

CITY OF UNION CITY
HOUSING AUTHORITY

REGULAR MEETING :
: TRANSCRIPT OF RECORDED
: PROCEEDINGS
:
:

3911 Kennedy Boulevard
Union City, New Jersey

Tuesday, June 30, 2015
Commencing at 5:18 p.m.

M E M B E R S P R E S E N T:

FRANK CARNEY, COMMISSIONER
ELISE DiNARDO, COMMISSIONER
DENNIS E. GONZALEZ, COMMISSIONER
DOROTHY JETTER, COMMISSIONER
DEBRA MUNDORF, COMMISSIONER
MARGARITA GUTIERREZ, VICE CHAIRPERSON
MARTIN T. MARTINETTI, CHAIRPERSON

M E M B E R S A B S E N T:

A L S O P R E S E N T:

VIRGILIO CABELLO, EXECUTIVE DIRECTOR/BOARD SECRETARY
JULIO C. MOREJON, ESQ., COUNSEL
RAFAEL NATERA, CHIEF FINANCIAL OFFICER
WALDO MORIN, DEPUTY DIRECTOR OF OPERATIONS
KARA A. KACZYNSKI, ESQ., INTERIM COUNSEL

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1 (Whereupon, the Pledge of Allegiance was
2 said.)

3

4 MR. CABELLO: Okay. Good afternoon,
5 everyone.

6 COMMISSIONER CARNEY: Good afternoon, Mr.
7 Cabello.

8

9 **ROLL CALL**

10

11 MR. CABELLO: Roll call.

12 Chairman Martinetti?

13 CHAIRPERSON MARTINETTI: Here.

14 MR. CABELLO: Vice Chairperson Margarita
15 Gutierrez?

16 COMMISSIONER GUTIERREZ: Here.

17 MR. CABELLO: Commissioners Dorothy Jetter?

18 COMMISSIONER JETTER: Here.

19 MR. CABELLO: Elise DiNardo?

20 COMMISSIONER DiNARDO: Here.

21 MR. CABELLO: Dennis Gonzalez?

22 COMMISSIONER GONZALEZ: Here.

23 MR. CABELLO: Frank Carney?

24 COMMISSIONER CARNEY: Here.

25 MR. CABELLO: Debra Mundorf?

1 COMMISSIONER MUNDORF: Here.

2 MR. CABELLO: Okay.

3 Thank you.

4 I would suggest going into Executive
5 Session, so we don't have to bring people in and
6 out. If that's okay? Because we have to discuss
7 personnel matters as it relates to --

8 CHAIRPERSON MARTINETTI: Sure.

9 Could we also ask Mr. Morejon to step out?
10 Because we're going to -- we discuss concerns
11 raised by HUD --

12 MR. CABELLO: Okay.

13 CHAIRPERSON MARTINETTI: -- regarding
14 employment issues and potential litigation that
15 pertain to Mr. Morejon.

16 MR. CABELLO: Okay.

17 All right. So, if you could -- yeah, --

18 MS. DILLON: Is there a motion?

19 MR. CABELLO: Oh, motion?

20 COMMISSIONER GUTIERREZ: I make a motion.

21 COMMISSIONER CARNEY: I make --

22 Second it.

23 MR. CABELLO: Margarita Gutierrez.

24 Second by Mr. Carney.

25 Roll call.

1 Mr. Martinetti?

2 CHAIRPERSON MARTINETTI: Yes.

3 MR. CABELLO: Ms. Gutierrez?

4 COMMISSIONER GUTIERREZ: Yes.

5 MR. CABELLO: Ms. Jetter?

6 COMMISSIONER JETTER: Yes.

7 MR. CABELLO: Ms. DiNardo?

8 COMMISSIONER DiNARDO: Yes.

9 MR. CABELLO: Mr. Gonzalez?

10 COMMISSIONER GONZALEZ: Yes.

11 MR. CABELLO: Frank Carney?

12 COMMISSIONER CARNEY: Yes.

13 MR. CABELLO: And Ms. Mundorf?

14 MS. MUNDORF: Yes.

15 MR. CABELLO: Thank you.

16 Okay.

17

18 (Whereupon, the Board moved into Executive
19 Session at 5:19 p.m.)

20

21 (Whereupon, the Board returned to the Open
22 Session at 8:08 p.m.)

23

24 (Whereupon, there was a pause in the
25 proceedings.)

1

2 MR. CABELLO: Okay, we're back on the
3 record.

4 MS. KACZYNSKI: Should I bring the public
5 back in?

6 CHAIRPERSON MARTINETTI: Yeah. Can we open
7 -- let the public come in?

8 MR. CABELLO: So we want to go through the
9 agenda; --

10 COMMISSIONER CARNEY: They might have left.

11 MR. CABELLO: -- we follow the agenda or we
12 want to do this first?

13 CHAIRPERSON MARTINETTI: Let's do this
14 first because we need counsel.

15 MR. CABELLO: We'll do this first?

16 CHAIRPERSON MARTINETTI: Correct.

17

18 (Whereupon, there was a pause in the
19 proceedings.)

20

21 MR. CABELLO: All right, we're going back.
22 Sorry about the delay but we had to address some
23 issues here.

24

25

1 RESOLUTION NO. 2015-07 -
2 RESOLUTION INVALIDATING THE LEGAL SERVICES
3 CONTRACT OF COUNSEL FOR THE HOUSING AUTHORITY OF
4 THE CITY OF UNION CITY FOR THE REMAINDER OF THE
5 2015 CALENDAR YEAR AND AUTHORIZING CORPORATION
6 COUNSEL OF THE CITY OF UNION CITY TO PROVIDE
7 INTERIM, EMERGENCY LEGAL SERVICES FOR THE HOUSING
8 AUTHORITY OF THE CITY OF UNION CITY

9

10 MR. CABELLO: Okay, Board, the first --
11 Should I have read the statement first?

12 CHAIRPERSON MARTINETTI: Absolutely.

13 MR. CABELLO: Yeah.

14 Okay, we had to discuss an issue with our
15 legal contract. And the following is what the
16 Board has determined to do.

17 Based on the determination made by HUD
18 regarding the legal services contract that does
19 not meet the HUD requirements, the Board has
20 determined to invalidate the legal services
21 contract for the remaining of the calendar year
22 2015.

23 In the interim the Board has hired the
24 corporate counsel of the City of Union City to
25 serve as the interim counsel for a period of not

1 to exceed 90 days.

2 Okay. So I have a motion to --

3 CHAIRPERSON MARTINETTI: You want to
4 stipulate the amount per month?

5 MR. CABELLO: Oh.

6 The amount per month --

7 Thank you, sir.

8 -- is \$4,000.00 per month. That will
9 include all the legal work related to the Housing
10 Authority.

11 And this will be approved Resolution number
12 2015-07, which to hire the legal service as an
13 interim attorney for the Housing Authority.

14 I have a motion please to --

15 COMMISSIONER CARNEY: I motion.

16 COMMISSIONER GUTIERREZ: I second.

17 MR. CABELLO: Made by Commissioner Carney.

18 Second by Ms. Margarita Gutierrez.

19 Chairperson Martinetti?

20 CHAIRPERSON MARTINETTI: Yes.

21 MR. CABELLO: Margarita Gutierrez?

22 COMMISSIONER GUTIERREZ: Yes.

23 MR. CABELLO: Ms. Jetter?

24 COMMISSIONER JETTER: Yes.

25 MR. CABELLO: Ms. DiNardo?

1 COMMISSIONER DiNARDO: Yes.

2 MR. CABELLO: Mr. Gonzalez?

3 COMMISSIONER GONZALEZ: Before I cast my
4 vote I just want to say that I am very
5 disappointed with the inarticulate manner in
6 which HUD has provided guidance on this -- in
7 this matter. I think we deserve to have better
8 guidance from the -- the federal authorities who
9 oversee this Authority.

10 Having said that my vote is yes.

11 MR. CABELLO: Yes.

12 Mr. Carney?

13 COMMISSIONER CARNEY: Yes.

14 MR. CABELLO: Miss Mundorf?

15 COMMISSIONER MUNDORF: Yes.

16 MR. CABELLO: Yes.

17 Thank you.

18

19 **APPROVAL OF MINUTES OF THE REGULAR MEETING OF**
20 **MAY 26, 2015 AND THE EXECUTIVE SESSION MEETING OF**
21 **MAY 26, 2015**

22

23 MR. CABELLO: Okay, the next item will be
24 the Approval of Minutes from the previous
25 meeting.

1 Had them all in order.

2 Okay, motion to approve?

3 CHAIRPERSON MARTINETTI: Motion.

4 MR. CABELLO: By the Chairman, Mr.

5 Martinetti.

6 COMMISSIONER GUTIERREZ: Second it.

7 MR. CABELLO: Second by Ms. Gutierrez.

8 Roll call.

9 Mr. Martinetti?

10 CHAIRPERSON MARTINETTI: Yes.

11 MR. CABELLO: Ms. Gutierrez?

12 COMMISSIONER GUTIERREZ: Yes.

13 MR. CABELLO: Ms. Dorothy Jetter?

14 COMMISSIONER JETTER: Yes.

15 MR. CABELLO: Commissioner Ms. DiNardo?

16 COMMISSIONER DiNARDO: Yes.

17 MR. CABELLO: Mr. Gonzalez?

18 COMMISSIONER GONZALEZ: Yes.

19 MR. CABELLO: Mr. Carney?

20 COMMISSIONER CARNEY: Yes.

21 MR. CABELLO: Miss Debra Mundorf?

22 COMMISSIONER MUNDORF: Yes.

23

24 **APPROVAL OF PAYMENT OF BILLS**

25

1 MR. CABELLO: Okay.

2 Next is the Approval of Payment of the
3 Bills.

4 COMMISSIONER GONZALEZ: Move.

5 MR. CABELLO: Moved by Commissioner --

6 COMMISSIONER CARNEY: Second it.

7 MR. CABELLO: Second by Mr. Carney.

8 Roll call.

9 Mr. Martinetti?

10 CHAIRPERSON MARTINETTI: Yes, with an
11 abstention on Miguel Hector and --

12 MR. CABELLO: Right. And associate
13 companies.

14 CHAIRPERSON MARTINETTI: Correct.

15 MR. CABELLO: Yeah.

16 Miss Gutierrez?

17 COMMISSIONER GUTIERREZ: Yes.

18 MR. CABELLO: Miss Jetter?

19 COMMISSIONER JETTER: Yes.

20 MR. CABELLO: Miss DiNardo?

21 COMMISSIONER DiNARDO: Yes.

22 MR. CABELLO: Mr. Gonzalez?

23 COMMISSIONER GONZALEZ: Yes.

24 MR. CABELLO: Frank Carney?

25 COMMISSIONER CARNEY: Yes.

1 MR. CABELLO: Miss Mundorf?

2 COMMISSIONER MUNDORF: Yes.

3

4 **RESOLUTION NO. 2015-06 -**

5 **PRIORITY TO VETERANS FOR RESIDENCY IN VETERAN'S**

6 **HOUSING**

7

8 MR. CABELLO: Next is the Resolution to
9 Give Priorities to the Veterans for Residence in
10 the Veteran's Housing.

11 That was something that was recommended by
12 the -- the Board at the last meeting.

13 CHAIRPERSON MARTINETTI: Could I make a
14 recommendation to amend that?

15 And also include disabled persons and
16 individuals displaced due to --

17 MR. CABELLO: Homeless.

18 CHAIRPERSON MARTINETTI: -- damaged
19 structures or -- yes, you know, example, natural
20 disasters, fires, --

21 MR. CABELLO: Okay.

22 CHAIRPERSON MARTINETTI: -- so forth and so
23 on.

24 MR. CABELLO: So it would be veterans, --

25 CHAIRPERSON MARTINETTI: Disabled persons.

1 MR. CABELLO: Wait. Disabled --

2 CHAIRPERSON MARTINETTI: And displaced.

3 MR. CABELLO: -- persons. And displaced.

4 I will have to write this whole --

5 CHAIRPERSON MARTINETTI: Sorry about that.

6 MR. CABELLO: No, no, no, that's all right.

7 CHAIRPERSON MARTINETTI: I thought about it
8 after I read it.

9 MR. CABELLO: And displaced persons.

10 Okay. So Resolution 2015-06 be Priority to
11 Veterans for Residence in the Veteran's Housing,
12 Disabled Persons and Displaced Individuals Due
13 to --

14 CHAIRPERSON MARTINETTI: And veterans.

15 MR. CABELLO: -- Natural Disasters --

16 CHAIRPERSON MARTINETTI: You have veterans?

17 MR. CABELLO: Huh?

18 CHAIRPERSON MARTINETTI: Veterans.

19 MR. CABELLO: Oh, disabled veterans?

20 CHAIRPERSON MARTINETTI: No. Veterans,
21 disabled persons and --

22 MR. CABELLO: And displaced persons.

23 CHAIRPERSON MARTINETTI: -- displaced.

24 Correct.

25 MR. CABELLO: Yeah. Yeah.

1 CHAIRPERSON MARTINETTI: I didn't hear you
2 say veterans.

3 MR. CABELLO: No, no, veterans. Yeah, that
4 was the thing.

5 Okay, that's it, I have to -- I'll type a
6 new one here; I'll add that.

7 Okay, then I'll have a motion to approve
8 the resolution.

9 COMMISSIONER CARNEY: I motion it.

10 COMMISSIONER GUTIERREZ: I second it.

11 MR. CABELLO: Okay, roll call.

12 Mr. Martinetti?

13 CHAIRPERSON MARTINETTI: Yes.

14 MR. CABELLO: Gutierrez?

15 COMMISSIONER GUTIERREZ: Yes.

16 MR. CABELLO: Miss Jetter?

17 COMMISSIONER JETTER: Yes.

18 MR. CABELLO: Commissioner DiNardo?

19 COMMISSIONER DiNARDO: Yes.

20 MR. CABELLO: Miss -- Mr. Gonzalez?

21 COMMISSIONER GONZALEZ: Yes.

22 MR. CABELLO: Frank Carney?

23 COMMISSIONER CARNEY: Yes.

24 MR. CABELLO: And Miss Debra Mundorf?

25 COMMISSIONER MUNDORF: Yes.

1 MR. CABELLO: Okay.

2

3 **ACCOUNT'S RECEIVABLES/DELINQUENT ACCOUNTS**

4

5 MR. CABELLO: Okay, next will be the
6 Accounts Receivables/Delinquent Accounts for non-
7 payment of rents.

8 I gave you a revised between one we sent
9 out on Friday and yesterday. Three folks came in
10 and pay, so that went down considerably -- the
11 amount of rents due.

12 Okay.

13 Yeah it went from 5,000 to 2,900, --

14 COMMISSIONER CARNEY: Two thousand nine
15 hundred.

16 MR. CABELLO: -- which is pretty -- pretty
17 good.

18 Okay.

19

20 **DIRECTOR'S REPORT**

21

22 MR. CABELLO: Okay, the next one is the
23 report from the Executive Director.

24 At the last meeting it was discussed, RAD,
25 the new system in to provide -- oh, the revised

1 way the HUD wants to -- Housing Authority's to be
2 managed.

3 At the recommendation of the Board we
4 contacted the City because they want to -- they
5 want the Housing Authority to present the City
6 about RAD what it's all about because we need
7 their approvals on certain things.

8 So, I got in contact with Dominick
9 Cantatore, who is the City Clerk, -- I guess is
10 his title -- and we have set up -- the City has
11 set up a Special Meeting for July 27 at seven
12 o'clock here in our Pavilion.

13 COMMISSIONER CARNEY: The Pavilion.

14 MR. CABELLO: It will be like a short
15 meeting; no more than an hour.

16 It would just present to the -- to the City
17 Commissioners and the Mayor what the whole
18 program is all about. And -- you know, I'll
19 inform you guys -- I'll remind you guys.

20 CHAIRPERSON MARTINETTI: Twenty-seventh.

21 MR. CABELLO: It's a Monday.

22 So, you know, that -- that will be at --

23 MS. KACZYNSKI: What time is that meeting?

24 MR. CABELLO: It will be July 27th at seven
25 in the evening.

1 MS. KACZYNSKI: Seven.

2 MR. CABELLO: It'd be no more than an hour.
3 Be a quick presentation.

4 I'm going to send them ahead of time the
5 packages explaining the whole program so they
6 familiarize themselves with it.

7 But I'll remind everybody. I will send --

8 COMMISSIONER GUTIERREZ: Um-hum.

9 MR. CABELLO: And we're also going to send
10 notices to the residents to know they're going
11 there so they could come in and, you know,
12 participate if they choose to. Yeah.

13 Next, we're participating in the Free
14 Summer Meals Program, --

15 COMMISSIONER GUTIERREZ: Um-hum.

16 MR. CABELLO: -- which hopefully will be
17 successful.

18 Meaning that Miss Dottie Jetter was telling
19 me that in previous years the kids were not
20 eating, they were throwing the food in the
21 garbage because I guess they didn't like the
22 flavor or something.

23 So, hopefully this year will not be a total
24 waste.

25 And the last thing I have has concern with

1 Section 8.

2 Ralph, you want to address that?

3 MR. NATERA: We got the report for the last
4 reconciliation from the Section 8 program from
5 HUD.

6 You might have -- everybody has a copy,
7 right?

8 Just want to --

9 COMMISSIONER GUTIERREZ: This one.

10 Right?

11 MR. CABELLO: Yes, that's the one.

12 MR. NATERA: Yeah, the one.

13 Okay. If you look at --

14 I don't want anybody to get confused; I
15 want to call it as it is.

16 Line 3. It says there \$824,000 reserves.

17 Is everybody with me?

18 COMMISSIONER GUTIERREZ: Um-hum.

19 MR. NATERA: All right, that is as of 2014.

20 As of March, that amount is basically around
21 \$860,000.

22 I don't want to call it reserve because
23 that's not what it is. It is basically unspent
24 HUD payments.

25 The Section 8 payments, since 2005 --

1 | actually 2007, HUD has been withholding some
2 | funds. I made myself a calculation and I just
3 | want to let you know how did we come out to that
4 | amount.

5 | We are not spending all the funds in
6 | Section 8. And it's not because we don't have
7 | the applicants, it is not because we don't have
8 | everybody that needs the -- the rent assistance;
9 | it's because people are having problem in getting
10 | housing here in Union City.

11 | That was the reason why we took the
12 | initiative of raising the allowable rent last --
13 | last Board Meeting I believe it was. Just to
14 | make ourself -- our contracts a little more
15 | attractive with the landlords in Union City.
16 | Because in the last, basically, 11 years we have
17 | -- they have recapped that money, nine hundred --
18 | about \$860,000.00.

19 | They're funding us based on the 693 units
20 | that we have in Section 8. That is a contract --
21 | the ACC contract that we have with HUD. But we
22 | are not spending that much money. But they're
23 | not allowing the Housing Authority to keep that
24 | money in the bank. They're keeping it in an
25 | escrow account, in their files and wherever it is

1 they want to call it and little by little they're
2 going to be taking and recouping that money
3 again.

4 Okay, the average that I have right now,
5 based on the money that is allowed to us and the
6 money that has been deposited into our -- our
7 account every single month is about 18,
8 \$20,000.00 a month less of the money that we're
9 entitled to.

10 Okay, we're taking every single initiative
11 to bring those expenses at the level so that way
12 we could get -- use the funds accordingly. But,
13 unfortunately, the -- the recipients of the
14 vouchers are having a hard time getting housing
15 in Union City.

16 MR. CABELLO: Okay, if I could expand on
17 that.

18 About seven years --

19 To explain the funding formula --

20 CHAIRPERSON MARTINETTI: Could you raise
21 the amounts?

22 MR. CABELLO: -- the formula -- formula.

23 CHAIRPERSON MARTINETTI: Allowable amounts.
24 Right.

25 MR. CABELLO: About seven years ago HUD did

1 a national study and based on the applications,
2 which to me it was totally erroneous. Because
3 right now we just completed opening the Section 8
4 list. And if you consider being successful 6,200
5 applicants, --

6 COMMISSIONER GUTIERREZ: Wow.

7 MR. CABELLO: -- that's a success rate.
8 Which means unsuccessful is a serious problem
9 here.

10 Right?

11 So, HUD capped the Housing Authority in
12 Union City to 693 units -- or vouchers. Meaning
13 that they provide funding for 693 vouchers;
14 that's why it takes so long for -- for the list
15 to move.

16 MR. NATERA: Um-hum.

17 MR. CABELLO: Now, again, they calculate
18 the rents based on the fair market values -- is
19 so much rents. One -- zero room, one bedroom,
20 two bedrooms, three bedrooms and so forth.

21 What's been happening in Union City, lot of
22 landlords are refusing to take in Section 8
23 recipients. First because they say the fair
24 market rent is too low. If they can rent an
25 apartment on the market -- one bedroom apartment

1 | for say \$1600.00, why get 1200 from -- from us?

2 | Then it's all the red-tape involved.

3 | So what we have done with that, we're
4 | allowing folks to -- if you could find apartment
5 | in North Bergen, somewhere else, go, so this
6 | money is not lost.

7 | So what HUD is doing, they're now
8 | recapturing the money. They're sort of putting
9 | like in an escrow. So what they're doing, say
10 | this year we have -- they gave us \$40,000.00
11 | extra, meaning that they calculated that those
12 | \$40,000.00 they have it there, the following year
13 | instead of giving additional money for that, they
14 | begin to withdraw from that account. So
15 | eventually that \$800,000.00 will be zip.

16 | I asked them why, since we have all the
17 | money, why don't you provide us with more -- more
18 | units because we could put quite a few people
19 | with that kind of funding. He said, well, the
20 | problem is that, yes, we could use this
21 | \$800,000.00, that will provide another hundred
22 | units let's say for example but what happens the
23 | year after that if Congress doesn't approve the
24 | funding.

25 | So that's why they locked it up in that

1 particular amount. So, all the --

2 CHAIRPERSON MARTINETTI: Can we raise --
3 can we raise the allowable amounts for the ones
4 we have?

5 MR. CABELLO: We did to a hundred and ten
6 percent of the fair market rent.

7 CHAIRPERSON MARTINETTI: Right.

8 Can we go even higher so we use that money?

9 MR. CABELLO: We already did.

10 CHAIRPERSON MARTINETTI: We're going to use
11 the whole surplus then?

12 MR. CABELLO: Yes. A hundred and ten
13 percent, whatever that is, we're taking, you
14 know, the --

15 CHAIRPERSON MARTINETTI: Will eat up the
16 majority of the surplus?

17 MR. CABELLO: Yes, because HUD will be
18 providing that.

19 CHAIRPERSON MARTINETTI: Okay.

20 MR. CABELLO: Because now we raised the
21 rents, --

22 CHAIRPERSON MARTINETTI: Right.

23 MR. CABELLO: -- they'll have to, you know,
24 start giving us that money.

25 So, yeah, that money cannot be used for any

1 other purposes, number one, than to pay rents.

2 CHAIRPERSON MARTINETTI: And if you have to
3 go up again just do it. You know? What do you
4 call -- authorize whatever you need.

5 MR. CABELLO: Right, yeah, yeah, that's
6 there. Whatever we need there. But they don't
7 give you additional. I said, look, I want --
8 give an issue because you're sitting on all this
9 money that we already approved for you.

10 So, --

11 MR. NATERA: I have the last reconciliation
12 here that they submit to us dated June 26. Just
13 to give you an idea.

14 Allocated, based on our contract for the
15 last four months, we were supposed to get
16 \$1,000,927.00.

17 Okay, but based on the money that they are
18 withholding for us we only got 1,598,000. And
19 that's the way they're managing their funds and
20 this is the amount of money that we had to
21 play --

22 MR. CABELLO: Right.

23 MR. NATERA: -- I mean to have -- we will
24 have to play with.

25 MR. CABELLO: Okay.

1

2 **REPORT OF COUNSEL**

3

4 MR. CABELLO: And, finally, we have the
5 Report of Counsel.

6

7 Julio, this is the thing from the Sewer
8 Authority. I don't know if you want to address
9 it or --

10 It's in the packet. That's what you had
11 requested, Mr. Chairman.

12 That would be the last thing.

13 You have it?

14 Thank you, Julio.

15 MR. MOREJON: Yeah, sure.

16 I have provided to the Board a report --
17 it's approximately six pages in length,
18 concerning the North Hudson Sewer Authority and a
19 review of the charges and assessments that they
20 assess to other similar institutions.

21 We used -- and this was all done at the
22 request of the Board after the conclusion of the
23 litigation that we had last summer concerning
24 North Hudson Sewer and they're charges that they
25 assessed to us for usage and also the penalty
provision.

1 Basically, I requested documents through
2 the -- that are available through OPRA from the
3 North Hudson Sewer Authority. We use their other
4 municipalities, surrounding municipalities that
5 they service, as well as boards of education,
6 fire -- firehouses, et cetera, to determine
7 delinquencies and the like.

8 As you can see there from -- from the
9 report there are a few entities that are -- you
10 know, are in arrears; most -- most are up to
11 date. Those that are in arrears are being
12 charged a penalty provision.

13 And that's really it.

14 I don't know if you have any questions
15 regarding the results, methodology, et cetera?

16 MR. CABELLO: No? Okay.

17 No comments? Okay.

18 Should we open it to the public then?

19 Yeah.

20 COMMISSIONER GUTIERREZ: Yeah.

21 MR. CABELLO: Okay, we'll open to the
22 public.

23 Anybody wants to address --

24 MS. KACZYNSKI: If I could, just before we
25 open it up to the public?

1 MR. CABELLO: Oh, sure.

2 MS. KACZYNSKI: Just in connection with the
3 new RFPs that are going to be issued and their
4 review based on the HUD requirements and the new
5 procurement process and everything else, it's
6 recommended that the Municipal Clerk, for
7 consistency purposes, open the bids once they do
8 come in -- at least at the outset -- so
9 everything is consistent.

10 We make sure the procurement process is
11 properly being followed. And when and if HUD
12 comes in again and takes a look at it, we can at
13 least make sure that everything that we need to
14 do has been done.

15 MR. CABELLO: So, what you're saying is
16 that when that proposal comes in for the legal
17 services, correct, that will be opened at the
18 City, --

19 MS. KACZYNSKI: Yes.

20 MR. CABELLO: -- by the City Clerk?

21 MS. KACZYNSKI: Yes.

22 MR. CABELLO: And who -- and then the Board
23 will approve it? Or it will be approved by the
24 City?

25 MS. KACZYNSKI: Well, no, the process of

1 approval would still be done in accordance with
2 whatever your normal processes are because this
3 Board has the authority.

4 MR. CABELLO: But the opening of the --

5 MS. KACZYNSKI: But just the actual opening
6 of the bid --

7 MR. CABELLO: Okay.

8 MS. KACZYNSKI: -- at the time designated
9 in the --

10 MR. CABELLO: Okay.

11 MS. KACZYNSKI: -- RFP.

12 MR. CABELLO: No, no problem.

13 CHAIRPERSON MARTINETTI: So all bids? Not
14 just the legal.

15 Right?

16 MS. KACZYNSKI: Yeah, all bids.

17 CHAIRPERSON MARTINETTI: From here going
18 forward?

19 MS. KACZYNSKI: Yeah.

20 CHAIRPERSON MARTINETTI: Okay.

21 MS. KACZYNSKI: Because this -- this HUD --

22 MR. CABELLO: Until we get the --

23 MS. KACZYNSKI: -- regulations and
24 everything else applies to all your contracts, --

25 MR. CABELLO: Yeah.

1 MS. KACZYNSKI: -- not just legal.

2 MR. CABELLO: Until we get the -- the
3 permanent attorney.

4 CHAIRPERSON MARTINETTI: Yeah, we'll see
5 what happens. Right now we'll just let the
6 Clerk --

7 That's fine.

8 Right?

9 MS. KACZYNSKI: Um-hum.

10 CHAIRPERSON MARTINETTI: We'll let the
11 Clerk open all bids until we address our
12 procurement process and bring it into compliance.

13 MR. CABELLO: Okay. Yeah, no problem.

14 Thank you.

15 So, we'll do that, no problem. So they'll
16 come here and then we'll give them sealed to the
17 -- to the City Clerk.

18 CHAIRPERSON MARTINETTI: Or just send --

19 MS. KACZYNSKI: And maybe that --

20 CHAIRPERSON MARTINETTI: -- just send
21 them --

22 MS. KACZYNSKI: -- something --

23 CHAIRPERSON MARTINETTI: Just send them to
24 the Clerk.

25 MR. CABELLO: Right, that's what I mean.

1 CHAIRPERSON MARTINETTI: Have them just
2 sent -- mailed over there.

3 MR. CABELLO: Oh, mail? Okay, so --

4 CHAIRPERSON MARTINETTI: Yeah.

5 MR. CABELLO: -- we could put that --

6 MS. KACZYNSKI: You could do it that way,
7 too.

8 MR. CABELLO: When you put that, we'll put
9 that in there.

10 Yeah, we need to talk, Marty.

11 MS. KACZYNSKI: And that's something we can
12 discuss. We can, you know, --

13 MR. CABELLO: Sure.

14 MS. KACZYNSKI: -- put him on notice, get
15 him in the loop, --

16 MR. CABELLO: Right, yeah.

17 MS. KACZYNSKI: -- you know, on everything
18 and --

19 MR. CABELLO: Yeah, we can do that. I'll
20 talk to you tomorrow if you don't mind?

21 MS. KACZYNSKI: Yeah, absolutely.

22 MR. CABELLO: Okay.

23 So we will get that clear.

24 CHAIRPERSON MARTINETTI: Just mail them
25 over there, so --

1 MR. CABELLO: Yeah.

2 CHAIRPERSON MARTINETTI: Easier.

3 MR. CABELLO: Okay.

4

5 **PUBLIC COMMENT**

6

7 MR. CABELLO: All right, we open to the
8 public now.

9 Okay.

10 CHAIRPERSON MARTINETTI: Motion.

11 MR. CABELLO: Anyone --

12 Motion to open to the public.

13 CHAIRPERSON MARTINETTI: Yeah.

14 COMMISSIONER GUTIERREZ: Second it.

15 CHAIRPERSON MARTINETTI: There was a
16 consent. Aye.

17

18 (Whereupon, there was a chorus of ayes.)

19

20 MR. CABELLO: Yeah, that's done.

21 Okay.

22 Gentlemen, want to address the Board?

23 COMMISSIONER GUTIERREZ: Medina, remember
24 it's five minutes --

25 MR. CABELLO: Yeah, five minutes. We have

1 a five minute --

2 COMMISSIONER GUTIERREZ: -- on the time
3 please.

4 MR. CABELLO: -- limit on this.

5 Okay, sure, go ahead.

6 MS. BESHARA: Hi, I'm Toni Beshara, 305
7 44th, 2nd floor.

8 I just wanted to thank Waldo.

9 You sent Pedro to repair the water damage
10 that occurred from the old roof before it was
11 repaired. It was -- the -- when he put the -- he
12 came on a couple of different days. The one day
13 he did the preparing. The next day that he came
14 he finished it and -- and put the sealant. I
15 didn't think it was going to be able to be done.
16 It was, you know, seeping through the compound.
17 And he sealed it. He did very meticulous work.

18 Thank you.

19 MR. CABELLO: Thank you.

20 MS. BESHARA: That's -- and he did that on
21 two different days.

22 Another day he came and he put the carbon
23 monoxide thing.

24 So, yeah, he -- thank you very much.

25 MR. CABELLO: That's our job, you know.

1 MS. BESHARA: I'm really happy with it.

2 MR. CABELLO: That's our job.

3 Thank you.

4 To do your job is your job.

5 Thanks --

6 MR. MORIN: Thank you.

7 COMMISSIONER GUTIERREZ: Thank you.

8 MR. CABELLO: -- for recognizing that.

9 Next?

10 MS. DILLON: Name for the record please?

11 MR. ALVAREZ: Sure.

12 Daniel Alvarez, 42--

13 MS. DILLON: And spell your name.

14 MR. ALVAREZ: A-L-V-A-R-E-Z.

15 MS. DILLON: And your address?

16 MR. ALVAREZ: 4204 New York Avenue.

17 MS. DILLON: Okay, just keep your voice up
18 for me.

19 MR. ALVAREZ: Yeah, sure.

20 Quick question about this ongoing
21 investigation into the contract with the attorney
22 for the Board.

23 Was there a determination made in that
24 investigation or it's still pending an
25 investigation?

1 MR. CABELLO: If I may answer?

2 MS. KACZYNSKI: Please.

3 CHAIRPERSON MARTINETTI: Sure.

4 MR. CABELLO: It's not an investigation.

5 Let's get clear on that.

6 What HUD wants to -- conduce (phonetic) a
7 review, which is totally two different things --
8 of that.

9 I know we've been told they will -- there
10 is -- they're going to review all the contracts,
11 not only the -- the attorney's contract but any
12 other professional services contract that the
13 Authority has.

14 MR. ALVAREZ: So they're just reviewing
15 contracts?

16 MR. CABELLO: Yes. It's not an
17 investigation. Just reviewing and making
18 recommendations as they did with the contract for
19 the legal services.

20 MR. ALVAREZ: Yeah, because I'm a little
21 confused. Seems like this contract was
22 terminated and corporate counsel for Union City's
23 temporarily filling a void and it seems like the
24 implication there is that there might be some
25 wrongdoing.

1 I just wanted some clarity on that.

2 MR. CABELLO: Go ahead.

3 COMMISSIONER CARNEY: Can I answer that?

4 COMMISSIONER GONZALEZ: Through the Chair,
5 may I respond?

6 CHAIRPERSON MARTINETTI: Sure.

7 COMMISSIONER GONZALEZ: What happened here
8 tonight is that, as the Executive Director
9 mentioned, HUD made a determination that we
10 needed to review our procurement policies and
11 professional services contract.

12 Based on that we have -- and that's the
13 resolution the Board approved -- we invalidated
14 the legal services contract for the remainder of
15 this year.

16 We hired the Corporation Counsel from the
17 City, at HUD's recommendation, to serve as
18 interim counsel until we then can go out and bid
19 and then hire -- and then, you know, contract for
20 legal services under the requirements that HUD
21 has stipulated.

22 MR. ALVAREZ: Okay.

23 So the Board, for about three hours now, in
24 Executive Session was discussing how to --

25 Well, I know you can't tell me what was

1 | discussed during that but basically, if we're to
2 | understand this, you submitted your contracts to
3 | HUD and then based on submitting that you felt
4 | that it was appropriate to invalidate a contract?

5 | Is that --

6 | COMMISSIONER GONZALEZ: Based on --

7 | MR. ALVAREZ: -- basically what the
8 | resolution states?

9 | COMMISSIONER GONZALEZ: HUD has determined
10 | -- HUD determined that our contract -- that our
11 | contracts are not meeting their requirements, --

12 | MR. CABELLO: Their legal requirement.

13 | COMMISSIONER GONZALEZ: -- so therefore we
14 | felt that the appropriate step would be to
15 | invalidate the contract and go back, basically,
16 | and start then -- and hire new legal services
17 | with a contract that meets HUD's stipulation.

18 | MR. ALVAREZ: Okay.

19 | Just have a question about Palisade Urban
20 | Renewal --

21 | MR. CABELLO: Yes.

22 | MR. ALVAREZ: -- Limited Partnership.

23 | MR. CABELLO: Um-hum.

24 | MR. ALVAREZ: Who are the partners on that?

25 | MR. CABELLO: Oh, that's the Economic

1 Development Corporation of Union City, and the
2 Richmond Group and DT -- no, not DT Allen, --

3 What's the name of it?

4 MR. NATERA: DT Allen.

5 MR. CABELLO: -- DT Allen Corp.

6 And the majority owner, which is the --
7 EDC's the limited partner. And the owner is
8 Richmond Group, which own 99.99 percent of the --
9 of the property.

10 MR. ALVAREZ: So, Richmond Group owns 99
11 percent of it?

12 MR. CABELLO: 99.99, yes.

13 MR. ALVAREZ: That's a general partnership.
14 So they receive most of the profits?

15 MR. CABELLO: They get all the profits.

16 MR. ALVAREZ: And the partnership is based
17 out of the Housing Authority?

18 MR. CABELLO: No. The agreement that we
19 have with the partnership, so the Housing
20 Authority to process the agreement with all the
21 contracts and the leases and so forth.

22 MR. ALVAREZ: All right. Because I'm a
23 little confused.

24 The general partner, 99.9 percent, right,
25 is --

1 MR. CABELLO: No, the general partner is
2 Economic Development Corporation of Union City.
3 That's the general partner.

4 MR. ALVAREZ: Okay. The limited partner --

5 MR. CABELLO: Which doesn't matter.

6 The limited partner is --

7 MR. ALVAREZ: Richmond --

8 MR. CABELLO: -- Richmond Group, which own
9 -- they own the building.

10 MR. ALVAREZ: Right. So they receive 99.9
11 percent of the profit.

12 MR. CABELLO: Yes. And they deduct from
13 the taxes -- the low income housing tax credit
14 deal. So they get all those credits for -- for,
15 you know, --

16 MR. ALVAREZ: So, they receive all the
17 money, yet the Housing Authority works for --

18 MR. CABELLO: No, they don't get reimbursed
19 for the -- for the services that we provide.

20 MR. ALVAREZ: All right.

21 So this company, this partnership is based
22 out of the Housing Authority?

23 MR. CABELLO: No, it's not based out of the
24 Housing --

25 The Housing Authority's providing certain

1 | services for the partnership, --

2 | MR. ALVAREZ: So, --

3 | MR. CABELLO: -- which is the PURE.

4 | MR. ALVAREZ: So the Housing Authority
5 | bills -- sends an invoice monthly --

6 | MR. CABELLO: Right and -- quarterly and
7 | they --

8 | MR. ALVAREZ: Quarterly.

9 | MR. CABELLO: -- and they get reimbursed
10 | for that.

11 | MR. ALVAREZ: Okay.

12 | All right. I was just a little confused.

13 | MR. CABELLO: No, no, no. They --
14 | quarterly they get reimbursed for the services
15 | that is provided to them.

16 | But Richmond Group owns 99.99 percent of
17 | the building. Which is a good deal for anybody
18 | that has money getting the local -- as a tax
19 | credit business.

20 | Yeah.

21 | MR. ALVAREZ: I'm sure it is. Okay.

22 | MR. CABELLO: Yeah. Okay?

23 | MR. ALVAREZ: That's it. I don't have any
24 | more questions.

25 | MR. CABELLO: All right.

1 Thank you.

2 COMMISSIONER GUTIERREZ: Anybody else?

3 MR. CABELLO: No?

4 COMMISSIONER GONZALEZ: Is that it?

5 MR. HEINIS: I don't have anything
6 actually.

7 MR. CABELLO: No. Okay.

8

9 **ADJOURNMENT:**

10

11 COMMISSIONER GONZALEZ: Motion to adjourn.

12 COMMISSIONER GUTIERREZ: I second it.

13 COMMISSIONER CARNEY: I second it.

14 MR. CABELLO: Second.

15 Want a roll call?

16

17 (Whereupon, there was a chorus of ayes.)

18

19 MR. CABELLO: A unanimous decision.

20 Thank you very much.

21 Oh, then we'll meet in September.

22 Right?

23 Yeah.

24 (Whereupon, the proceedings were concluded
25 at 8:34 p.m.)

1 STATE OF NEW JERSEY:

2 :

3 COUNTY OF ESSEX :

4

5 I, KAREN A. MARINO, assigned transcriber,
6 do hereby affirm that the foregoing is a true and
7 accurate transcript in the matter of the REGULAR
8 MEETING of the CITY OF UNION CITY HOUSING
9 AUTHORITY, held on Tuesday, June 30, 2015 and
10 digitally recorded.

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