

1 PATERSON HOUSING AUTHORITY
2 PATERSON, NEW JERSEY
3 MONDAY, SEPTEMBER 18, 2017
4 COMMENCING AT 5:34 P.M.
5 WORKSHOP MEETING

6 THERE BEING PRESENT:

7 REV. MICHAEL McDUFFIE, CHAIRPERSON
8 PETER RENDINA, VICE CHAIRPERSON
9 REV./DR. DOUGLAS L. MAVEN, COMMISSIONER
10 BRENT NATION, COMMISSIONER
11 ROBERT F. GUARASCI, COMMISSIONER

12
13
14 ALSO PRESENT:

15 IRMA GORHAM
16 EXECUTIVE DIRECTOR
17 DALE JONES
18 ASSISTANT EXECUTIVE DIRECTOR
19 TERI DIAS
20 DEPARTMENT OF MODERNIZATION & DEVELOPMENT
21 LYNETTE WARREN
22 RECORDING SECRETARY
23 DELINDA HOLMES
24 ASSISTANT PURCHASING AGENT

25 **KIM O. FURBACHER, C.C.R., R.M.R.**
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ALSO PRESENT (cont'd):

JOHNNIE JACKSON
DIRECTOR OF LEASING & OCCUPANCY

ILEANA KMECH
PERSONNEL OFFICER

THERESA MIMS
COMPLIANCE OFFICER

M A N A G E R S P R E S E N T:

IAEISA MONDESIR, MANAGER

A P P E A R A N C E S:

ROGUT McCARTHY TROY, LLC
BY: PATRICE HEW, ESQ.
COUNSEL FOR THE PATERSON HOUSING AUTHORITY

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1. Approve Commissioners McDuffie, Rendina Maven, Henry, Exe. Dir. I. Gorham, Asst. Exe. Dir. D. Jones, and Leasing & Occupancy Director J. Jackson to attend the Governor's Conference in Atlantic City on Oct. 4-6, 2017	18
2. Approve Irma Gorham, Executive Director, & Commissioner Peter Rendina to attend the NAHRO 2017 National Conference & Exhibition on Oct. 26-29, 2017 in Pittsburgh, PA	18

1 CHAIRPERSON McDUFFIE: Welcome.
2 The Commissioners of the Housing
3 Authority of the this great City of Paterson are
4 hereby called to this Regular Meeting immediately
5 following the Workshop at these offices here at the
6 Authority at 60 Van Houten Street, here in Paterson,
7 New Jersey, on this Monday, September 18, 2017, to
8 discuss and transact upon the following matters
9 listed below.

10 Roll call.

11 (At this point in the proceeding roll
12 call is taken with Commissioners Guarasci, Nation,
13 Vice-Chairperson Rendina, and Chairperson McDuffie
14 present, with Commissioners Henry and Maven absent.)

15 EXE. DIR. GORHAM: This is a duly
16 advertised Regular Meeting of Board of Commissioners
17 of the Housing Authority.

18 Notice of this meeting was given to
19 newspapers of local circulation, and a copy of this
20 notice was filed with the City Clerk of Paterson.

21 These things were done to comply with
22 the Open Public Meeting Law.

23 (Rev. Maven is now present.)

24 CHAIRPERSON McDUFFIE: Let the record
25 show that our very great Rev./Dr. Douglas Maven has

1 arrived.

2 EXE. DIR. GORHAM: You're in trouble,
3 mister.

4 (Laughter.)

5 CHAIRPERSON McDUFFIE: Bids and
6 contracts. Change Order No. 1.

7 MS. DIAS: Good evening.

8 CHAIRPERSON McDUFFIE: Good evening.

9 MS. DIAS: Modernization has two resos,
10 the first one is for a Change Order No. 1 for a time
11 extension increase in the electrical panels and
12 maintenance improvements at Nathan Barnert Homes.

13 Whereas, as its meeting of
14 January 17th, the Board of Commissioners awarded a
15 contract to Margonis Electrical in an amount not to
16 exceed \$69,000 for the electrical maintenance
17 improvements at NJ-21-6-1.

18 Whereas, upon installation of the
19 electrical panels, the contractor found improper
20 wiring of the interconnection of neutral and
21 grounding electrode conductor within the wiring
22 compartment of the electric range.

23 And, whereas, the contractor must
24 inspect alleged wiring infirmities associated with
25 each apartment's electric range.

1 Whereas, the architect and staff have
2 agreed that a time extension is warranted.

3 Now, therefore, be it resolved by the
4 Board of Commissioners of the Housing Authority that
5 they authorize Change Order No. 1 to extend the
6 contract between the Housing Authority and Margonis
7 Electrical until August 18, 2017, and increase the
8 contract amount to \$80,376.

9 Be it further resolved that the 2016
10 CFP Budget will be reprogrammed accordingly.

11 CHAIRPERSON McDUFFIE: Questions,
12 comments?

13 COMMISSIONER NATION: Question.

14 CHAIRPERSON McDUFFIE: Go ahead,
15 Mr. Brent.

16 COMMISSIONER NATION: Who was the
17 contractor who did the wiring previously?

18 MS. DIAS: It was a contractor by the
19 name of Helios (phonetic) that installed in the
20 kitchen upgrading.

21 COMMISSIONER NATION: Because, I don't
22 know how the Commissioners feel, I mean, his improper
23 work cost us an extra \$11,000, so I'm just throwing
24 that out there, because we can't have people doing
25 shoddy work for us and it costs us to correct.

1 Am I reading the reso, because it says
2 "alleged"? It's improper wiring of interconnection
3 of neutral and ground in electrical conductors.

4 EXE. DIR. GORHAM: Was this from the
5 previous work or this is just the condition of --

6 MS. DIAS: I think it was an existing
7 condition from before.

8 COMMISSIONER NATION: Way back when?

9 MS. DIAS: I guess from the onset.

10 EXE. DIR. GORHAM: No, this isn't work
11 that a contractor did and now we're correcting.

12 COMMISSIONER NATION: All right.

13 EXE. DIR. GORHAM: This is the
14 condition. And what happened, from my understanding,
15 is just from their initial look/see, "We can do
16 this," but once they took it apart, then other things
17 had to be done.

18 MS. DIAS: Right.

19 COMMISSIONER NATION: I guess this
20 opens up Pandora's box, because if you found it in
21 one location, what about other locations? And with
22 my limited knowledge, when you have this kind of
23 abnormality, it can lead to fire. So, fine, let's
24 correct it, but probably might need, in the future,
25 persons to go in and checking this wiring, because if

1 there is a fire, that's a whole other ball game. And
2 it's proven it was technically our fault, because it
3 was our wiring. Even though someone did it way back
4 when, it's still our problem.

5 MS. DIAS: Right.

6 Well, he actually did the entire
7 building. He checked for the entire building.

8 COMMISSIONER NATION: All right.

9 EXE. DIR. GORHAM: This isn't one
10 piece.

11 MS. DIAS: Right.

12 The next change order is for Change
13 Order No. 1 for a time extension for new vinyl
14 siding, aluminum gutters, replace exterior metal
15 handrails, create wall opening for AC at NJ-21-12,
16 Sojourner Douglass Homes.

17 Whereas, at its meeting of
18 December 19th, the Board of Commissioners of the
19 Housing Authority awarded a contract to MBT
20 Contracting not to exceed \$291,519.

21 Whereas, submittal and review of shop
22 drawings took longer than anticipated, which delayed
23 the ordering of railings.

24 Whereas, the architect and staff agree
25 that a time extension is warranted.

1 Now, therefore, be it resolved by the
2 Board of Commissioners that they authorize Change
3 Order No. 1 to extend the contract between the
4 Housing Authority and MBT until September 29th.

5 COMMISSIONER NATION: No change in the
6 budget, just time?

7 MS. DIAS: Yes.

8 EXE. DIR. GORHAM: Just time.

9 COMMISSIONER NATION: Okay.

10 CHAIRPERSON McDUFFIE: Okay.

11 Department of Administration, ratify
12 PHA.

13 MR. JONES: Good evening,
14 Commissioners.

15 The next resolution is seeking the
16 Commissioners' approval for the Housing Authority to
17 join the lawsuit that is been filed by NAHRO and
18 PHADA.

19 And the resolution recites that in
20 2012, HUD recaptured excess operating reserves from
21 PHAs across the country, including us here at the
22 Paterson Housing Authority.

23 And the two agencies, PHADA and NAHRO
24 has submitted a letter to us. If they're successful
25 in this endeavor, we could get back as much as

1 \$464,000, and the cost to the agency is \$3,000.

2 And we're seeking the Commissioners'
3 approval to pay this \$3,000 to join this lawsuit
4 effort.

5 CHAIRPERSON McDUFFIE: Questions,
6 comments?

7 COMMISSIONER NATION: What are our
8 chances? I mean, we're paying for fees that we get
9 nothing.

10 MR. JONES: Well, the first lawsuit
11 that was filed, that's what the letter here, we would
12 get up to \$367,000. There is a decision by one court
13 already saying that HUD was wrong in recapturing the
14 reserve.

15 So, we could get back up to \$467,000,
16 but it could be more, depends on the second lawsuit.

17 EXE. DIR. GORHAM: Based on -- go
18 ahead.

19 VICE-CHAIRPERSON RENDINA: Yes.

20 We just came from a conference that
21 they talked about this, and we spoke to the
22 attorneys, actually he spoke to a group of us but we
23 spoke individually as well. And it's really that
24 HUD, and I say "misread" what they were supposed to
25 be able to do, and in misreading it, they took money

1 that they weren't supposed to. And everybody got
2 money from all the Housing Authorities that were in
3 the first phase.

4 And according to the attorney, and he
5 said, "Look, there's nothing different in the second
6 suit than there is in the first suit. They misread
7 what it was supposed to be. They were too fast at
8 doing what they did."

9 And, in fact, someone asked the same
10 question, a guy from New York City said, "Well, what
11 are the chances?"

12 And he said, "I would say as an
13 attorney, you got to watch what you say, whatever,
14 90 percent."

15 He said it would have to be something
16 really strange that would happen, like HUD turns it
17 around and gives you the money anyway without the
18 suit, that they settle, whatever, out of court, but
19 if it goes to court and it goes before a judge, the
20 judge is going to read it just the way I did.

21 EXE. DIR. GORHAM: And they acted
22 already.

23 VICE-CHAIRPERSON RENDINA: And they
24 acted already.

25 And he also said that the attorneys

1 for -- this is the key why they're going to settle.
2 The attorneys for HUD, when they give the money back
3 to the agencies, it doesn't come from their HUD
4 budget, they have an amount of money set aside that
5 is for -- what's it called?

6 EXE. DIR. GORHAM: Some fund.

7 VICE-CHAIRPERSON RENDINA: Yes, what's
8 it called, Miss Attorney, when there's like a fund on
9 the side that you payoff when you make mistakes?

10 COMMISSIONER GUARASCI: Escrow?

11 VICE-CHAIRPERSON RENDINA: It is
12 escrow, but --

13 EXE. DIR. GORHAM: It's not an escrow
14 account.

15 MS. HEW: It's a reserve fund.

16 VICE-CHAIRPERSON RENDINA: It is a
17 reserve fund, but it is when you lose a lawsuit.

18 EXE. DIR. GORHAM: A litigation fund.

19 VICE-CHAIRPERSON RENDINA: Yes, a
20 litigation fund.

21 So, they said that the HUD attorneys
22 didn't even fight fight, because it doesn't come out
23 of their budget, they read it wrong, just give them
24 the money.

25 COMMISSIONER NATION: Okay.

1 VICE-CHAIRPERSON RENDINA: So the
2 chances are pretty good.

3 Now, it doesn't mean 100 percent. He
4 didn't say 100, he said 90.

5 COMMISSIONER NATION: All right.

6 CHAIRPERSON McDUFFIE: Okay. Go right
7 ahead.

8 MR. JONES: The next resolution,
9 Commissioners, this is a formal resolution that is
10 required by Housing Authorities each year, this is
11 updating the --

12 CHAIRPERSON McDUFFIE: It's on your
13 desk.

14 MR. JONES: Yes, there's an update on
15 your desk.

16 The only change in this from what you
17 received over the weekend in your package is the
18 effective date.

19 This resolution recites that the
20 Housing Authority's Choice Voucher Program Payment
21 Standards are reviewed annually, as required by the
22 HUD regulations, when HUD published the Fair Market
23 Rents.

24 And the Fair Market Rents for 2018 were
25 published in the Federal Register on September 1st,

1 2017.

2 The Housing Authority's Payment
3 Standard is based on the FMR, which are set between
4 90 percent and 110 percent of the published FMR.

5 We have various programs that we
6 operate, and we have, I think, 13 pages attached.

7 We're seeking the Commissioners'
8 approval to adopt the new Payment Standard to be
9 effective January 1st, 2018, for bedroom type 0
10 through 9 for all the various different programs that
11 the Housing Authority administers.

12 CHAIRPERSON McDUFFIE: Questions,
13 comments?

14 COMMISSIONER GUARASCI: I do have a
15 question.

16 If you look at each individual page,
17 the final column, for example, on the first one --

18 MR. JONES: Yes.

19 COMMISSIONER GUARASCI: Kingsbury says
20 110 percent. So the next one, the final column says
21 100 percent. And some of them next to it says
22 90 percent. So that's how we know which of the sites
23 receives 90, 100 or 110 percent?

24 EXE. DIR. GORHAM: Yes.

25 COMMISSIONER GUARASCI: And then, I

1 guess, those decisions are made early on in
2 negotiation with whoever the developer is.

3 Does it ever change? Like, for
4 example, if you look at the one that is for Heritage
5 Phase I, I'm surprised that that's at 90 percent. I
6 just would have thought, because --

7 EXE. DIR. GORHAM: Because they weren't
8 smart.

9 COMMISSIONER GUARASCI: And you didn't
10 allow them, right?

11 EXE. DIR. GORHAM: Exactly.

12 COMMISSIONER GUARASCI: So you were
13 smart.

14 EXE. DIR. GORHAM: I didn't offer.

15 COMMISSIONER GUARASCI: I see that that
16 one, for example, is at 90 percent.

17 Does that ever change or is that always
18 going to be the case?

19 EXE. DIR. GORHAM: Well, it will change
20 if there's a rent increase or --

21 COMMISSIONER GUARASCI: No, the
22 percentage.

23 MR. JONES: No, I think we're locked in
24 for ten years.

25 EXE. DIR. GORHAM: New project. That's

1 a new project.

2 MR. JONES: Right, that's one we
3 awarded from our existing voucher allocation. And
4 when the application went to HUD, the developer and
5 we advertised, remember, we put a public
6 advertisement in, they tell us, based on what we
7 advertise, for what their rents will be.

8 COMMISSIONER GUARASCI: Okay.

9 MR. JONES: And when we review it, we
10 award at 90 percent. So they know that the rents
11 that they're charging is within that range.

12 COMMISSIONER GUARASCI: And they're
13 locked in for the length of contract?

14 MR. JONES: Yes, so those are ten
15 years, they're locked in at 90 percent.

16 The other ones that some of them at
17 110 percent, the Kingsbury, that's what they applied
18 for -- actually they applied for more, we reduced it
19 because the maximum we can do is 110.

20 This site is different, because HUD
21 approved that at the onset at the higher rate.

22 The ones that are from our internal
23 voucher that we allocate, we have to look at what can
24 we afford based on our budget authority, because we
25 have to satisfy the existing vouchers that's here

1 first.

2 COMMISSIONER GUARASCI: And while
3 listed here are all the project-based vouchers, I
4 assume this new FMR also applies to all of the many,
5 many landlords who get Section 8 vouchers?

6 MR. JONES: Yes, Commissioners. The
7 last page, you'll see, the ones that are not
8 specialized project-based, this is our payment
9 standard, 90 percent.

10 COMMISSIONER GUARASCI: Okay. Thank
11 you.

12 MR. JONES: That applies to all
13 existing.

14 COMMISSIONER GUARASCI: I understand.
15 Thank you.

16 EXE. DIR. GORHAM: And don't tell Tim
17 that I said he wasn't a good negotiator.

18 COMMISSIONER GUARASCI: I won't. Mum's
19 the word.

20 CHAIRPERSON McDUFFIE: Any questions on
21 the bills?

22 COMMISSIONER GUARASCI: Oh, you went to
23 the bill list? I'm sorry.

24 CHAIRPERSON McDUFFIE: Bill #1 list or
25 bill #2 list.

1 Operations, right?

2 EXE. DIR. GORHAM: Yes, okay.

3 CHAIRPERSON McDUFFIE: Okay.

4 Operations.

5 MR. JONES: The next resolution,
6 Commissioners, the first one is seeking the approval
7 for Commissioners McDuffie, Rendina, Maven, Henry,
8 Executive Director Irma Gorham, Assistant Director
9 Dale Jones, and Director of Leasing & Occupancy,
10 Johnnie Jackson, to attend the Governor's Conference
11 from October 4th through 6th. And we're seeking the
12 Commissioners' approval for a cost of \$225 each for
13 registration, \$304.36 each for hotel accommodation,
14 and a per diem of \$93 each to attend the Governor's
15 Conference in Atlantic City.

16 CHAIRPERSON McDUFFIE: Any questions,
17 comments?

18 (No response.)

19 CHAIRPERSON McDUFFIE: Okay. Go ahead.

20 MR. JONES: The next resolution,
21 Commissioners, is seeking your approval for Executive
22 Director Irma Gorham and Commissioner Pete Rendina to
23 attend a NAHRO 2017 Conference and Exhibition.

24 And this is from October 26th through
25 the 29th. And the cost is \$1,040 for combined

1 registration. Hotel cost of \$1,906.10 for combined
2 accommodations, hotel accommodations. They are
3 getting separate rooms. And \$653.06 combined travel.

4 COMMISSIONER MAVEN: That was my
5 question.

6 MR. JONES: I never seen it like this
7 before, it says "combined."

8 EXE. DIR. GORHAM: I missed something.

9 MR. JONES: And per diem of \$116 each.

10 EXE. DIR. GORHAM: Oh, okay.

11 COMMISSIONER GUARASCI: The only
12 question I have is: I just wonder how, like, for
13 example, on the first one, the per diem is \$93 and
14 this one is \$116. How is that determined?

15 MR. JONES: It's based on the number of
16 days and the location.

17 EXE. DIR. GORHAM: Let Lynette answer.

18 MR. JONES: She's an expert on that.

19 MS. WARREN: And it's also based on
20 what they're paying for. Sometimes they may have a
21 reception and dinner is included or lunch is
22 included, so that would exclude you from getting
23 money for that.

24 COMMISSIONER GUARASCI: I think I
25 understand. Thank you.

1 EXE. DIR. GORHAM: So it varies.

2 MS. WARREN: Yes.

3 EXE. DIR. GORHAM: And Lynette is going
4 to keep it clean.

5 COMMISSIONER GUARASCI: Yes. Thank
6 you.

7 CHAIRPERSON McDUFFIE: Okay. Any other
8 questions?

9 Got it.

10 Can I get a motion to close the
11 Workshop?

12 VICE-CHAIRPERSON RENDINA: I make a
13 motion to close the Workshop.

14 COMMISSIONER NATION: Second.

15 CHAIRPERSON McDUFFIE: Second from
16 Mr. Brent.

17 Roll call.

18 COMMISSIONER GUARASCI: I'm sorry, I
19 just had one question. I guess I'm thrown a little
20 bit because Fred is not here.

21 Fred's report said that with respect to
22 the low income housing tax credit awards, his report
23 indicated that they were awarded for --

24 EXE. DIR. GORHAM: We're not announcing
25 it right this minute.

1 COMMISSIONER GUARASCI: Uh-huh.

2 EXE. DIR. GORHAM: By advice of DCA,
3 not to announce, but we did get approval for the tax
4 credit you're referring to; Riverside?

5 COMMISSIONER GUARASCI: Yes.

6 EXE. DIR. GORHAM: Yes, Riverside for
7 Phase I and II.

8 COMMISSIONER GUARASCI: Okay. Well,
9 that's wonderful, because the press release that HMFA
10 put out doesn't have it listed, so I guess maybe
11 there was an appeal or something.

12 EXE. DIR. GORHAM: No.

13 VICE-CHAIRPERSON RENDINA: That's a
14 good point, and I just want to say --

15 COMMISSIONER GUARASCI: This is really
16 important.

17 VICE-CHAIRPERSON RENDINA: This was not
18 an announcement, by the way. We didn't make this.
19 The only people who know this are the people who are
20 here, and, shush, it's like when I shoot a jumper and
21 I make it and it's a three, and I quiet the crowd,
22 shush.

23 EXE. DIR. GORHAM: We were informed
24 that we did receive approval and that we should be
25 getting a formal notification within a couple of

1 weeks, because there's some additional monies that
2 are going to be attached --

3 COMMISSIONER GUARASCI: Okay.

4 EXE. DIR. GORHAM: -- to the funding
5 for Phase I and two.

6 COMMISSIONER GUARASCI: Well, that's
7 wonderful. I mean, that's terrific news.

8 EXE. DIR. GORHAM: Yes, we're there.

9 VICE-CHAIRPERSON RENDINA: Close.

10 EXE. DIR. GORHAM: We're there.

11 COMMISSIONER GUARASCI: Good. Thank
12 you. That was it.

13 VICE-CHAIRPERSON RENDINA: We have a
14 motion and a second?

15 CHAIRPERSON McDUFFIE: Yes, second.

16 Roll call, please.

17 (At this point in the proceeding roll
18 call is taken and the motion to adjourn the Workshop
19 Meeting is passed by a vote of five in favor, with
20 Commissioner Henry absent.)

21 (Whereupon, the Workshop Meeting is
22 adjourned at 5:53 p.m.)

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C E R T I F I C A T I O N

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I, KIM O. FURBACHER, License No. XIO1042, a Certified Court Reporter, Registered Merit Reporter, Certified Realtime Court Reporter, and Notary Public of the State of New Jersey, hereby certify that the foregoing is a verbatim record of the testimony provided under oath before any court, referee, board, commission or other body created by statute of the State of New Jersey.

I am not related to the parties involved in this action; I have no financial interest, nor am I related to an agent of or employed by anyone with a financial interest in the outcome of this action.

This transcript complies with Regulation 13:43-5.9 of the New Jersey Administrative Code.

KIM O. FURBACHER, CRCR, CCR, RMR
License #XIO1042, and Notary Public
of New Jersey

My Commission Expires:
7/11/19