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

Minutes of the December 12, 2024 Board Meeting

Authority:	Jerome Rogers (Board Chairperson) Richard Hrycyshyn George Meldrum William Dunn Patrick Malone (Non-Voting Member)
Legal Counsel:	Melissa Rhoads
	Gregory Sutton – Executive Director Jane Sabo – Assistant to the Executive Director
Other Attendees:	Jen Allen - FSMHA Dietmar Panzig – Southern Meadow

I. Call to Order:

Mr. Rogers called the meeting to order at 1:30 p.m. Mr. Strine was absent, but there was a quorum.

II. Review and Approval of Minutes:

The November 14, 2024 minutes were reviewed. A motion to accept the minutes as written was made by Mr. Meldrum and seconded by Mr. Dunn. The motion passed 4-0 with one absence. The minutes will be posted on the DEMHRA website.

III. Chair's Report:

HB 212 was discussed at the November meeting and since that time it has been amended by the Senate. Mr. Rogers asked Mr. Sutton to explain the changes in his report.

IV. Executive Director's Report:

- Per Mr. Rogers' request, Mr. Sutton discussed HB 212 in more detail as follows:
  HB 212 was amended by the Senate (Amendment #1) that now decreases the cap of the rent from 7% to 6.1% of the CPI-U. Nothing else has changed and landowners shall follow the certification process now in place, keeping in mind the new rent increase cap.
  HB 212 relating to rent increases, and the changes to the lot rent assistance program (HB 317) have been combined. DEMHRA been tasked with creating a template for the landowners utilizing certain criteria (income, age, disability, etc.) that must be used to determine if a tenant qualifies for lot rent assistance. The template ensures that each landowner utilizes the same criteria. DEMHRA must also create a spreadsheet to track data on the lot rent assistance program.
  The drafts of the new documents will be reviewed by legislators by November 2025, prior to the implementation on January 1, 2026.
  To qualify for lot rent assistance tenants must have resided in the community for five years.
  All income must be reported. Once qualified, a formula will be used that determines the amount the tenant receives in lot rent reduction. Lot rent assistance must be re-applied for each year.

If a community has 25 or more tenants paying lot rent, the landowner must participate in the lot rent assistance program. Landowners do not receive any monetary compensation from outside government agencies.

Beginning in 2026, the Department of Justice must hold 2 meetings a year in each county to explain the rent assistance program. Mr. Sutton will attend the meetings to answer questions relating to DEMHRA.

By November of 2025, everything must be in place so that the changes will be effective on January1, 2026.

- Mr. Sutton attended the manufactured housing subcommittee meeting in November. Discussed was the introduction of legislation that offers low interest loans for tenants who wish to purchase a community when it is for sale. A community must have an HOA to be able to purchase a community. He was asked to provide data by the next meeting on how many communities are registered with DEMHRA and how many communities have gone through a change in use in the last 10 years. This information was readily available and to date there are 171 communities, and there have been 14 communities that went through change in use in the past 10 years.
  The subcommittee is also interested in information on resident-owned communities (ROC's).
- The updated MHR-Tax form has been posted on the DEMHRA website and will take effect January 1, 2025. The form reduces the assessment fees paid by both the tenant and landowner by one dollar. Fifty cents of the tenant portion is transferred to the DOJ Legal Fund. This takes effect on January 1, 2025.
- Mr. Sutton was contacted by Mr. Bill Kinnick, the previous president of DMHOA, questioning if the cap on the Trust Fund could be increased if necessary. Mr. Sutton informed him that according to Chapter 70 the DEMHRA board can decide without legislation to increase or decrease the amount. The biggest expense is when communities receive relocation benefits when a community goes through a change in use. Mr. Sutton will report how much money has been spent on relocation benefits in the past ten years at the next meeting.

V. Legal Counsel Report:

- Spring Creek Rentals was referred to legal action to litigate two months ago. There has been no
- Demand letters were sent to three parks (Bowers, Peachtree and Upcountry) for legal action at the last meeting. The response time has not passed yet and an update will be provided at the next meeting No new delinquencies were assigned in November.

VI. Approval of Financial Matters:

A. Recent Financial Activity & Report:

Mr. Sutton reviewed the November report. These reports are for informational purposes only and will be posted on the DEMHRA website. Mr. Hrycyshyn added that DMHOA receives a report from the DOJ every six months that lists where to money was spent.

B. Approval of Invoices:

The following invoices were presented for approval:

Tighe & Cottrell for legal services for November in the amount of $1,568.85

Moore & Rutt for arbitration fees for Canterbury Crossing, in the amount of $80.

Moore & Rutt, arbitration fees for Ridgewood Manor, in the amount of $90.

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

VII. Reports:

A. Delinquent Parks Report:

This was previously discussed.

B. Arbitration (Update on Status of Open Dockets):

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

As of 12/3/24, Mr. Cahall reported that there were no changes from the last update. The parties have agreed on the terms of the settlement but are working out the exact language to finalize those details.

Docket 02-2021 (Ridgewood Manor vs. Ridgewood Manor LLC):

As of 12/6/24, Mr. Sharp reported there was no changes from the last update. He **is** still waiting for confirmation from the attorneys as to the contents of the docket.

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

As of 12/3/24, Mr. Panicola reported that a decision was issued in November affirming the arbitrator's decision. It is not clear as of now if the Superior Court's decision will be appealed.

VIII. Rent Increase Certification Requests (November):

There were 38 rent increase certifications processed during the month of November. A question arose regarding how many communities have requested rent increases above the CPI-U due to substantial expenses incurred, i.e., increase in property taxes. DEMHRA must be notified of the meeting held and tenants attending when this occurs. So far there were two communities and the required documentation was sent to Mr. Sutton. DEMHRA only approves the meetings, not the rent increase. So far, no arbitrations have been requested. This is what the legal fund is for. Mr. Sutton suggested that DMHOA should apprise the HOA's that they still have the right to an arbitration.

VIII. Unfinished Business:

A. Update on Parks for Sale:

Holly Oak – Emailed 12/2/24. Park is still for sale.
Dalton's MHP – As of 12/2/24, under contract with tentative settlement in January, 2025.
Mt. Pleasant MHP– Sold. Settlement is scheduled for 12/16/24.

B. Update on Parks Going Through Change in Use Update:

1. Timberlane – There are 16 applications remaining.
2. Pine Haven – There are 2 remaining.
3. Lazy Pine Retreat – There are 6 remaining.
4. Lakeland – No applications have been received. It was discovered that this park went through a change in use for Phase I in 2015, and this is Phase II.
   Lake Forest contacted Mr. Sutton for assistance in preparing the documents required for a change in use. There are 17 homes in the community that are affected.

C. Re-appointments of Mr. Meldrum and Mr. Hrycyshyn:

Mr. Hrycyshyn's appointment letter has been received. Mr. Meldrum appointment letter is being corrected since the date was wrong, and we should receive it in January. approval.

D. Approval of Applications:

There were no applications to be approved.

IX. New Business:

A. Board Members' Recommendations for Chapter 70:

Mr. Sutton reminded the board members to submit their suggested changes to Chapter 70 so that he can present them to the manufactured housing subcommittee on December 18th.

With the board's permission, Mr. Sutton would like to discuss resident-owned communities at the December 18th manufactured housing sub-committee meeting. He would like to propose that they be excluded from paying into the trust fund since they are exempt from rent justification. There are presently two resident owned communities and both are paying into the trust fund. One would like to continue paying and the other does not want to pay into the trust fund. Both would be eligible for relocation benefits if they went through a change in use. Ms. Rhoads added that Chapter 70 is not clear what the legislative intent is. There is one section of Chapter 70 that excludes them and another section that includes them. This is a gray area and has to be a decision made. She suggested that the two communities should be contacted to determine if they want to included or excluded from change in use benefits.

Ms. Rhoads also mentioned that it was previously discussed that in Chapter 70 where "parcel" appears, it should be changed to "tax parcel." It is not clear in Chapter 70 what the legislative intent is.

Mr. Sutton discussed that currently, once a community has less than two tenants paying lot rent on a single parcel, they are exempt from paying assessments into the Trust Fund. Recently there was a community that is and always was a seasonal community. They were reimbursed for they paid into the Trust Fund.

Lastly, Ms. Rhoads discussed that an entity (LLC or Co-op) must be created when residents purchase the community. Those residents who choose not to purchase the community are still are required to pay into the Trust Fund and are eligible to receive relocation benefits if the community goes through a change in use.

B. House Bill 212 as Amended by Senate Amendment Number 1:
This was previously discussed.

X. Public Comments: None

XI. Executive Session:
As there were no items to discuss, the Board did not convene an executive session.

At this time Mr. Rogers asked the board members if they had any comments or suggestions. No one had anything to discuss.

XII. Next Meeting - Adjournment:
The Board set the next meeting for Thursday, January 16, 2024 at 1:30 p.m. Mr. Dunn made a motion that was seconded by Mr. Hrycyshyn to adjourn. The motion passed 4-0 with one absence, and the meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Gregory Sutton
Executive Director

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.