

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

Minutes of the January 16, 2025 Board Meeting

Authority: Jerome Rogers
Richard Hrycyszyn
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: Jen Allen - FSMHA

I. Call to Order:

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

II. Review and Approval of Minutes:

The December 12, 2024 minutes were reviewed. Mr. Dunn made a motion to accept the minutes as written, which was seconded by Mr. Hrycyszyn. The motion passed 4-0. The minutes will be posted on the DEMHRA website.

III. Chair's Report:

- Mr. Rogers discussed whether DEMHRA staff should be paid when the state offices are closed for inclement weather, or other unforeseen circumstances (power outages, etc.). Mr. Rogers opined that staff should be paid for those days as they cannot work through no fault of their own. The Board was asked for their opinion, and all agreed with the Board Chair, Mr. Rogers that staff should be paid for weather events and other unforeseen circumstances. Mr. Sutton will add this to the policies and procedures.
- Mr. Rogers deferred discussing the cap on the trust fund account until later in this meeting.

IV. Executive Director Report:

Since the last meeting, the following has occurred:

- A call was received from a gentleman whose mother who lived in Lake Forest MHP, passed away. He has the notification letter of the change-in-use. He asked if he could receive the relocation benefits that his mother would have been entitled to. Mr. Sutton indicated that it is likely the home cannot be relocated, and that there are no liens against the home. Mr. Sutton sought our legal counsel's advice on how this should be handled. Ms. Rhoads informed him that as long as the son can prove that he is the executor of the estate, that he is the only beneficiary, and he provides DEMHRA with a death certificate and other required documents, he would be eligible. Mr. Sutton will call the son to let him know.
- The new CPI-U was received and will be posted on the DEMHRA website. Another call was received from one of the sisters who are co-owners of Woodland MHP. She informed Mr. Sutton that she was told by her attorney that because the business is an LLC, they can raise the lot rent as much as they want. She also informed Mr. Sutton that there had not been a rent increase in three years. Mr. Sutton referred her to Chapter 70 where she could find the information regarding rent increases.

She also brought to Mr. Sutton's attention that she knew of a community that raised the rent higher than what was allowed. Mr. Sutton explained that a community can request a rent increase based on "market rent" if they

incur unusually high expenses, and they can provide the required documents to justify the increase. She became angry and asked to talk to one of his assistants because he was rude. Mr. Sutton had the phone speaker on, and his assistant was also listening to the conversation. Her opinion was that he was not rude. The other sister called him later and he discussed what he had told her sister. That conversation was amicable, and she thanked him for the information. Mr. Sutton wanted the board to be aware of this issue in case there are any repercussions in the future.

V. Legal Counsel Report:

The following were 2 quarters delinquent and were referred for legal action at the December 12, 2024 meeting:

- Bowers Beach – Is in the process of paying.
- Peachtree – Is in the process of paying.
- Up Country – Is in the process of paying.

Parks assigned that were previously sent demand letters:

- Spring Creek Rentals – Q1, 2 & 3 2024 were delinquent and are in the process of paying.
- Stage Village – In the process of paying.
- Sylvelinc – In the process of paying.
- Countryside Hamlet – Has paid one of the three delinquent quarters and he was informed that he needs to send another quarterly payment to get delinquency payments on track.
- J&J – There is a very old delinquency from Q4 2022, which was when the community was first purchased. They now owe quarter one of 2024. This should be resolved soon.

VI. Approval of Financial Matters:

A. Recent Activity Report (For Informational Purposes Only):

Mr. Sutton reviewed the December Financial Report. This will be posted on the DEMHRA website.

Mr. Rogers discussed increasing the Trust Fund cap. The cap will most likely be reached by November of this year. Trust Fund assessments were reduced from **\$4.50 to \$2.50 as of January 1, 2025 with the community owners paying \$1.00 per rented lot and the tenants paying \$1.50 per month with the intent of stabilizing the growth of the Trust Fund.** That in itself has **not made** much of an impact on stabilizing the balance of the Trust Fund because of the high amount of interest earned each month. There are currently **five (5)** communities going through a change-in-use. Past relocation benefits paid out **didn't substantially reduce the growth** of the Trust Fund. Mr. Meldrum added that raising the cap is justified due to inflation for the cost of relocating and/or the demolition of homes. Mr. Rogers suggested raising the cap by **\$4,000,000** in order to avoid going over the cap sooner than later. There are many ways to consider keeping the Trust Fund stabilized such as decreasing assessment fees again, and that can be looked into in 2026. Another way would be to increase the amount allowed for hotel stipends when tenants are delayed when moving into their relocated homes, increasing the allowances for movers and appraisers, and increasing the benefits for tenants who are impacted due to a change in land use. We saw a reduction in compliance investigator costs since they are not auditing communities monthly. Mr. Rogers added that the trust fund **assessments were** just lowered in 2024, and at the pace we are going now, provided nothing changes, before the end of the year, the cap will be reached. Mr. Rogers asked the members to think about this so that a decision can be made on how we want to manage this. Mr. Sutton will pull together data for discussion at the next board meeting.

B. Approval of Invoices:

Tighe & Cottrell for December legal services in the amount of \$1,760.35.

Moore & Rutt in for legal services in the Ridgewood Arbitration in the amount of \$115.00.

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

VII. Reports: Delinquent Parks Report:

A. No changes since the last report. Quarter 1 is due by January 20, 2025.

Reminder emails for payment will be sent. There were no new delinquent parks referred for legal action.

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

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

As of 1/7/25, Mr. Cahall reported that the settlement papers have been signed and this docket is closed.

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

As of 1/7/25, Mr. Sharp reported that he cannot begin his review as he is still awaiting confirmation from the attorneys as to the content of the docket.

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

As of 1/13/25, Mr. Panicola reported that a decision was issued in November affirming the arbitrator's decision. The time to appeal to the Superior Court expired in December. This docket is closed.

C. Rent Increase Certification Requests (December):

There were 36 rent increase requests for December. Mr. Rogers asked if the report reflected any that were not certified. He was informed that we have never had a request that was rejected, and if that occurs, a new column with that information will be added to the report.

Mr. Rogers asked for an update on the DOJ's quarterly meetings with mobile home residents on the lot rent assistance program. Mr. Sutton had nothing new to report. He will follow up with Mr. Brian Eng.

VIII. Unfinished Business:

A. Update of Parks for Sale:

Dalton's was sold and waiting on the closing. Holly Oak is still for sale. Mt. Pleasant has been sold and the new owner has set up their trust fund account.

B. Update on Parks Going Through Change in Use:

Timberlane - 2 remaining that have not applied

Pine Haven – **Closed**, but 16 remaining that did not apply

Lazy Pine Retreat – 5 remaining that have not applied

Lakeland MHC – No applications have been received for the 17 homes in the park

Lake Forest - No applications have been received for the 26 homes in the park.

C. Approval of Applications:

George & Debra Shickley, Lazy Pine Retreat, 20839 Lazy Lagoon, Lewes, DE 19958

Non-relocatable benefits for \$12,000 plus \$300 reimbursement for the appraisal fee.

A motion to approve non-relocatable benefits in the amount of \$12,300.00 including \$300 for the appraisal fee was made by Mr. Dunn and seconded by Mr. Meldrum. The motion passed 4-0.

Margaret Hutchinson, Lazy Pine Retreat, 33928 Lazy Lane (Lot #5), Lewes, DE 19958

Demolition benefits for \$5,000. A motion to approve demolition benefits in the amount of \$5,000 was made by Mr. Hrycyshyn and seconded by Mr. Meldrum. The motion passed 4-0 with one absent.

Mr. Sutton added that DEMHRA now verifies that Trust Fund assessments have been paid before payment can be made. If not, the requestor can sign a waiver letter authorizing that amount to be deducted from the benefit amount. This will be added to DEMHRA's policies and procedures.

IX. New Business:

A. Change in Use Costs for Relocation Benefits the Past 10 Years:

A report was prepared by our accountant, and the amount paid out from the Trust Fund for the last 10 years was \$2,800,000.00.

B. New Mileage Reimbursement:

The 2025 rate has increased from \$0.67 to \$0.70 per mile.

C. Reconsider Trust Fund Payments to 1 Quarter Late as Opposed to 2 Quarters Late:

Currently, communities are referred for legal action after two quarters late in payments into the trust fund.

Mr. Sutton's opinion is that waiting six months is too long before legal action is taken; maybe if legal actions were imposed after being one-quarter late, it may result in fewer delinquencies.

Ms. Rhoads asked if any communities respond when DEMHRA sends a reminder notice to them when a new quarter begins. She was informed that not many do. She went on to explain that there are no penalties for delinquencies, but according to Chapter 70, a demand letter must be sent first, letting the landowner know that if further legal action becomes necessary, they will be responsible for all legal fees. Mr. Sutton will track the data and prepare a report after the first quarter of 2025 to determine if DEMHRA's reminder is effective in getting the communities to pay on time.

X. Public Comments: None

XI. Executive Session:

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

At this time Mr. Rogers asked if anyone had anything they would like to discuss. Mr. Dunn recounted what was told to him by a resident of Glasgow Court. He was informed that some years ago, 2 single-wide trailers were placed near a resident's lot. Utilities were never hooked up to them, and the windows were covered and the skirting was installed. It appeared that the people may be moving into them, but no one ever did, and they are still there. Mr. Dunn was concerned that demolition benefits may have been paid to demolish the trailers, but they never were demolished. He asked if the VIN numbers were ever checked, and whether or not there might have been more like this in Glasgow Court. Mr. Sutton said that he had just been hired when the change of use was already in process. He was never asked to verify the VIN numbers to be sure the right trailers were demolished. Even if they were verified, the assumption would have been that if the home was gone from its original location, it had been demolished. Since nothing had been verified, there is no way to determine whether benefits were paid for homes that were and the homes were never demolished.

Mr. Malone added that upon inspection, he thought that the trailers were always there since there are old sheds next to them, propane tanks leaning up against them and the steps are still there.

Mr. Rogers advised Mr. Dunn that this woman should contact the Department of Justice to look into this matter.

XII. Next Meeting:

The Board set tentative dates for the meeting for either Thursday, February 13, 2025 or Thursday, February 20, 2025. Mr. Rogers will check Mr. Strine's availability and will send an email to the board members confirming the date.

XIII. Adjournment:

A motion was made by Mr. Meldrum and seconded by Mr. Hrycyshyn to adjourn. The motion passed 4-0. The meeting was adjourned at 2:45 p.m.

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.