

MINUTES . . . REGULAR MEETING . . . APRIL 11, 2022

The members of the Bethlehem Housing Authority met in a regular session Monday, April 11, 2022 at 4:00 P.M. (HYBRID Meeting). Those present and absent were as follows:

PRESENT

Mrs. Iris Linares, Chairperson
Mrs. Valerie McLendon, Vice Chairperson
Mr. Rogelio Ortiz

ABSENT

Mrs. Susan Acevedo

Also present were: William W. Matz, Jr., Esq., Solicitor; Jay D. Schuster, Secretary-Treasurer; Diana Moreno, Assistant Secretary; Staff Members and members of the general public.

The Minutes of the Regular Meeting of March 14, 2022 were presented. Mr. Ortiz made a motion to accept the minutes of March 14, 2022. Mrs. McLendon seconded the motion.

Roll Call: Ayes - McLendon/Ortiz/Linares; Nays - None

Mrs. McLendon made a motion to approve the monthly bills for March 2022.
Mr. Ortiz seconded the motion.

Roll Call: Ayes - McLendon/Ortiz/Linares; Nays - None

Under Chairman's report the board received a letter from Ms. Johayra Suvire recommending that BHA honor, Juneteenth, which is a federal holiday that importantly commemorates the day in which the last enslaved African American learned they were free. On June 17th, 2021 under the importance of equality in today's climate, President Joe Biden signed the legislation and declared Juneteenth a paid legal public holiday. Johayra is requesting that the Bethlehem Housing Authority recognize this day and give BHA employees this day as a paid holiday. Chairperson Linares recommended that we honor the request.

Mrs. McLendon made a motion to approve Juneteenth as a paid holiday for BHA employees.
Mr. Ortiz seconded the motion.

Roll Call: Ayes - McLendon/Ortiz/Linares; Nays - None

Under Committee Reports, Scholarship Committee, Ms. Moreno reported that the scholarship applications were mailed out to the eight graders, senior' and Vo-tech students. The high school applications are due back by Friday, April 22nd. The eight grade applications are due back Monday, May 23rd.

Under Resident Advisory Committee, Mr. Ortiz reported that they started off their baseball season, they're entering the third week. They've got two teams representing Southside, which the majority are BHA kids. Chairperson Linares asked fi the field is all cleaned up and ready to go. Mr. Ortiz replied one field was pretty damaged by flood water, but the other two fields, they were able to get about eight games in yesterday. Last weekend was a washout, so hopefully the weather gets better and we'll be playing baseball all the way until November.

Under the Deputy's Executive Director's report, Mr. John Ritter reported that the monthly meeting with the BHA Community Police officers will be held on Wednesday, April 13th. At that time they'll review any drug or criminal activity occurring on our properties.

RESOLUTION NO.2545 OF 2022 - APPROVING THE CONTRACT TO REPLACE THE ROOFS AT THE FAIRMOUNT DEVELOPMENT. NOTE: (Resolution is entered separately as a part of these minutes.)

Mr. Ortiz made a motion to approve the contract to replace the roofs at the Fairmount Development. Mrs. McLendon seconded the motion.

Roll Call: Ayes – McLendon/Ortiz/Linares; Nays – None

Under New Business Mr. Schuster reported two items. First, the Boys and Girls Club is requesting board approval to hire two new part-time residents. They are requesting a rate increase of \$12 due to the current employment environment. It would be 20 hours a week per person now through the end of the summer program, then it will be reduced to 15 hours a week.

Mrs. McLendon made a motion to approve the Boys and Girls Club to hire two new part-time residents with an hourly rate of \$12.00. Mr. Ortiz seconded the motion.

Roll Call: Ayes – McLendon/Ortiz/Linares; Nays – None

Second, Ms. Tina Smith, Director from the Northampton County Housing Authority; Frank Brooks, Administrator of the Department, Northampton County Housing Authority Board members, Dale Schivaroli, Vice President and Paulette Gilfoil, Secretary attended the board meeting. They are requesting the Bethlehem Housing Authority to manage their Section 8 program and to maintain three public housing properties. Jay gave the Board a report, with a simplified balance sheet. He spent some time and discussion on a teleconference call with Mr. Brooks and Northampton County Housing Authority Board Members. He also had some discussion with our Deputy and our Controller. We have some reservations, primarily financial concerns. We've worked very closely and have a good working relationship with NCHA. We will be taking a more thorough examination on this topic with the Board, this was just a preliminary meeting.

Mrs. Linares asked, where are the properties located? Ms. Smith replied that the three properties are located at the Oliver Border House in Nazareth, Howard Jones Manor in Bath, and Goepp Street Apartments in Bethlehem.

Ms. Smith stated that Lehigh County Housing Authority is currently managing Northampton County Housing Authority and Valley Housing Authority, and they were given notice in August of 2021 that Lehigh County Housing Authority no longer wants to perform this task. They have tried a multitude of ideas. They've tried to work with HUD, and they informed them that the hybrid model that they thought was going to be the solution was in fact not, and requested that they find one housing authority that could perform both tasks for them.

She reported that any financial questions we have would be directed to the current Northampton County Housing Authority, Executive Director, Christina Feiertag. She was unable to make the meeting. They wanted to bring to the table for consideration in addition of the administrative fees, that Bethlehem Housing Authority would be able to take over to help increase our staff capacity. That total, the last time that they had financial records to check, HUD's approximation is just over \$472,000 annually. In addition of course, there would be the rental income from the tenants. What they can bring to the table is the addition of County wrap around services which they understand are non-existent for BHA right now. The Human Services Department would be here, we can turn this facility into a senior center and provide services to all BHA residents, which would include some mental health, information on healthy meals through meals on wheels that they fund, various educational and social programming, and give them slip and fall prevention that would be helpful for the residents.

In addition, the County is looking to purchase mobile health units, so they would be able to have vans come to visit the authority sites to provide some complimentary screenings to the residents. It could be anything from mammograms for women to oral health exams, things of that nature which will also always be free. Depending on what comes about through financial hardships, the Commissioners of Northampton County Council have also offered to help with the funding resources if there is something of need, they've got a project at Oliver Border House which they're in the midst of signing a contract with a contractor for some water issues.

So anything that would be needed for any kind of capital improvements or just money for startup fees like computer equipment, things of that nature that BHA would need should it decide to take over some office space, they would be able to help with those startup financial type costs.

Mr. Brooks collaborative on the efforts and opportunities stating that the County is here to offer more services to the Bethlehem Housing Authority. They're talking about looking at a possible senior citizen's center. They do it in their buildings by providing a congregate meal site so there is nutrition programs for seniors. When the director was referring to their project with federally qualified health centers, that's putting a safety net under seniors that don't have health insurance. We have the ability at this point in time, well in the future, to drop a van in as a mobile unit and provide comprehensive healthcare. They can offer a tremendous amount of additional services, and wrap around services. Particularly mental health services, which they have in their senior buildings in Northampton County, it's a highly desirable thing.

Major projects, the County would commit to work with us with grant programs on major projects, he is a very good grant writer, and they fund an awful lot of projects right inside their Northampton County public housing authority senior citizen buildings. They've done all the restrooms on their first floor, done handicap accessibility and much more. They have talked with Mr. Schuster about the ERAP program, where they provide rental and utility money for tenants. They're looking to extend that program into 2025, per a conversation Mr. Brooks had with the US Treasury, which would put a safety net under, eviction business and get you in to the housing business. Long-term, low income housing, the County is very interested in that. They would love to partner up and actually look at building. They've been looking at the modular homes, in Easton and Bangor, they'll have probably eight units this year for additional housing. They would like to partner up with BHA on additional housing, and additional programs for our seniors

Chairperson Linares asked what they want from BHA. Mr. Brooks replied they need help with Management, and that the BHA has the ability to help them. Mrs. McLendon commented they need administrative staff.

Mr. Brooks stated that together we can look at a better system and solution to get Section 8 vouchers. Perhaps look at another housing authority, and use their management, so they can extend the pool and lower the operating costs for all of them.

Chairperson Linares asked are the buildings in good condition. Mr. Brooks replied that the buildings are in great shape. They have a water problem, there's a French drain that went out in the Border House which they're taking care of. The other thing, there's a water appliance that needs to be replaced, other than that they've looked at the buildings and are in great shape. The building in Bath, it's a relatively brand new building from the 90's. The Border house has been extensively remodeled for years, and the Goepp Street building had a complete refit back in 2005. The roofs are also in great shape.

Chairperson Linares asked why is it that Lehigh County not want to help anymore. Mrs. Brooks replied that Lehigh County's got multiple projects for the Executive Director, and they're a small housing authority and is just too much. So that's why they're looking to partner up and provide real collaboration services.

Chairperson Linares stated that we have to look into this further. Mr. Schuster agreed. Today, is just an acknowledgement of the request, learning of the situation of the Northampton County Housing Authority. They could use assistance, and they really need help. It would double our Section 8 program, the size of what we're managing. I think they have about 540 vouchers that are utilized right now, we have 390. So, we both have the same problem. Finding suitable landlords to accept Section 8 residents, that's a different problem that I think every housing authority in the country is having right now.

It would require doubling our Section 8 staff, getting qualified people, it would require more maintenance staff and vehicles as well so that we can care properly for the buildings, because when Frank talked to HUD, they said initially Allentown looked at it and said they can take the Section 8 program, but they can't do the maintenance. HUD says the maintenance and Section 8 program has to be handled by one in the same, by a housing authority with experience. So, maintenance staff and equipment to care for the buildings, and that does come at a cost. So, that's why we really have to take a deep dive and look at the finances.

Mr. Snyder reported that the other thing they have to understand with the Section 8 management fees, is HUD gives us management fees based on the unit that they lease based on an amount they give us, and it's prorated. Right now it's about 88% with proration so it's somewhere in the \$77 dollar range. It's gone as low as 70%, during the sequester, so we might have one staff today that we're giving \$70, but three months from now, HUD can lower that proration to \$60, and they'll take that \$10 every month for the whole year. So, we're going to have fixed costs for our staff and the new staff, but that fluctuates. Section 8 has to be run with strictly Section 8 monies. He can't borrow money from another program to put into it. He believes with the amount of money they're talking, he doesn't understand why Northampton Housing Authority cannot do their own program. They're talking more management fees than we're getting. So, he believes they could do their own program, and they can hire outside vendors to do their maintenance of the buildings.

Ms. Gilfoil stated that she has been on the transition team and has been in many meetings with HUD trying to resolve this. HUD has clearly stated to them that an experienced housing authority is the way they wish us to go. They did find a management service and someone to do the vouchers, which was Allentown Housing Authority. Unfortunately, they did not like the hybrid. So, it has put them back several months and now they're at a crisis point where they need to find someone with the experience. They do have the administrative fees, they do have the backing as we can see from their Commissioners and they have a Board that is willing to help in any way with the transition. Ms. Feiertag, unfortunately couldn't be on the transition team, due to the overload of work, she handles LCHA and VHDC. Ms. Gilfoil used to work for Lehigh County, and VHDC history is that they almost went bankrupt. So she has two sets of Board members on her, and this is why they're in this position. "You have to give something up so that you can give attention to your bigger entities. So I'm sure as Board members you understand that, but it does leave them in sort of a lurch. They're really hoping that we can work with Ms. Feiertag, look at the finances, they've done a good job on the finances, and she thinks we will find that they're healthy.

Mr. Snyder asked would we get all the administrative reserve funds that they currently have in reserve with Section 8. The administrative fees aren't cushioned when the fees drop. Other thing they'll have to understand, we'll have to put a new computer system in place and training of new staff, and all the banking information, we're talking about a lot of work down the road. He asked if the BHA would be responsible for doing their financial statements.

Ms. Gilfoil replied she can't answer that. Ms. Feiertag would have to answer that. But, she knows that HUD keeps asking her for extensions so that they can get through this crisis that they're in. She does not know about the reserves. She suggest they can have a meeting with the board members and Ms. Feiertag.

Mr. Snyder stated he believes with the fees they're receiving, they can run the program. Ms. Gilfoil stated they don't have the experience. Mr. Snyder replied then you can hire people with experience. Ms. Gilfoil said that they separated Lehigh County. They simply don't have the time to do that right now, and that's why they felt that this was the most seamless transition opportunity. Rather than doing a two year request deal, they have the opportunity to go up to a five year agreement.

Mr. Snyder said his concern is the administrative fees, if the fees drop, we still have to cover all the costs. We can't borrow from another program. All he wants is to protect Bethlehem Housing Authority. So we would need all their reserve money, we would need a cushion, to build a cushion, to keep us safe. Because once we run out of admin fees money, the program stops - fees are what matter. If we run out of money to pay the staff, we have to close up and lay people off. That's what we're concerned about. He works with this every day, and

he knows the pitfalls of it. Right now, HUD is being very generous with the admin fees, at 88%. But that, that was 76% a couple years ago.

Mr. Schuster commented that it looks like we have an organization that has a crisis, we have genuine concerns, and we don't have answers for some of those things until we would take a deeper dive. We don't even know if the administration reserve is available.

Ms. Smith stated there are two separate bank accounts, Lehigh County and Northampton County are two different financial accounts, whatever cushion Northampton County currently has they'll transfer over.

Mr. Snyder replied that's if HUD approves it that way. HUD would approve it that way for sure if we absorb all your people, basically take the whole program over as ours going forward. But if it's just a working agreement, they may not allow that.

Ms. Gilfoil stated that HUD really understands the difficulty of this situation, and they're willing to work hard to make this work. They have a lot of residents that are at stake, and it's a difficult business, but they're supportive of it, Northampton County is, in every way shape and form. Ms. Feiertag unfortunately could not be at the meeting, but she knows all the finances in and out, and she's been in charge of this for eight or nine years and she has gotten it in to great shape. She thinks we should do our due diligence, by looking at the financials, meeting with the executive director, and then bringing it to our Board for consideration. That's all they're asking.

Mrs. McLendon requested that the board have an executive meeting, and she understand what they're bringing to the table, but we need to know the financials, and to look into it more in depth. Ms. Gilfoil agreed.

Mr. Schuster agreed. Mrs. McLendon stated that we're not making a decision at this time, we just need to look at more in depth because our future is in stake as well. Ms. Gilfoil agreed.

In addition Mr. Snyder commented that Northampton County Housing Authority, will need to pay to have someone come in and inspect all the buildings. One building was built in 2005 but we're in 2022, so a lot of the stuff that was put in, might be old and obsolete. And if we're responsible for maintaining all the housing authority buildings, we need to make sure we have enough money to cover it. You have capital fund money, but I think because it's a small housing authority, you're taking that money and dumping it in the operating fund. There is a lot to take under consideration to make it work well for the BHA.

Ms. Gilfoil stated that she thinks we know the reputation of LCHA, and it's quite good. She thanked the BHA for their time and consideration, and hopes that we will do the due diligence and seriously consider their request.

Chairperson Linares stated that we'll have an executive board meeting.

On behalf of the staff, Mr. Schuster thanked the Board for their consideration and approval of the Juneteenth holiday.

Chairperson Linares noted that the next regular board meeting will be held on Monday, May 9th, 2022 at 4:00 P.M. at the Monocacy Tower, community room.

There being no further business to transact, Mrs. Linares declared the meeting adjourned.

J. D. Schuster

Jay D. Schuster
Executive Director