

STATE OF NEW JERSEY
HACKENSACK HOUSING AUTHORITY
65 FIRST STREET
HACKENSACK, NEW JERSEY 07601

THURSDAY, JULY 11, 2013

(This is a condensed version of the taped minutes of the Regularly Scheduled Monthly Meeting of the Hackensack Housing Authority commencing at 6:00 P.M.)

Chairman AnnMarie Saccaro called the meeting to order.

ROLL CALL

Present: Chairman AnnMarie Saccaro
Commissioner Pargellan McCall
Commissioner May D'Arminio*
Commissioner Gino Tessaro
Commissioner Anthony Stassi

Also Present:

William F. Snyder, Consultant to the Authority
Anthony Feorenzo, Operations Manager
William Soukas, Esq., Counsel to the Authority
William Ketchen, Accountant to the Authority

Absent: Commissioner Al Casamenti
Commissioner Ralph Rivera
John Bellocchio, Acting Executive Director

OPEN PUBLIC MEETINGS ACT

"Adequate notice of this meeting, as required by the Open Public Meetings Act, has been provided by the filing of an Annual Meeting Notice with the Municipal clerk, the posting of said notice on the official bulletin board in the Municipal Government Building, and delivery of same to the Bergen Record & Star Ledger on 11/26/12. This body wishes to advise you that, in accordance with N.J.S.A. 26:3d(1), et seq. (Smoking in Public Buildings), smoking is prohibited while this body is in open or closed session."

FLAG SALUTE

Chairman Saccaro led those present in the Pledge of Allegiance. A moment of thought was held in support of our Armed Forces, police and firemen.

APPROVAL OF PREVIOUS MEETING MINUTES – JUNE 13, 2013

Motion made by Commissioner Stassi; seconded by Commissioner McCall to approve minutes of June 13, 2013. There were no corrections or changes.

VOTE: AYES/All Present Commissioners (4) Absent: Casamenti/Rivera
Abstain: D'Arminio*

INTRODUCTION & SWEARING IN OF COMMISSIONER MAY D'ARMINIO*

Chairman Saccaro introduced May D'Arminio, wife of Commissioner Michael D'Arminio, a Commissioner who served 25 years.

Mr. Soukas conducted the swearing in: "I, **MAY D'ARMINIO**, do solemnly swear and affirm to uphold the rules and regulations of the United States Department of Housing & Urban Development, the Constitutions of the United States and the State of New Jersey and the laws established there under as a Commissioner of the Hackensack Housing Authority, so help me God."

Commissioner D'Arminio stated the following: "I take this opportunity to thank everyone responsible for allowing me to serve as a Commissioner on the Hackensack Housing Authority replacing my late husband, Michael D'Arminio. It is truly an honor to accept this position and I'm sure Mike would be proud, looking down proudly as I begin this challenge in serving on the Board. I look forward to working with my fellow Commissioners to the best of my ability. Thank you."

(Applause.)

RESOLUTIONS #2013-13 AND #2013-14

1. #2013-13 – APPROVAL OF FYE 9/30/13 AUDIT

Motion to approve made by Commissioner Stassi; seconded by Commissioner Tessaro.

Mr. Snyder explained an annual audit is required under the Single Audit Act & Requirements of the State of New Jersey. The audit has to be submitted to HUD within nine months of the closing of the fiscal year, which closes 9/30. The Resolution you approved states that you have reviewed the audit and specifically, the sections entitled "Comments & Recommendations". Chairman Saccaro noted to Mr. Snyder that the new page is now entitled "Schedule Findings and Question Costs". Mr. Snyder always looks at this page first to know if there are any audit

findings, or questions of costs. There are none. Mr. Snyder will explain some of the RAD numbers in his report, as there is some long-term debt in the audit for Capital Fund Financing, which was done years ago. Hackensack Housing will only be receiving 83 cents on a dollar from HUD.

VOTE: AYES/All Present Commissioners (5) Absent: Casamenti/Rivera

2. #2013-14 – INTRODUCTION OF BUDGET

Motion to approve introduction of budget made by Commissioner McCall; seconded by Commissioner Tessaro.

Mr. Snyder said this is the budget, which he only received today. It is generally introduced two to three months before the start of the fiscal year, 10/1/2013. It is required that Hackensack submit the budget to the State of New Jersey at least 60 days before the start of the year. This evening is the introduction and in September will be the adoption. If there are any changes or questions in the interim, there is plenty of time to make those changes.

The total revenues for the projected year starting 10/1 will be \$4,046,652. Our expenses will be \$4,295,410 and will be utilizing fund balance, meaning our reserve in the amount of \$248,758 to support Hackensack operations. The cutbacks in the HUD funding were in excess of \$350,000. Congress isn't appropriating enough money, plus sequestration and five percent cut in all discretionary spending areas, which HUD is part of discretionary spending. HHA will be funded at 83 percent, down from 88 percent. Everything was pretty much kept the same. Salary increases were kept in line with what municipal governments do, two percent.

VOTE: AYES/All Present Commissioners (5) Absent: Casamenti/Rivera

CORRESPONDENCE - There were no questions or comments.

PAYMENT OF CLAIMS – JULY

There were no questions or comments. Motion to approve made by Commissioner Stassi; seconded by Commissioner D'Arminio.

VOTE: AYES/All Present Commissioners (5) Absent: Casamenti/Rivera

MANAGEMENT REPORT & UNFINISHED BUSINESS

Mr. Snyder discussed the new program HUD has – Rental Assistance Program, which converts public housing, which is subsidized under the Public Housing Programs (around since 1937). HUD is getting out of this business. This new program operates more like a private real estate manager (Section 8 Rental

Assistance Program). It allows HHA to take that kind of subsidy and attach it to the unit (Project Based Section 8). They would pay approximately the same rent they're paying now. The difference is a rent that sets by HUD and what the tenant pays is paid to HHA by HUD on a monthly basis.

Mr. Snyder believes that the issue with the program is, once the rents are set, which are established by HUD plus what the tenants are giving HHA, and that is set as your maximum rent. Throughout New Jersey it's in the \$650 range for a one-bedroom unit. Once those rents are set, every year, you'll get a slight increase from HUD. The way the Public Housing is: HHA receives subsidy from them, which over the last 10 years has been going down. The question is is the Public Housing going to be going up, staying the same or going down. With the divided Congress and the sequestration, and the commitment from the Federal Government for housing authorities to cut back discretionary spending over 10 years (almost a trillion dollars), HHA's program is going to take hit. Mr. Snyder thinks the time is now to convert, and if you submit your application before 2013, you're locked into those 2012 rents.

2012 rents are based on the subsidy in the 90 percentile. In 2013, it's 83 percent. If we wait until after that date, who knows what is going to happen. Mr. Snyder said he's been spending a lot of time on the applications, the numbers, an application has been preliminarily prepared for Asset Management Project II for all the elderly units. He'll probably bring it to the Commissioners at the September meeting. He will go over it with HHA's accountant.

As a result of doing this, an equity partner will be brought in – “low income housing tax credit program”. Mr. Snyder forecasts that on HHA 310 elderly units, HHA will receive 12-14 million dollars to do upfront renovation work. Our buildings are in good shape, but they'll be in pristine condition when HHA goes through this process. Some debt will be issued, and there will be enough cash flow to pay that debt over a 20-year period. It takes a year from the time that approval is received from HUD to a closing. At the closing, the contract from HUD on the public housing for annual contributions contract is dissolved, and the Authority gets a Project Based Section 8 Contract to provide those rents.

There is also a declaration of trust that says HHA has to get HUD approval to do any financing or to pledge HHA assets or to rent anything. About three years ago AT&T approached the Authority and wanted to put an antenna on this building. They were going to pay about \$35,000 a year. By the time Mr. Snyder got the response back from HUD 10 months later, there were 10 pages of legal nonsense and AT&T walked off. With this project, no HUD approval is needed. Verizon is now looking to put an antenna on this building. Commissioner McCall asked what they will pay. It will be \$2,950 a month Mr. Feorenzo said. If at any time HHA doesn't want to go ahead with this concept, they can pull out. There will be less HUD

involvement and oversight. The inspection process will still be done but in a much lesser capacity.

Mr. Snyder said it will cost some money, and he will have the figures in September. Financial letters and credit are needed from a bank. A tax credit consultant will have to be hired, who specializes in the State preparing these applications for the tax credits. An architect will have to be hired to do a physical condition assessment, which will tell HHA over the next 20 years every single item, starting outside, what it is and what it will cost to replace. For example, so many feet of linear sidewalk, to replace cost X amount of dollars; curbing; asphalt; exterior lighting, how many windows, repointing cement. Those items will be put in the first year, the things HHA wants to prioritize and that's what will be funded with the money that HHA is going to finance. HUD will want to see a development team that has the capacity to do this. There are 60,000 units that have been committed and only 16,000 that have actually been approved. Mr. Snyder thinks Congress is going to authorize another 100,000 units. Mr. Snyder will bring the application, the information, the resolution and everything that will be needed at the September meeting.

This cannot be done without the input of the residents. Mr. Snyder will personally meet with all the residents at different locations. Every single comment received from a tenant has to be addressed personally by a letter, and residents cannot be affected at all. They won't have to move and their rent will remain the same. They'll be asked what you think should be a priority. This building has a problem with leaks. All the heating and air-conditioning has to be changed, they just don't work right.

Commissioner McCall asked about "Mr. Snyder's capacity to do this". Does he have people to do this? Mr. Snyder said yes, it will be part of his job.

Mr. Ketchen spoke about the budget, which proposes a deficit. The deficit is because of HUD's haircut this year as a result of sequestration. 17 percent less is what HHA will received this year, than what HHA is entitled to. That amounts to \$300,378, which proposes a deficit of \$248,758. If HHA received what they're entitled to, they'd have a \$52,000 surplus. Commissioner McCall said HHA is getting 83 percent rather than 100 percent. Even if 92 percent was received, which in 2012 92.3 percent, 2011 was 95; four years ago was 100 percent, then HHA would be close to break even. If utilities remain stable, HHA will remain a lot better.

There were no audit findings, the surplus was right on point and where it should be.

OLD BUSINESS

Chairman Saccaro noted Sonia is not here from the Boys & Girls Club, but Commissioner McCall has a few things to report. The Boys & Girls Club has been

invited to a play in Leonia. The performance will be July 17th with approximately 25 students in attendance to see South Pacific. This is the dress rehearsal. It all started with the HELP program way back. HHA buses the children that evening. Chairman Saccaro reported the Boys & Girls Club will be hosting a block party on July 27th from noon to six PM at Railroad & Newman.

Chairman Saccaro reported she received a letter from Michael Nardino, the Director of the Boys & Girls Club of Lodi & Hackensack informing HHA that there's going to be a ceremony, a passing of the Olympic torch on August 6th. It is open to the public and will be in coordination with Garfield's Boys & Girls Club. It will start in Hackensack and they'll run to the Lodi Club.

Chairman Saccaro said she's been in touch with Mr. Snyder and they have a plan that they'd like to honor Michael D'Arminio with some sort of a dedication. Commissioner McCall said she'd like to serve on the committee along with Mrs. D'Arminio and Chairman Saccaro. Mr. Snyder will draft ideas with Mrs. D'Arminio and make sure there is a proper time that family members, former and current Commissioners, church, political people and UNICO can attend.

NEW BUSINESS

Sgt. Sroka reported there is a new sergeant in charge of the physical report. There were a few issues at Railroad and Newman, but people have moved out as a result of the investigations. There have been parking problems, and summons have been issued. Officer Zisa was also present this evening.

REMARKS OF CITIZENS

MAYOLA PARHAM, 7B, talked about the tenant in 8A who smokes cigars in the building during the daytime. She's called three times to the Hackensack Police. It makes her ill. Yesterday he smoked outside. Mr. Snyder said no one is to smoke in the building. Mr. Snyder will send him a letter and visit him personally, and threaten him with legal action.

RUTH KENNEDY, 6G, thanked Commissioner Stassi, Mr. Snyder and Mr. Bellocchio for the July 4th cookout.

JOHN CARTER, 9E, spoke about the cigarette butts on the porch. There are no signs on the porch regarding NO SMOKING. Mr. Snyder said there was a legal issue with the size of the signs. To implement fines or to process the legal eviction has to be followed very carefully.

ADJOURNMENT

Prior to adjourning Chairman Saccaro wished Mr. Snyder a very happy birthday.

Motion to adjourn made by Commissioner McCall; seconded by Commissioner Tessaro.

VOTE: AYES/All Present Commissioners (5)

Absent: Casamenti/Rivera

Respectfully submitted,

Deborah L. Alvarez, Transcriber