

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 **May 19, 2022**, commencing at **1:30 P.M.** at 1979 S. State Street, Dover, DE 19901.

Minutes of May 19, 2022 Board Meeting

IN-ATTENDANCE:

Authority:	Mitch Crane Richard Hrycyshyn George Meldrum William Dunn Gregg Sutton (Executive Director) Jane Sabo (DEMHRA Office Assistant)
Legal Counsel:	Melissa Rhoads
Other:	Dietmar Panzig, Southern Meadow Community
Via Zoom:	Jen Allen, Delaware State Housing Authority Pamela Scott, Mason-Dixon Community

I. Call to Order:

Mr. Crane called the hybrid Zoom meeting to order at 1:32 p.m. All were in attendance except Mr. Strine and Mr. Malone. There was a quorum present.

II. Review and Approval of Minutes:

A motion to approve the March 17, 2022 and April 19, 2022 minutes was made and seconded. The motion carried 4:0.

III. Chair's Report:

- Mr. Crane recently attended a meeting organized by the Real Estate Attorney representing Glasgow Court's ownership to discuss the last phase of change in use for Glasgow Court. All homes will be removed and apartments and townhomes will be constructed. It is anticipated the process will begin in 3-4 months. There are approximately three hundred homes that will be affected by the change in use.

- A work session was held on November 12, 2020 with all current members of the DEMHRA board in attendance. In addition, Mr. Kinnick of DMHOA, and Mr. Mark Tunnel representing the community owners, were also in attendance. The bills having action needed were discussed. Mr. Crane contacted the chairs of the two Legislative Committees and every member of the Senate and House who were on those committees, indicating that we had proposals that were legislative in nature and welcomed an opportunity to present them at any time. Only one legislator, Ruth Briggs-King, responded and she requested a meeting and there was no response. Nothing at that point was done. Representative Medina Wilson-Anton contacted Mr. Crane and he gave her a rundown of all the bills that we had agreed to that should be acted upon. Ms. Wilson-Anton met with the Chair John Kowalko, who contacted Mr. Crane, and informed Mr. Crane that they were interested in a number of those bills, and they would be brought up for discussion.
- One of the proposed bills was to compensate DEMHRA Board Members at \$100 a meeting. This is in-line with what sixty-eight of the State Boards of Commissions are paid. There are some that do not get paid. This bill was filed and scheduled for committee. Mr. Sutton and Mr. Strine attended the session in Mr. Crane's absence. The bill was tabled. Mr. Crane inquired why, and he was told that there was not enough support for all the elements that were supposed to be behind the bill were present. DMHOA was opposed to the bill, and one of the community owners was opposed to the bill. DMHOA's position is that the board should not be paid out of Trust Fund monies, and that the Statue states that the board is unpaid. The bill is to amend that. The community owner representative was also opposed to the bill. The bottom line was the bill was tabled because some people are wondering if by representation that all elements that were in favor of this was not true. Mr. Strine has also followed up with emails. There has been no response.
- The proposed bill to amend the statue regarding the right of first offer to be sent to the tenants and HOA (if there is one) to include any entity being able to respond with an offer if they could come up with the money. The current requires that an HOA meet certain conditions, and it is almost impossible for an HOA to be formed during the allotted period. An example of other entities are individuals, an LLC, or LLP. This bill was drafted and has not been acted upon.
- Another bill that had some support was relative to the issue of manufactured home communities that are not communities by definition because they are on individual parcels owned by different people, or one person owns a number of parcels and there is only one home on each parcel. Code states there must be more than one home on a parcel to fall under Chapter 70. After discussion regarding changing the number of homes per parcel, it was proposed to change number of homes on each parcel from one or more to five or more. That bill was drafted, and there has been no response.

IV. Executive Director's Report:

Since the last regular meeting on March 17, 2022, the following has occurred:

- Another Compliance Investigator was hired because we need more visibility in northern Kent County and New Castle County.
- The yearly audit was received from R. F. Book. The report only covers the audit of our financial statements. Mr. Sutton would like to propose expanding the content of the audits to include best practices, policies and procedures, review of insurances and cost of same. Before submitting the engagement letter next month, Mr. Sutton will prepare a proposal for Board review and approve to have the audit include more than just the financial statements.

- Mr. Sutton met with real estate attorney for Glasgow Court on May 2, 2022. Timberlane also had a representative at this meeting who is bi-lingual, and she volunteered to help interpret for the Spanish people when Glasgow Court goes through the change in use.
- Mr. Sutton will do everything possible to ensure that Glasgow Court provides the required and correct documentation regarding relocation/demolition during the change in use process.
- At the meeting with Glasgow on May 2, 2022, Mr. Sutton was asked about movers. Reybold is the only mover available in New Castle County. Mr. Sutton will contact movers from Cecil County Maryland. Mr. Crane was approached by the legislators regarding the shortage of movers and appraisers. DEMHRA will do all they can to try to find more. Mr. Crane suggested the amount we pay may have to be changed so we can attract more movers.

V. Legal Counsel Report:

- There are currently six cases in the Court of Common Pleas for delinquent payment of assessments: Fishhook, Laws MHP, Pine Haven, THP, LLC, Dackerg MP and County Seat Gardens. They are all pending. Some are working with Christine Hambleton of the Division of Revenue to resolve issues regarding missed payments, coupons not being completed correctly, etc., so they may be resolved by next month. Ms. Allen volunteered to reach out to these communities to try to get them to pay. She stated that information is included in their newsletters.
Oakway was sued and is still delinquent. Attorney Nicole Faries now represents this community. She has ascertained that there are eight written leases. She would like to propose that the DEMHRA Board agree that if they make the past due payment, this will be resolved. Legal Counsel will inform Ms. Faries that going forward the community must follow through and remit payments in a timely manner. Mr. Sutton requested the names and addresses of those eight tenants, and he will send a compliance investigator to verify that there are only eight homes occupied.
- Seasonal Park Issues:
Paradise Cove - some tenants have primary residences elsewhere. A small portion of them that are full time residents. The DOJ is now investigating this and we are awaiting resolution. They are not to the point yet of involving DEMHRA Board. Mr. Crane requested a written report from the DOJ but has not received a response yet.
Mason-Dixon – There are two different parts to Mason-Dixon, one is being referred to as the annex. The part with thirty homes is being represented by Michael Morton. Several times requests were made for Michael Morton to provide us with the leases to determine if they are seasonal leases. Our compliance investigator was sent to audit the park and he found there were vehicles parked outside of several homes. This is ongoing and at some point legal action is a possibility. We will discuss the possibility of legal action at the June Board Meeting. The other part of Mason-Dixon only has six homes, and it is represented by Pam Scott. She has provided DEMHRA with all the leases and they all follow Chapter 70 with respect to what needs to be included in a season lease. Our compliance investigator did not see any cars parked there after the park was closed for the season. Legal Counsel's recommendation is that this portion of the park be excluded from Chapter 70 based on all evidence submitted. Ms. Scott concurs with this decision. Mr. Crane proposed voting to have Ms. Scott's portion of the park listed as a seasonal community and removed from the Trust Fund Account. A motion was made and seconded. The motion carried 4:0. Mr. Crane directed Legal Counsel to send a letter to Ms. Scott confirming DEMHRA's determination that her portion of the park is seasonal. A semi-annual audit will be conducted for the purpose of verifying the park remains seasonal. Mr. Sutton will contact the

Division of Revenue to apprise Ms. Hambleton that Ms. Scott's portion of the park is no longer required to pay into the Trust Fund.

V1. Approval of Financial Matters:

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

The March and April 2022 Financial Reports were reviewed and have been posted on the DEMHRA Website.

2. Approval of Legal Counsel Invoices:

The Board reviewed the March and April Invoices in the amounts of \$2,830 and \$1,560 respectively. A motion was made and seconded to approve the invoices. The motion carried 4:0.

3. Approval of Other Invoices:

A motion was made and seconded to approve the R.F. Book invoice in the amount of \$9,700. The motion carried 4:0.

A motion was made and seconded to approve the Hartford Insurance Workers' Compensation Invoice in the amount of \$246.00. The motion carried 4:0.

VII. Reports:

A. Compliance Matters (Executive Director):

1. Compliance Investigator Report:

Audits were done on Ridgeway Manor and Glasgow Court. Mr. Sutton accompanied the new Compliance Investigator on her audit to show her the procedure for audits.

2. Delinquent Parks Report:

Parks referred for legal action are not included in this report. Quarter one appeared on the report for the first time. Those parks showing quarter one not paid were send emails or letters notifying them they are one quarter late. Payment is requested within 10 days and if we do not receive payment they may be referred for legal action. Once the park is two quarters late, emails or letters are sent they are now two quarters land and if payment is not made within ten days they will be referred for legal action. The emails or letters provide information on how to get assistance if needed to complete the MHR-Tax forms. If payment was made, they are instructed to contact Christine Hambleton to give her the proof of payment number on the back of their check.

Minquadale is still delinquent but it is due to not completing the MHR-Tax form correctly. Ms. Rhoads was asked to send Mr. Sutton the Settlement Agreement.

If communities are delinquent in payments to the Trust Fund, they are not eligible to receive demolition benefits if they are going through a change of use. This information will be listed in the DEMHRA internal checklist for relocation benefits and will be followed-up to verify payments before demolition benefits are paid.

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):

Arbitrator ruled in favor of the community owner. The HOA has appealed to Superior Court. A citation was received and Mr. Sutton hand-carried the requested documents to the Kent County Prothonotary Office on May 4, 2022.

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

Appealed to Superior Court by the community owner. A citation was received from Superior Court and Mr. Sutton hand-carried the requested documents to the Kent County Prothonotary Office on May 14, 2022.

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

Appeal ruled 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):

Arbitrator ruled in favor of the community owner. Pending appeal within the 30 days of arbitration decision.

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

Motion to file under seal with exhibits sent on January 18, 2022. All documents prepared and sent to Superior Court on January 20, 2022. It is under seal. Under seal means that monetary expenses by community owner cannot be seen, and if a FOIA request is requested, it can be redacted if it is in Superior Court.

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

Decision expected with the next 5-6 weeks.

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

Arbitrator ruled in favor of the market rent increase and the CPI-U increase was denied. Citation of appeal was received on May 2, 2022. Notice to file under seal was received. Pending awaiting decision of Superior Court.

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

Hearing was held on April 20, 2022. Pending awaiting decision of arbitrator.

Dover Air Park vs Affected Tenants (Daphne Carmen) vs Willow Tree Properties (Docket 05-2021):

This has been dismissed. This case is now closed.

VIII. Unfinished Business:

A. Change in Use Update:

1. Pine Point Park:

There is one more application and this will be included along with Timberlane Applications for approval.

2. Timberlane:

There are at least 20-30 more applications. There is a 2-month extension that will give tenants until October instead of August of this year to apply for benefits.

3. Ford's MHP:

Ms. Faries who is the attorney for this community has been contacted and reminded to send reminder notification letters every three months.

B. Community Owner Registration Update:

Communities have until December 31st of each year to complete and return the annual registration form. Those who have not sent in their form are audited by the compliance investigator. Of 180 communities, 117 have returned the form and sixty-three have not.

C. Mason-Dixon Annex: This was previously discussed.

D. CPI-U Update:

The new CPI-U is 3.942%. Mr. Sutton has notified all the attorneys who have email traffic of the new CPI-U to assist them when they prepare rent increase notices.

E. Approval of Relocation Benefits:

Applications for Approval – Pine Point Park:

Edith Wilson, 6 Pine Point Park, Millsboro, DE 19966

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

Applications for Approval - Timberlane:

Hector Cueva/Brian Cuevas – 177 Sassafras Tree Circle, Newark, DE 19702

Relocation payment for a single-wide in the amount of \$16,000.

Claudio Garcia-Martinez/Alondria Oriano-Catalon, 185 Thistle Way, Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$6,000.

Gary McConologue, Sr./Gary McConologue, Jr., 32 Elm Tree Circle Newark, DE 19702

Relocation payment for a single-wide in the amount of \$12,000.

Danielle Osborne, 153 Oak Tree Circle Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$10,400.

Jose Ramirez, 64 Willow Tree Lane, Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$6,500.

Dominic Scatasi, 20 Persimmon Tree Drive, Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$12,200.

A motion to approve the above benefits collectively was made and seconded. The motion carried 4:0.

IX. New Business:

Mr. Crane questioned why parks for sale was not on the agenda. He was notified that Sussex East, Sussex West, and Sussex Manor had been sold, and asked if Mr. Sutton was informed of this. Mr. Sutton was notified that these communities were sold to RHP Properties.

A. R. F. Book Audit:

This was previously discussed.

B. L&W Liability Insurance:

This was previously discussed.

C. Policy & Procedure Changes:

1. Interim Housing Stipend from \$70 to \$100 Per Day:

This was approved previously by the Board. Mr. Sutton would like to add this change to our Policies and Procedures, removing the \$70 per day, and replacing it with \$100 per day with a maximum of up to \$1,000.

2. Proof of Mailing Notification of Rent Increase:

A resident emailed Mr. Sutton regarding a rent increase notice. He was requesting an additional month since the date he received the notice was in question. He was informed that the date to be used was the date mailed, not the date it was received. Mr. Sutton would like to add this to our Policies and Procedures, indicating that a 30-day notice is Required, and that the notification must be sent by proof of mailing.

3. Criteria for Appraisals of Non-Relocatable Homes:

This was previously approved by the Board and at that time Mr. Sutton was asked to send this information to all the appraisers, which he did.

A motion was made and seconded to approve the above changes to our Policies and Procedures. The motion carried 4:0.

D. Winterset Farms Right of First Offer:

This community is for sale. There is an HOA, and the attorney sent notification of Right of First Offer.

E. Country Acres Right of First Offer:

There was no HOA. When we were notified by their attorney, letters were sent each tenant notifying them of the sale, and that they have thirty days to form an HOA.

X. Public Comments:

None

XI. Executive Session:

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

XII. Next Meeting – Adjournment:

The Board set the next meeting date as June 16, 2022 at 1:30 P.M.