

COUNCIL ON HOUSING  
Public Session  
Buena Vista Conference Center  
New Castle, Delaware  
May 9, 2007

Action Items

- **Lea Apartments, Inc. Funding Request**
- **Review of Joint Sunset Committee (JSC) Proposed Legislation**

On May 9, 2007, Roseann Harkins, Chair, called to order the Public Session of the Council on Housing at 2:10 p.m. A motion was made by Mr. Walker to move into Executive Session. Mr. McGonigle stated the purpose of the Executive Session was to discuss possible litigation. Seconded by Ms. McCarthy, the motion carried unanimously. The Public Session was resumed at 2:45 p.m. In addition to Ms. Harkins, the following Council members were present:

Connie Louder  
Connie McCarthy  
John Walker  
Vincent White

The following Council members were absent and excused from the meeting:

Fernando Guajardo  
Joseph McDonough  
Ruth Sokolowski  
Norma Zumsteg

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP  
Saundra Johnson, Director, DSHA  
Tim McLaughlin, Deputy Director, DSHA  
Jerry Jones, Housing Finance/Development Administrator, DSHA  
Susan Eliason, Housing Asset Management Administrator, DSHA  
Lynda Blythe, Administrative Specialist III, DSHA  
Michele Leech, Administrative Specialist II, DSHA

APPROVAL OF MINUTES

Mr. Walker made motion to approve the April 11, 2007 minutes. Ms. Louder seconded the motion and the minutes were approved unanimously as written.

Ms. Harkins then introduced Michele Leech, DSHA Administrative Specialist II, to the attendees.

### HDF STATEMENT

Mr. Jones reviewed the attached HDF statement particularly noting items 118 through 125 as Tax Credit applications. He advised that Harmony Woods, item 119, currently known as Walker Woods, was originally developed by Leroy Klein and George Chabbott and was under contract with Jim Petruccilli and Sam Congo.

Ranking of the Tax Credit applications will be completed by July 7<sup>th</sup>. Requests total \$5 million in credits but there is only \$2,025,000 available; therefore, approximately only four of the eight applications will be presented to the Council for financing requests.

### LEA APARTMENTS, INC. FUNDING REQUEST

Mr. McLaughlin gave a brief overview of the Lea Apartments funding request, since the Council had been previously apprised of this request.

Ms. Harkins presented the Lea Apartments, Inc. funding request Resolution No. 358 for consideration. Ms. McCarthy asked if DSHA planned financial recourse against the owners of the property. Mr. McGonigle responded there was little or no likelihood of that occurring since this type of corporation has limited assets beyond the site itself. Mr. Jones concurred that the principals were not liable unless there was fraud or malfeasance.

Mr. Walker moved to approve Resolution No. 358. Ms. McCarthy seconded the motion and it was unanimously approved.

### REVIEW OF JOINT SUNSET COMMITTEE (JSC) PROPOSED LEGISLATION

Ms. Harkins stated the proposed legislation is the result of the many meetings held over the last couple of years. The legislation had been scheduled for action earlier in the month but Ms. Harkins had requested it be tabled until it could be reviewed by the Council at this meeting. A Senate committee hearing is scheduled for May 16<sup>th</sup> and either Ms. Zumsteg or Mr. White, if Ms. Zumsteg is unavailable, will speak to the Council's position on the legislation.

Mr. McGonigle reiterated the proposed changes are a result of responses the Council had given to the JSC questions submitted previously and that the Council had, in fact, already voted on the majority of the items. Ms. Louder asked if the Council could still respond to the proposals and was assured by Mr. McGonigle that the Council could. The following sections were reviewed:

Section 2 (a) - the General Assembly was added as a party that the Council would serve in an advisory capacity, along with the Governor and Housing Director. Mr. McGonigle stated this legislation says Council can advise the General Assembly should they be asked to do so.

Section 3 (b) - changed the word “may” to “shall” review.

- Ms. Harkins stressed that the Council is strictly in an advisory position with DSHA and can only request DSHA do something and hopefully, Council will agree with DSHA’s actions. Mr. White stressed Council needs to be involved in any and all programs for which it is responsible and would like to look at other aspects of DSHA.
- Ms. Louder suggested the need for additional committees, beyond the Loan Review Committee, to review various programs and aspects of advising DSHA. Ms. Harkins stated other committees had been formed. Mr. White responded the problem was not with the committee’s formations but with members not taking personal responsibility for carrying out their duties. Mr. White feels the General Assembly, with this legislation, is giving Council the opportunity to become more fulfilling in serving the Governor in its duties.

Section 4 - amend number of Council members from 9 to 11 and that there are to be two from each county; two residents from the City of Wilmington; and three members at large, one of which is a member of a tenant organization.

- Council has no objections to increasing the number of members.
- Ms. Harkins and Mr. White voiced objection to the addition of a tenant to the Council. It was agreed if an objection were to be made, the Council would have to explain their motivation in doing so. Mr. White stated Council should address what the qualifications should be to become a Council member.
- Ms. McCarthy asked if other councils have specific qualifications to which Mr. McGonigle replied that many councils do have minimum qualifications, there are over 200 councils and commissions in Delaware and they run a full spectrum, some being more detailed with membership qualifications than others.
- Council agreed the response should be to strike “member of a tenant organization” and state that members should have expertise in either housing, financing, construction, social services or economic development among others or demonstrate a long term abiding interest in housing. Council noted that tenants rights are of the utmost importance but the Council deals with financial matters not tenant issues.
- Due to the time needed to nominate, appoint and get the required new members on board, Council agreed to request a six-month extension from the General Assembly for implementation of the new legislation. Ms. McCarthy moved the 11 member request be phased in. Mr. Walker seconded the motion and Council unanimously approved the motion.

Section 5 - the proposed wording basically mirrors that of the Council By-Laws but defines what actions qualify for a removal of a Council member.

- Council agrees with this change.

Section 6 - the addition of two more members and geographic distribution.

- Council agrees with this change.

Section 7 - grants the authority of the Council to draft and adopt its own By-Laws which had not been previously written in the legislation.

- Council agrees with this change.

Section 8 - new subsection (j) requests the Council to issue an annual report to the General Assembly, as well as the Governor and Housing Director. The problem with this request is the Council has no staff or funding of its own to prepare such a report.

- Council members agreed that because the Council has no funding or staffing of its own it will not conduct studies and prepare reports itself. Mr. White noted that nothing precludes Council from seeking funding for such activities, if it so desires.
- Ms. Johnson stated DSHA currently prepares an annual report and Ms. Harkins stated hopefully Council can merely review the report and other housing studies and send a letter of approval of same to the General Assembly.
- Ms. Harkins stressed again that the Council is strictly in an advisory position with DSHA and can only request or advise that DSHA do something.

Motion was made by Mr. Walker to accept the proposed legislation with the exception of having a member belong to a tenant organization and ask that the implementation of the legislation be delayed until January 2008, as amended. Mr. McGonigle will draft a letter regarding these two items for submission to the JSC. Seconded by Mr. White the motion passed unanimously.

#### DIRECTOR'S REPORT

Ms. Johnson reported that Council Chair Ms. Harkins, Ms. Stillson from RC&D and Mr. Myer from NCALL had all spoken at the recent bond hearing on behalf of DSHA's request.

Ms. Johnson also noted May 9<sup>th</sup> is a big day for housing in Delaware with the annual Day of Housing being held at Legislative Hall and that the Lt. Governor would be speaking to the attendees.

Ms. Johnson also reported first-time homebuyers' bonds being sold by DSHA the week of May 13<sup>th</sup> will raise \$100 million.

## OLD BUSINESS

Ms. Harkins thanked Mr. McDonough and Mr. Walker for attending the recent bond bill hearing and noted she had sent copies of her testimony to all Council members.

Ms. Harkins also suggested the Chair not be held responsible next year to testify at all the various hearings but that the duty be spread among all members of Council.

Mr. White questioned what had happened to other committees that had been formed and Ms. Harkins replied the Governance Committee consisted of Ms. Sokolowski, Mr. McDonough and Mr. Guajardo, as Chair. That committee has not reported back to her. Ms. McCarthy is Chair of the Nominating Committee and it will present a list of names for officers at the next meeting.

Mr. McDonough, Ms. Harkins noted, will be attending the upcoming Housing Needs Assessment review at DSHA. Ms. Harkins stated that she continues to attend various housing related meetings around the state.

Ms. Harkins asked Mr. McGonigle what the By-Laws state in the matter of removing a member from Council, specifically Mr. Guajardo. Mr. McGonigle responded that a 2/3 vote of Council members is needed to remove a member. Ms. Harkins will contact Mr. Guajardo about his attendance and offer teleconferencing as a way for him to attend more regularly.

Mr. White requested a letter be sent to New Castle County asking that its transfer tax waiver for first-time homebuyers not be cancelled. Ms. Johnson stated she, not Council, had already sent a letter to New Castle County to that effect. Ms. Johnson agreed, however, to follow up with New Castle County. Mr. White made motion that a letter be written. Mr. Walker seconded the motion and Council agreed, if it was appropriate, a letter should be written.

Mr. White thanked Ms. Johnson for the resolution presented at the HOND luncheon.

Mr. Jones stated there being no applications to come before the Council next month that the June meeting would probably be cancelled. The July meeting will probably be in Sussex County.

## ADJOURNMENT

A motion was made by Mr. Walker to adjourn. The motion was seconded by Ms. Louder and approved unanimously the meeting adjourned at 3:58 p.m.

Respectfully submitted,

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Lynda T. Blythe