

**PRINCETON HOUSING AUTHORITY  
MINUTES OF THE MONTHLY MEETING  
February 21, 2017**

The members of the Board of Commissioners, Princeton Housing Authority, met in regular session at the Henry F. Pannell Learning Center, 2 Clay Street, Princeton, NJ.

The meeting was called to order by Chair Newlin and upon roll call, those present and absent were:

Present: Commissioners Newlin, McGowen, Logan, Brooks, Sippelle, Attorney Cochran and LHA AED Parsons.

Absent: Commissioners Pannell, Levy and Liaison Liverman

Guests: None

### **Opening Statement**

A motion to open the meeting was made by Mr. McGowen and seconded by Ms. Sippelle. All were in favor.

The following is an accurate statement concerning the providing of notice of this meeting.

Adequate notice to the public of the time, date, and place of this regular meeting of the Board of Commissioners of the Princeton Housing Authority to be held on Tuesday, February 21, 2017 at 6:00 p.m. at the Henry F. Pannell Learning Center, 2 Clay Street, Princeton, New Jersey was given by:

1. Providing notice of the same to the Municipality of Princeton, 400 Witherspoon Street, Princeton, New Jersey, for posting on the bulletin board reserved for notices of public meetings, at least 48 hours in advance of the meeting; and
2. Providing notice to and causing to be published in the Princeton Packet, the official newspaper of the Princeton Housing Authority, notice hereof; and
3. Filing notice hereof with the Clerk of the Municipality of Princeton at 400 Witherspoon Street, Princeton, New Jersey.

This announcement of the Board of Commissioners' compliance with the notice provisions of the Open Public Meetings Act shall be duly entered in the minutes of this meeting.

### **I. Public Comment Period**

Three members of the public attended the meeting but did not have comment.

### **II. Approval of Minutes**

Approval of the minutes of December 20, 2016 was tabled to allow time to incorporate revisions requested by Mr. Pannell.

A motion to approve the Executive Session minutes of December 20, 2016 was made by Mr. McGowen and seconded by Ms. Brooks. All were in favor.

A motion to approve the minutes of the January 17, 2017 minutes was made by Ms. Sippelle and seconded by Mr. McGowen. All were in favor.

### **III. Approval of Payment of Bills**

Copies of the January 2017 check registers were provided to all commissioners. After discussion, a motion to approve the payment of bills was made by Ms. Brooks and seconded by Ms. Sippelle. All were in favor.

### **IV. New Business/Reports**

#### Tenant Balances

A copy of the tenant balance report was provided to all commissioners. The outstanding balances at the end of January 2017, for active tenants, were \$19,178.49. The report also indicates that \$3,673.31 is due from vacated tenants. The total amount due from current and vacated tenants, including back rent charges and fraud recovery charges, is \$27,771.80. The Aged Accounts Receivable schedule indicates that of the \$19,178.49 due from current residents, \$12,653.49 (66%) is in the range of 0-30 days delinquent. Additionally, the report indicates the total Tenant Accounts Receivable balance equals 1.99% of the annual tenant charges where the HUD guideline is 1.5% or less. Mr. Parsons pointed out that there is 1 resident that has since been evicted but is still accounting for \$5,583 of the outstanding rent balance. The amount due escalated quickly because the tenant was at ceiling rent and there were delays involved in getting the case through the court system. Chair Newlin stated that perhaps the PHA needs to be more aggressive in collecting the rent to avoid balances becoming so large before a tenant gets evicted. There was a discussion about the current process and how to collect late fees and attorney fees by suing tenants through small claims court. There was also discussion about a small core group of tenants that are continually in the eviction process for non-payment and cost the PHA thousands of dollars per year in court and legal fees. Mr. Parsons indicated that this individual with a very large outstanding balance is the result of an unusual situation where the tenant was placed at ceiling rent due to refusal to comply with the annual recertification requirements. The PHA will continue under the current collection procedure but the board will monitor the results to determine if a change is needed to get better control over the tenant balances.

#### Vacancy Report

The vacancy report, effective February 16, 2017, was provided to all commissioners. The report indicates that there are five vacant apartments, three apartments have been leased since the last board meeting and there are three known upcoming vacancies.

#### Financial Statements

Financial Statements for the 6 months ending December 31, 2016 were provided to the commissioners. The financial statements indicate a \$123,173 surplus through December. Mr. Parsons indicated that there are a couple upcoming large annual expenditures, including the annual pension contribution, which will reduce the surplus significantly. Through 50% of the budget year, the PHA has expended 45.83% of the budget. The Maple/Franklin financial statements indicate a \$14,766 surplus through December. Balance sheets were also provided for both the Public Housing Program and Maple/Franklin.

#### Karin Court Year End Financial Statements

Comparative financial statements (Balance Sheet and Statement of Operations) for the 12 months ending 12/31/16 were provided to the commissioners. The statements indicate a \$63,269.65 loss from operations for the year. Mr. Parsons pointed out that there are approximately \$111,000 in non-cash expenses that create the loss from operations and there is actually approximately \$50,000 in positive cash flow that will be used to fund future capital improvements.

#### HUD 50058 Delinquency Report

Mr. Parsons provided all commissioners with a copy of the HUD 50058 Delinquency Report as of January 31, 2017, which indicates the Princeton Housing Authority's reporting rate is 100%.

### RAD Conversion Update – AFHMP/Closing/Extension

Mr. Parsons reported that the PHA has requested an extension from HUD beyond the current closing deadline of February 28, 2017. Because Karin Court is a separate entity, the HUD CHAP and HAP contract needs to be broken out into two separate CHAP's and HAP contracts. HUD will split the existing CHAP into two separate RAD conversions and then the PHA will need to revise each application with new financing plans, etc. to separate Karin Court from the remainder of the converting properties. Additional reasons for the need of an extension include the AFHMP not yet being approved by HUD, the local preference not yet being approved by HUD, and wording in the recently released revision 3 of the RAD notice/rules regarding tenant rent calculations. Mr. Parsons indicated that the PHA has been informing the tenants throughout the conversion process that nobody will be affected negatively with a higher rent after conversion. However, based on the revised rules released in January 2017, it appears that there is no provision for capping the rents in any way...that a tenant will pay 30% of their income as rent regardless of how high that number may be. There are currently 16 tenants that would end up having a rent higher than they currently have and some significantly higher. In a few instances some tenants would end up paying thousands more in monthly rent and would be paying even more than a market rate apartment would cost in Princeton. There is also wording in the revised rules that indicates that an applicant is only eligible for the program if their rent calculation is determined to be less than the contract rent amount. Due to the fact that the contract rents set by HUD are artificially low (based on the calculation method to keep the program budget neutral) there are applicants that are below the 50% AMI income limit that would not qualify for the program. The current Public Housing program uses the 80% AMI income limits so this revision would significantly reduce the income limits and even eliminate the opportunity for some people below the 50% AMI income limit. Mr. Parsons is seeking clarification from HUD on these matters as they seem to be inconsistent with prior guidance in addition to potentially creating fair housing issues. Mr. Parsons will report any updates at the next board meeting.

### Princeton Preference Revision (2017-2)

After discussion, revisions were needed in order to incorporate further clarification/revisions to the policy that the board desired. A motion to approve the resolution, as amended, was made by Ms. Logan and seconded by Ms. Brooks. All were in favor.

### Report from Redevelopment Sub-Committee (M/F & KC)

There were no updates at this time.

## **V. Unfinished Business**

None

A motion to adjourn the meeting was made by Ms. Sipprelle and seconded by Ms. Logan. All were in favor.

Respectfully submitted,

Scott E. Parsons