

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

Minutes of the April 4, 2024 Board Meeting

Authority: Jerome Rogers
Richard Hrycyshyn
William Dunn
George Meldrum
Patrick Malone (Non-Voting Member)

Legal Counsel: Melissa Rhoads

Jane Sabo (Assistant to the Executive Director)

Other: Jen Allen - FSMHA
Dietmar Panzig – Southern Meadow Community
Lynda Lucido - Pine Haven
Joy Kaiser – Pine Haven

I. Call to Order:

Mr. Rogers called the meeting to order at 1:32 p.m. Mr. Strine was absent and Mr. Dunn arrived late. There was a quorum. Mr. Sutton was absent, but he provided his executive director reports for Mr. Rogers to present in his absence.

II. Review and Approval of Minutes:

The February 29, 2024 minutes were reviewed. A motion to accept the minutes as written was made by Mr. Hrycyshyn and seconded by Mr. Meldrum. The motion passed 4-0.

III. Chair's Report: No Report

IV. Executive Director's Report:

Mr. Rogers gave Mr. Sutton's report. Since the last meeting, the following has occurred:

- The operating account was less than \$20,000 at the end of March, and a request to replenish it was sent to the department of finance.
- Mr. Sutton has been sending compliance investigators to audit communities that did not return their annual registration forms. This will be discussed later in this meeting.
- A resident from Pine Haven is requesting abandonment benefits for an RV, but does not have the original title. This will be discussed later in this meeting.
- Senate Bill 247 – First page of a draft of a bill relating to safety and/or health violations and how it impacts rent increases will be discussed later in this meeting.
- Seasonal Park Status of Delcy Court. This will be discussed later in this meeting.

V. Legal Counsel Report:

At the last meeting, six communities that were more than two quarters late were referred to Ms. Rhoads for legal action. She reported the following:

- Lakeside Homes and Upcountry have paid and are current. It was just a matter of tracking down those payments. No further legal action is necessary.
- Sandhill, Kelly's and Fishhook have paid or are making arrangements to pay. No further legal action is necessary.
- Hecker Properties – In a conversation with a DEMHRA staff member, we were informed that there is only one home in the community paying lot rent. Under Chapter 70, she is not required to pay into the trust fund. However, there is a period of time that she was delinquent when she had more than one tenant paying lot rent. She is working with Ms. Hambleton at the division of revenue to get the account current. Nothing was mentioned in the conversation about a change in use.

VI. Approval of Financial Matters:

A. Recent Financial Activity & Report:

- Mr. Rogers reviewed the February and March reports These reports are for informational purposes only and they will be posted on the DEMHRA website. Mr. Dunn had concerns about the future escalation of the amount in the trust fund and the possibility of the general assembly appropriating the trust fund money elsewhere. Mr. Rogers concurred, and he added that this should probably be addressed by the board at a future meeting.
- Mr. Hrycyshyn questioned why there was no longer a DOJ Legal Fund report provided. He was informed that it was Mr. Sutton's decision to not include it, and that there is a binder in the DEMHRA office that contains these reports should anyone wish to review them.

B. Approval of Invoices:

The following invoices were presented for approval:

Tighe & Cottrell for legal services for February in the amount of \$1,970.35, and March in the amount of \$2,450.00

The Spanish Group for translation of February minutes in the amount of. \$207.57

Department of Labor Training Fund in the amount of \$17.93

Moore & Rutt invoice legal services for Docket 2021- Ridgewood Manor, in the amount of \$115.00

Excel Business Systems for delivery charge for Copier Toner in the amount of \$20.74

A motion was made by Mr. Hrycyshyn and seconded by Mr. Meldrum to approve the above invoices collectively. The motion passed 4-0.

VII. Reports:

A. Compliance Matters (DEMHRA Chair):

1. Compliance Investigator Report:

At last month's meeting it was agreed that sending compliance investigators to each community that fails to return the annual registration form in timely manner is too costly. The number of lots does not typically change unless there are site renovations, Consideration will be given to sending the community registration forms every two years instead of annually. A decision was made that compliance investigators would only audit those communities that did not return registration forms in more than two years. DEMHRA will send Ms. Allen a list of those communities not returning the 2024 registration forms so she can inform them that they need to send them in. DEMHRA staff compiled a list of those communities who have not returned their registration in over two years, and those on the list will be audited by our compliance investigators.

A request for abandonment benefits was made by resident of Pine Haven who sold her RV, and gave the original title to the new owner. This will be discussed later in this meeting.

2. Delinquent Parks Report:

There were no new updates.

3. Community Owner Annual Registration Forms Returned:

Of the 176 forms sent, 130 were returned as of March 27, 2024. Of the 46 forms not returned, 17 were sent letters to return by April 30th, and those not returned since 2022 will be audited by our compliance investigator.

At the last meeting it was considered to send the registration forms every two years instead of annually. Community owners are asked to accurately report the number of homes they have on the lots. Sending the community registration forms is our way of determining whether or not they are doing so. Ms. Rhoads added that she needs the correct contact information when demand letters are sent, and the division of revenue must have the correct contact information for the trust fund accounts, so continuing this procedure at least every two years is important.

B. Arbitration:

The following two Wild Meadows arbitration dockets were awaiting the Shady Park Arbitration decision.

There was a decision reached.

Docket 04-2019 (Wild Meadows HOA vs. Wild Meadows): In Superior Court. As of 3/26/24, they are fully briefed. Argument. Argument before the Superior Court is scheduled for May 10, 2024.

Docket 04-2020 (Wild Meadows HOA vs. Wild Meadows): In Superior Court – As of 3/26/24 they are fully briefed and argued. The matter is under submission.

Docket 02-2021 (Ridgewood Manor vs. Ridgewood Manor II LLC): Arbitration. As of 3/26/24, an email from Attorney Sharp indicated that the parties asked for an extension to provide comments to him regarding the scope of the appeal. Those comments are due by April 9, 2024.

Docket 03-2021 (Canterbury Crossing): In Superior Court - As of 3/27/24, briefing to begin in April, 2024.

Docket 04-2021 (Pot-Nets Lakeside HOA vs. Lakeside Community): In Superior Court - As of 3/27/24, briefing is wrapping up.

C. Rent Increase Certification Requests (February/March):

There were rent increase certifications for the month of February, and 37 for the month of March.

VIII. Unfinished Business:

A. Update on Parks for Sale:

Dalton's owner was contacted on 3/25/24 and the park is still for sale.

B. Update on Parks Going Through Change in Use:

Pine Haven – There were 37 affected tenants, and there are 17 remaining in the park.

There was one tenant who sold her RV after the change in use notice. Mr. Malone confirmed that she sold the home, received payment, and gave the original title to the buyer. He asked that she reach out to the buyer and try to obtain the original title. She did not return Mr. Malone's call. Mr. Sutton was in contact with this tenant and informed her that she can apply for abandonment benefits; however, she must be in possession of the original title to be eligible for benefits.

Mr. Rogers reiterated that since the tenant does not have the original title, a vote is required to approve or disapprove benefits. We have the application requesting abandonment benefits in the amount of \$3,000. Ms. Rhoads added that since the home was sold, she has nothing to abandon legally, and per the application language, she must certify that she is the rightful owner of the home. A Pine Haven resident in attendance at this meeting confirmed that the tenant vacated the home and that the home has not been moved off of the lot. To formally address this matter, Mr. Rogers asked for a motion to deny the abandonment benefit. Since it was already determined that this tenant's application is invalid since she sold the home, no benefit payment will be made. No vote is required. For the record, Mr. Rogers confirms that the board agreed that the application is invalid.

A Pine Haven resident attending this meeting noted that the company that purchased this tenant's RV has purchased other homes in the community, and also noted that abandoned homes are being broken into.

Mr. Malone added that the deadline to vacate the community has been pushed ahead to the end of May since the attorneys failed to send the tenants the required notification to vacate for two quarters. For every quarter that the tenants are not notified, the date to vacate is pushed ahead one month. However, the tenants can still apply for benefits after that date.

A resident of Pine Haven in attendance at this meeting mentioned that there is an elderly resident who is very distraught and confused about the change in use. He has not completed an application.

She called Mr. Sutton and gave him this tenant's phone number and asked if he could call and explain the change in use process and what his options would be. Mr. Rogers will check with Mr. Sutton when he returns to determine if Mr. Sutton called the tenant. Mr. Malone will call Mr. Sutton and provide him with the phone number of this tenant's daughter.

Mr. Meldrum added that the remaining tenants can contact Senator Wilson or his aides for assistance. Mr. Malone added that Mr. Clark of the DOJ has been trying to contact social agencies that may be able to assist Pine Haven residents as well. One of the Pine Haven residents attending this meeting contacted Senator Wilson's office, but received no response.

1. Timberlane:

There were 104 affected tenants, with 18 remaining. The date keeps getting extended.

C. Approval of Applications:

There were no new applications.

Mr. Rogers will convene special board meetings to specifically approve applications in a timely manner if they are received prior to regularly scheduled board meetings.

IX. New Business:

A. Status of Delcy Trailer Park:

When the annual registration form was received, it was unclear how the lots were reported. Our staff called the owner to clarify this and was told by the owner that Delcy Court has always been a seasonal park, and that they have been paying into the trust fund since 2004 for 10 lots. Mr. Sutton contacted the owner and informed him that seasonal parks are not required to pay into the trust fund, and that if there is proof that he has paid into the fund since 2004, it could be brought up for a vote by the DEMHRA board to reimburse him the amount paid into the trust fund since 2004. The tenants never had leases, and the owner indicated that he has been paying the tenant portion of the assessment fees up until 2023. A compliance investigator audited the park and verified that it is seasonal. Technically, tenants should get some money back for last year when they paid their portion of the assessment fees. This was discussed and it was decided the DEMHRA will not get involved with tenant payments to the trust fund, and that it is up to the Delcy Court's owner to resolve this. A motion was made by Meldrum and seconded by Mr. Hrycyshyn to reimburse the owner for payments made since 2004 in the amount of \$4,821.00.

B. New CPI-U March 13, 2024:

The new CPI-U is 5.813%, up from 5.147%.

C. Senate Bill 247: A copy of a draft of the first page of Senate Bill 247 that was sponsored by Senator Huxtable and introduced on March 21, 2024 was reviewed. It clarifies the procedure to be followed if a community has health or safety violations that threaten the health and safety of the residents. When this occurs, rent increases are prohibited until the violations are addressed. Mr. Rogers and Mr. Sutton had discussions on how we would be able to determine if a community had any safety violations. Mr. Sutton became aware of a website that has this information available. Mr. Sutton will provide more detailed information at the next meeting.

D. Status of Consultant's Agreement for Mitch Crane:

The board members agreed that Mr. Crane's consultant's agreement would not be extended, so no vote was necessary.

Mr. Rogers asked each board member if they had any questions or comments. As there were none, he opened the meeting to the public.

X. Public Comments:

Ms. Allen sent out a reminder to the communities in the DSHA newsletter to return the 2024 annual registration forms to DEMHRA.

The Pine Haven attendees expressed their appreciation to DEMHRA and the DOJ for their help with going through the change in use. Mr. Rogers thanked the Pine Haven residents in attendance for bringing us their perspectives and candor, and told them that it was helpful to us.

XI. Executive Session:

As there were no items to discuss, the board did not go into an executive session.

XII. Next Meeting - Adjournment:

The Board set the next meeting for Thursday, May 9, 2024, at 1:30 PM.

Respectfully submitted,

Jerme Rogers
DEMHRA Chair

Pursuant to 29 Del. Code Section 10004(e), this agenda may be changed to include additional items (including executive sessions) or the deletions of items (including executive sessions) which arise at the time of the Authority's meeting.