

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

Minutes of the May 22, 2025 Board Meeting

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

Legal Counsel: Melissa Rhoads (Absent)

Gregory Sutton – Executive Director
Jane Sabo (Assistant to the Executive Director)

Other: Jen Allen – FMSHA

I. Call to Order:

Mr. Rogers called the meeting to order at 1:30 p.m. There was a quorum. Ms. Rhoads was absent due to an unexpected family emergency.

II. Review and Approval of Minutes:

The April 17, 2025 minutes were reviewed. A motion was made by Mr. Meldrum and seconded by Mr. Hrycyshyn to accept the minutes as written. All were in favor and the motion passed 4-0 (Mr. Strine arrived after the minutes were approved). The minutes will be posted on the DEMHRA website.

III. Chair's Report:

Mr. Sutton mentioned that there were some discrepancies in the recent changes to Chapter 70. Mr. Rogers suggested contacting Ms. Gottschalk to see if there was a summary of the latest changes available, and that going forward, DEMHRA would like to have a summary of those changes. Mr. Sutton added that the most recent Bills pertaining to manufactured housing were passed without our knowledge. Mr. Rogers opined that DEMHRA should have some input regarding anything that falls under DEMHRA's purview. Ms. Jen Allen added that the Delaware General Assembly posts all bills on a daily basis. It is possible to sign up to receive emails of the bills.

The Trust Fund cap will be discussed later in this meeting in the Legal Counsel Report.

IV. Executive Director's Report:

Since the last meeting, Mr. Sutton reported that the following has occurred:

- The new CPI-U was released on May 19, 2025. The new rate is 3.481%. In 7052A, Section C, of Chapter 70, the calculation of the CPI-U changed. If the rent increase is between 6.1% and 8%, rent can only be raised 6.1%. If the rent increase is over 8%, a new formula must be followed. Previously, it couldn't exceed 7%.
- §§ 7022A and 7022B cover the lot rent assistance program requirements. If a manufactured home community has 26 or more rented lots, community owners will be required to provide an annual written notice of the lot rent assistance program to all homeowners in the community. DEMHRA shall develop, by **November 2, 2025**, requirements for the annual written notice. Community owners must follow these requirements when providing notice of the lot rent assistance program to homeowners in their communities.
- Community owners must also complete and return a form to DEMHRA annually with the number of tenants receiving lot rent assistance.
- By **January 31st** of each year, DEMHRA must also send a report to the **General Assembly** that includes the number of residents who received lot rent assistance the previous year.

- Since it must be done annually, to collect 12 months of data, the first report is due to the General Assembly by **January 31, 2027.**
- Mr. Sutton will provide the community owners with a document from the Delaware State Housing Authority that has the median income for each of the three counties. This will be useful to them when they are figuring out the one of the eligibility requirements with regard to income.
- There are no subsidies for the community owner, and the cost is borne by the landowner. Mr. Strine added that when this was negotiated legislatively, the intent was that the landowners would be able to get reasonable market rate increases, recognizing that you are protecting some vulnerable tenants. Long-term pre-existing tenants may fall under a different category depending on their financial situation. For most of the non-resort markets, the rents are so cheap that nobody qualifies. It is up to the landowner to assist those who have fallen upon hard times and are truly in need.
- It was questioned whether there could be a surge in applications once the communities are informed about the Lot Rent Assistance Program. Mr. Strine added that lot rent assistance is nothing new, and most of the communities are probably aware of it. Lot rent assistance cannot be denied as long as the tenant qualifies and tenants can apply anytime during the year if their financial situation changes.
- A question arose as to how DEMHRA could get an accurate count of the number of residents receiving lot rent assistance. Mr. Strine suggested contacting Ms. Hambleton to add a line item on the MHR Tax coupons for the landowners to indicate that they have notified DEMHRA of the number of people who are receiving lot rent assistance. The number of homes is reported on the quarterly MHR-Tax coupons, and this information could be referenced by DEMHRA to track this data quarterly or annually. This would eliminate DEMHRA having to send the communities an annual reminder to notify their tenants in writing and complete and return the form.
- Mr. Eng began informational seminars on the Lot Rent Assistance Program in Kent County at the Kent County Levy Court Building on May 15, 2025. Mr. Sutton and DEMHRA Assistant Lorraine Hrycshyn, attended this informational. DEMHRA will ensure that the schedule of these seminars will be posted on the DEMHRA website.
- Mr. Sutton attended the DMHOA monthly meeting at Angola Beach and Estates to answer residents' questions. Most of the questions pertained to lot rent increases. He explained that if the rent increase is over the CPI-U due to market rent, he must be notified in writing to approve the date, time, and location of a meeting between the landowner and tenants. DEMHRA does not need to certify these rent increase requests. An arbitration can be requested within 30 days of the meeting. He will also have DMHOA send him pertinent questions from their meetings so that he can post them under FAQs on the DEMHRA website.
- One of the meeting attendees asked Mr. Sutton if DEMHRA can provide the actual CPI-U on the certification letters, with how the rent increases were calculated. The certification letters have been modified to have that information, referencing the applicable sections of Chapter 70.
- Mr. Sutton attended a Housing and Land Use Committee Meeting at Legislative Hall. The accrual proposed bills were read and the attendees were asked if they had any objections or concerns to the way it was written.
- Ms. Rhoads sent Mr. Sutton an email outlining what our Board's concerns were, and Mr. Sutton will send her email to the Board, and will also copy the Land Use Committee members requesting that consideration be given to DEMHRA's concerns. The policy on board approval to raise the Trust Fund cap will be added to DEMHRA Policies and Procedures, including the Board's position on the Trust Fund cap. The draft will require Board approval and will be presented at the next meeting. The Trust Fund will be around \$14,800,00 as of April 30, 2025, around \$200,000 away from the present cap of \$15,000,000.

V. Legal Counsel Report:

- In Ms. Rhoads's absence, Mr. Sutton presented her report based on emails she sent to him. Cloverleaf and Mobile Home Village have paid and are no longer delinquent. Suit has been filed for Dackerg and Oakway. The following communities are now two quarters late: Laurel Village, Love Creek Magnolia Estates, Mt. Pleasant (old and new owners), Quality Homes, Sandhill Acres, The Crossings at Oak Orchard. No further information was received from Ms. Hambleton. A motion was made by Mr. Strine and seconded by Mr. Meldrum not to wait until the next meeting to refer to these delinquencies to Ms. Rhoads for legal action, but to vote and notify Ms. Rhoads electronically. All were in favor and the motion passed 5-0. Mr. Sutton will notify Ms. Rhoads to begin legal action.
- Ms. Rhoads will follow-up with Ms. Gottschalk regarding the draft of changes that she drafted and was circulated regarding the changes to Chapter 70.

- Ms. Rhoads will follow-up with all options to address the difference between a parcel versus tax parcel and discuss at the next meeting.
- In a document sent to Mr. Sutton, Ms. Rhoads addressed SB144. The language proposed will allow DEMHRA to set/change/modify the Trust Fund cap internally in our Policies and Procedures. If the Board votes by a 3-2 majority to change the cap, it will not require legislative action each time.
- The DEMHRA staff's responsibilities have increased due to the new legislation and updates in Chapter 70. This increases their workload and could result in the need to hire more staff to accomplish this.
- Regarding the judgment and non-payment of court fees and interest that were never paid by Mr. Exantus (County Seat Gardens), Ms. Rhoads contacted Mr. Exantus's son to let him know these late assessments must be paid. Mr. Exantus's son has been working with Ms. Hambleton to get this paid. Once the check has cleared, the judgment can be marked as satisfied. Ms. Rhoads will discuss this in more detail at the next meeting.

VI. Approval of Financial Matters:

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

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

B. Approval of Invoices:

Tighe & Cottrell for legal services April, in the amount of \$4,665.35. A motion to approve the above invoice was made by Mr. Dunn and seconded by Mr. Meldrum. All were in favor and the motion passed 5-0.

VII. Reports:

A. Delinquent Parks Report:

Reminder emails were sent to those communities that were one quarter late.

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

Docket 02-2021 – Ridgewood Manor II vs. Ridgewood Manor II LLC. Mr. Sharp reported that as of 5/13/25 both attorneys have indicated that a settlement is likely and to stand down until further notice. He is awaiting further instructions from each party, and hopefully this issue will resolve itself prior to his further involvement.

C. Rent Increase Certifications (April):

There were 40 certifications for the month of April.

D. Update on Parks for Sale:

As of 5/14/25, Holly Oak is still under contract.

VIII. Unfinished Business:

A. Update on Parks Going Through Change in Use:

Timberlane - 16 remaining

Lazy Pine - 3 remaining

Lakeland – Change in Use is Complete as of Today

Lake Forest -16 remaining

B. Lot Rent Assistance Program: This was previously discussed.

C. Continue Discussion to Clarify Definition of "Parcel." This was previously discussed.

D. Increasing the Trust Fund Cap from \$15,000,000 to \$20,000,000: This was previously discussed.

E. Effective Date for Increasing Cap: This was previously discussed.

F. Policies and Procedures Update: This was previously discussed.

G. Continue Discussion Whether to Raise Single-Wides with Attachments to the Same Amount as Double-Wide: This was previously discussed and was tabled until the next meeting.

H. Continue Discussion on Exantus & Sons (County Seat Gardens MHP) Regarding Judgment Note that Has not Been Paid. Ms. Rhoads will Report on Her Findings: This was previously discussed.

IX. New Business:

A. Submission of New Check Disbursement Requests:

1. End of Fiscal Year (June 30, 2025).
2. Last Day to Submit Check Disbursement Requests (June 5, 2025).
3. Submission of New Check Disbursement Requests (after July 15, 2025).

B. Approval of Applications:

1. **Timberlane:** None

2. **Lake Forest:**

Susan Betz – Lot #51, Non-Relocatable SW in the amount of \$12,000. Reimburse Ms. Betz \$300 for the appraisal that she paid for.

Richard & Marilyn Keeser – Lot #35, Relocatable SW. \$12,000 to be paid to Mover after the home is moved.

C. Lazy Pine Retreat: None

A motion was made by Mr. Strine and seconded by Mr. Meldrum to approve the above applications. All were in favor and the motion passed 5-0.

D. Lakeland:

June Pinkard (Daughter of Mr. Abbott Who is Deceased) – Lot #43, Non-Relocatable SW in the amount of \$12,000 Plus \$300 reimbursement to landowner (I-Realty) who paid for the appraisal.

Frank Hampton – Lot #45, Non-Relocatable SW in the amount of \$12,000 Plus \$300 reimbursement to landowner (I-Realty) who paid for the appraisal.

Thomas & Judy Kidwell – Lot #23, Non-Relocatable SW in the amount of \$12,000 Plus \$300 reimbursement to landowner (I-Realty) who paid for the appraisal.

Ponciano Paras – Lot #20, Non-Relocatable SW in the amount of \$12,000 Plus \$300 reimbursement to landowner (I-Realty) who paid for the appraisal.

Kristin Anderson – Lot #27, Non-Relocatable SW in the amount of \$12,000 Plus \$300 reimbursement to landowner (I-Realty) who paid for the appraisal.

A motion was made by Mr. Dunn and seconded by Mr. Meldrum to approve the above applications. The motion passed 4-0, with Mr. Strine abstaining as he owns that community.

X. Public Comments: None

At this time, Mr. Rogers asked everyone if they had anything to add. Mr. Hrycyshyn added that DNREC will be making wastewater assessments in manufactured home communities. He will send an email to the Board with more details.

XI. Executive Session

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

XII. Next Meeting - Adjournment:

The Board set the date for the next meeting for Thursday, June 26, 2025. A motion was made by Mr. Dunn and seconded by Mr. Strine to adjourn. The motion passed 5-0 and the meeting was adjourned at 3:11 p.m.

Respectfully submitted,

Gregory Sutton
Executive Director