cottrell in the amount of \$1,720.35.

### **3. Approval of Other Invoices:**

The Board reviewed two Magna Legal Services Invoices in the amounts of \$255.00 and \$80.00 respectively,

Computerization 1on1 in the amount of \$1,387.50, and L&W Insurance for the Professional Professional Liability insurance in the amount of \$2,291.00.

A motion was made and seconded to approve all the above invoices collectively. The motion carried 5:0.

## **VII. Reports:**

### **A. Falcidian Presentation:**

Mr. Sutton invited Ms. Joanne Kent to introduce her to the Board and go over what Falcidian does for DEMHRA. Ms. Kent has been with Falcidian 17 years and has been doing DEMHRA's work for about 16 years. The following is a list of the services she provides: pays all bills and writes all checks; reconciles the bank account, prepares monthly financial reports, payroll processing, tracks employee's hours, sick time and vacation time, tracks contractor and arbitrator costs and issues payment, handles 1099 forms for contracted employees, reconciles petty cash. She works with DEMHRA's auditor to assist with the preparation of numerous reports. Mr. Sutton asked her to elaborate on the preparation of the monthly financial reports. She reported that she has done all the monthly and yearly financial reports since the inception of DEMHRA in 2004 to include itemized category reports, requested financial reports, contractor and arbitrator spreadsheets that are attached to the monthly financial report. Mr. Sutton acknowledged that the Falcidian engagement letter was received and signed. Mr. Crane thanked her for all the work that she does and added that we have not had any questions about what she does, and that she is very prompt in the handling of her duties. She is very much appreciated, and we look forward to working with her for many years to come.,

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

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

Our compliance investigator audited Dover Air Park since they had not returned the annual registration form. He counted the homes and they were within the margin of error.

### **2. Community Owner Registration Update:**

Out of 190 communities, 54 have not sent in their registration forms. Mr. Sutton will have his staff issue work orders and by the next Board meeting we hope to have them almost complete.

### **3. Delinquent Parks Report:**

This report does not include parks that were previously referred to legal counsel. Emails or letters were sent to communities on 5/4/22 to remind them that Quarter 1/2022 was due on 4/20/22. Ford's MHP is going through a change in use. Nicole Faries, their attorney, was notified that they would not be eligible for benefits until their account is brought up to date. They have paid Quarter 4/2021 and now owe Quarter 1/2022. Ms. Faries has notified the owners of this.

## **B. Arbitration Matters:**

### **1. Update on Status of Arbitrator Costs for Open Dockets:**

#### **Wild Meadows HOA vs. RHP Properties/Wild Meadows MHC (Docket 07-18):**

5/24/22 – Records were delivered to prothonotary. This has been appealed to Superior Court and we are waiting for an update. Going forward staff was instructed to get updates from the appealing attorney since the arbitrator is no longer involved.

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

4/14/22 Records were delivered to prothonotary. This has been appealed to Superior Court and we are waiting for an update. . Going forward staff was instructed to get updates from the appealing attorney since the arbitrator is no longer involved.

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

5/31/22 Records were delivered to prothonotary. This has been appealed to Superior Court and we are waiting for an update. . Going forward staff was instructed to get updates from the appealing attorney since the arbitrator is no longer involved.

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

#### **Ridgewood Manor vs Ridgewood Manor II LLC (Docket 02-2021):**

3/25/22 M. Morton filed brief to reverse arbitrator decision. Superior Court decision is expected by early summer.

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

5/20/22 Appellee seeking to have record sealed.

#### **Pot-Nets Lakeside HOA vs Tunnel Companies (Docket 04-2021):**

5/20/22 Received request from CLASI to Superior Court to have the record sealed. Awaiting update from Superior Court.

#### **Richard Ruben vs Bon Ayre LLC (Docket 01-2022):**

Hearing scheduled for 9/8/22.

**2. Arbitrator Costs:**

Arbitrator costs were listed on the spreadsheet given to the Board.

**VIII. Unfinished Business:**

**A. Parks for Sale:**

Canterbury Crossing – Right of First Offer letter sent 6/22/22. There is a buyer. HOA did not Respond within the 30 days

Oak Forest – Right of First Offer Letter sent 6/22/22. No HOA and they did not form one within 30 days.

Colonial East – Purchased by RHP Properties. Ms. Rhoads will remind the new owner to set up their Trust Fund account.

Sussex East - – Purchased by RHP Properties. Ms. Rhoads will remind the new owner to set up their Trust Fund account.

Sussex Manor – Purchased by RHP Properties. They have provided their EIN to the Division of Revenue but did nothing after that. Ms. Rhoads will remind the new owner to set up their Trust Fund Account.

**B. Change in Use Update:**

Pine Point Park – All applications from tenants were received. One person did not apply.

Timberlane – 5 non-relocatable applications and 1relocatable applications were received.

**Applications for Approval - Timberlane:**

**Berrera-Cruz & Mejia-Duran Arleth Paola, 176 Sassafras Circle, Newark DE 19702**

Conditional approval for non-relocatable payment for a single-wide in the amount of \$12,000. Reybold paid for Sachs appraisal and will be reimbursed \$200. Owes taxes and needs to sign the waiver letter to have DEMHRA deduct payment of taxes from his benefit.

**Michael Givins, 123 Hickory Tree Circle, Newark, DE 19702**

Non-relocatable payment for a single-wide in the amount of \$8,600. Reybold paid for Sachs appraisal and will be reimbursed \$200.

**Lisa Hazlett, 145 Oak Tree Circle, Newark, DE 19702**

Non-relocatable payment for a single-wide in the amount of \$8,200. Reybold paid for Sachs appraisal and will be reimbursed \$200.

**Rebecca Limon, 28 Elm Tree Circle Newark, DE 19702**

Non-relocatable payment for a single-wide in the amount of \$8,800. Reybold paid for Sachs appraisal and will be reimbursed \$200.

**Jose Moreno, 138 Oak Tree Circle, Newark, DE 19702**

Non-relocatable payment for a single-wide in the amount of \$5,200. Reybold paid for Sachs appraisal and will be reimbursed \$200.

**Marilu Ocampo-Sotelo, 139 Oak Tree Circle, Newark, DE 19702**

Non-relocatable payment for a single-wide in the amount of \$9,800. Reybold paid for Sachs appraisal and will be reimbursed \$200.

**Epilano-Camacho, 9 Holly Tree Circle, Newark, DE 19702**

Relocatable payment to Reybold Homes in the amount of \$12,000. Awaiting signed waiver to pay Reybold Homes directly.

A motion to approve the above benefits and conditionally approve Berrera-Cruz & Mejia-Duran Arleth Paola (pending receipt of signed waiver letter) and Epiliano Camacho (pending receipt of signed waiver to pay Reybold Homes directly) A motion was made and seconded. The motion carried 5:0.

## **IX. New Business:**

### **A. Authorize the Executive Director Search Committee to Offer/Contract with a New Executive Director at compensation and Benefits within a Reasonable Range:**

### **B. CPI-U Update:**

Mr. Sutton reported that the new rate is effective 7/1/22. The 24-month average will be used instead of the 36-month average. The new CPI-U rate is 6.808%. Ms. Rhoads will discuss later in more detail.

### **C. Docket 01-2022 (Ruben vs BonAyre Land, LLC):**

This was previously discussed.

### **D. Legislative Update on SB 317, HB374 w/HA1 +SA1:**

Ms. Rhoads explained the changes in the bill and the process DEMHRA must use to certify that the rent increase meets the criteria to certify it. DEMHRA must send the certification letter within 10 days with proof of mailing certification. Per Mr. Sutton, all certification letters will be sent every Friday. This should eliminate or greatly reduce the need for expensive and time-consuming arbitrations.

### **E. Oakway Contesting Number of Homes:**

Mr. Sutton will send our compliance investigator to do an audit.

### **F. Office Inventory – Mr. Sutton Will Verify and Sign Off on Existing Inventory:**

All equipment and furniture will be logged and labeled for sign-off by Mr. Sutton and the new Executive Director.

## **X. Public Comments:**

The owner of Lynch's MHP attended the meeting to discuss Lynch's MHP closure. He was given basic information and advised to consult his attorney for the closure and eviction process since DEMHRA cannot give legal advice. For State Code violations he was advised to contact the Department of Justice. If his attorney has any questions he is welcome to contact DEMHRA.

Mr. Kinnick discussed the following: Paradise Cove was sold two years ago as a seasonal community. However, there are six or seven tenants who live there year-round. Paradise Cove is now applying for change in use for seasonal park status. The Department of Justice ruled that those tenants who live there year-round must be given manufactured home housing contracts because this is their only home. Mr. Kinnick reiterated that since this is their only home and they live their round and pay their own utilities, and Chapter 70 states that if there are over two manufactured homes in a community, it cannot be a seasonal park under Chapter 70.

Mr. Crane added that the change in use process is just starting, and we have no authority over the Department of Justice and visa versa. There have been discussions with DEMHRA and the Department of Justice. DEMHRA has not signed off on anything. Mr. Crane's advice would be that the people who live there get legal advice. DEMHRA will follow the law as we interpret it.

Regarding Senate Bill 317, Mr. Crane expressed disappointment that this law was passed without allowing DEMHRA to be consulted. There are inconsistencies in the bill that could have been avoided had DEMHRA been consulted. The law was passed which requires DEMHRA to do certain things without advising us. A draft could have been sent to DEMHRA asking for our opinion. Mr. Kinnick reported that they will be reconvening and making changes in August. Mr. Crane asked Mr. Kinnick to make it known that DEMHRA would like to attend that meeting. This is a comprehensive bill and it should benefit everyone if DEMHRA was involved.

Mr. Meldrum announced that he will be resigning. He stated the DEMHRA Board is not recognized for the commitment they make and the responsibilities they take on. This is one of the few commissions that are not compensated for their time. Mr. Crane recognized Mr. Meldrum's service and thanked him and wished him well.

**X. Executive Session:**

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

**XI. Next Meeting – Adjournment:**

The Board set the next meeting date as August 25, 2022 at 1:30 P.M.  
The meeting was adjourned at 2:50 P.M.

Respectfully submitted,

Gregg Sutton  
Executive Director