

Scranton Housing Authority

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MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS SCRANTON HOUSING AUTHORITY

JANUARY 13, 2025

The Board of Directors of the Scranton Housing Authority met for a Special Meeting in the Multi-purpose room at St. Clare's Church, North Washington Avenue in the City of Scranton, Pennsylvania, at 5:00 P.M. on January 13, 2025.

PLEDGE OF ALLEGIANCE.

Ms. Cruz called the meeting to order.

1. ROLL CALL:

Present

Megan Alpert
Michael Hanley
Julie Schumacher Cohen
Sarah Cruz

Absent

Mr. Dave

In addition to the Board Members, those in attendance were Karl P. Lynott, Executive Director; John Cappelloni, Deputy Executive Director, James P. Doherty, Esq, Paula McLane, Executive Assistant, Vince Alu, and several Scranton residents.

Ms. Cruz thanked everyone who came to the meeting.

Mr. Lynott: I want to thank everyone who came to this meeting, it is a special meeting of the Board of Commissioners of the Scranton Housing Authority at which we are going to address a rental increase at Park Gardens. With that said, I must address a couple of other issues that have spiraled into something beyond a rental increase. First, Park Gardens is not up for sale. Secondly, there is not going to be any section 8 vouchers put towards Park Gardens housing complex. That is another false issue which has spread out of control, for many reasons, it is not possible to do. It is not legal to do, so we are not even going to address that any further. So right off the top, if you are here for the sale or the section 8 issue of Park Gardens, it is not happening. As we proceed, we are going to vote on the rental issue in a little bit, we are going to do a presentation. There also will be public comment, however, our sole purpose tonight is to give you as much information as possible. The meeting is specifically for a rent increase at Park Gardens.

Ms. Cruz: I want to thank everybody for taking time off from their busy schedule to attend this meeting tonight. The following presentation will separate fact from fiction, it will provide facts and figures.

Mr. Lynott: We're going to do the presentation and try to educate everyone as much as possible, there will be public comments and then a vote. First, the Scranton Housing Authority's mission is to provide safe, decent and affordable housing for eligible individuals and families through supportive policies and services. The programs we offer at Scranton Housing Authority: There is the Public Housing and Housing Choice Voucher Program, otherwise known as Section 8. Public Housing is the buildings that we own and provide apartments based upon your income. The Housing Choice Vouchers are also income-based income, but individuals can go once they obtain a voucher anywhere in the city and rent from a landlord that's willing to do so. Those are the two different programs. The landlord must accept the voucher. It could be anywhere within the City of Scranton.

Public Housing and Choice Voucher characteristics: It is subsidized and monitored by HUD. It is limited to families and individuals who meet the income threshold regulations. It is guided and governed by strict admission and occupancy policies established by HUD.

Park Gardens was built in the early 1950s, dedicated in 1953. It was state funded, very important. It was controlled by the state until 1978. In 1978 it was ceded to the Scranton Housing Authority who currently own it. ONLY, the Scranton Housing Authority owns it. The program had some income regulations up until 1978. Currently, none exists. The state funded it, built it and controlled it until 1978. It is separate from our other programs.

Distinctions-No current income or asset verification process: There is no current admission or occupancy policy. It is not eligible for federal subsidies, including section 8. That is why it will not happen.

Now, regarding the number of units. There are six clusters of buildings with a total of 166 units and 30 garages. We have a total of 16 one-bedroom units, 100 two-bedroom units

and 55 three-bedroom units. Currently, there are four vacancies. Also currently, as of today, there are 451 applications.

The current rental prices for Park Gardens:

One-bedroom	\$600.00
Two-bedroom	\$645.00
Three-bedroom	\$730.00
Garage	\$ 25.00 a month to rent

All the utilities are paid for by the SHA except for the electric utility.

Now between 1998 and 2023, available records indicate that the rents were raised 8 times ranging from \$10.00 to \$50.00 for a total of \$275.00. There is a yearly document provided by HUD to the Housing Authority that tells us what we can charge for section-8 properties throughout the city.

Currently:

One-bedroom	\$928.00
Two-bedroom	\$1,123.00
Three-bedroom	\$1,462.00

Compare that to the local housing choice voucher, just in this area (18509).

Currently on average:

One-bedroom	\$800.00
Two-bedroom	\$921.00
Three-bedroom	\$1,004.00

So that is the average for the Green Ridge Area.

Next: Projected Costs for 2025 at Park Gardens: The total expenses projected are to be \$1,700,000.00. The total revenue as it stands today with the current rent would be \$1,310,932.00, with a deficit at the end of the fiscal year, which is September 30th for us, would be \$389,000.00 plus some change, so unless the rent is changed that will be our deficit at the end of this fiscal year.

Loan Payments: We have two current loans dating back to 2021. The stated use of funds on the application was for Capital Improvements. The current balance on the loans is \$2,454,622. The monthly payment as of today until 2033 is \$26,666.00. that is before we pay any other bills.

Ms. Cruz inquired if we must make the loan payment before any operating costs.

Mr. Lynott: If we don't, we will forfeit on the loan and lose the property to the bank. We are trying to avoid that. With this proposed rent increase, we listened, we reviewed, people came to the December and January meetings, and they asked us to reconsider the 25% increase that was proposed in November. After reviewing the documents and bills and our accountant reviewing the projected loss of income out there, this is our proposal for tonight's meeting. We are going to raise it 10% in February, 10% in May and 10% in July. With that said, yes that's 30%, you asked us to review. We will discuss questions afterwards, ma'am. There are no grants from government entities coming. There are rental assistance programs which are separate from the SHA. You would have to seek those on your own. We do need a new plan of sustainability based upon all of the money that was borrowed against the property. But to start, we HAVE TO RAISE THE RENTS. Otherwise, there is nothing else we can do. Also,

other actions that have been taken by this Board. They suspended the newsletter which saves about \$24,000 a year. They are going to create new admissions and occupancy policies, address the rent collection and a waiting list revision and reorganization. Also, employee performance evaluations. We will continue to explore other options to get some financial stability to Park Gardens. But for today, we must consider the rental increase.

Finally, contact information: I'm the guy you want to talk to because the rumors, to be quite honest, are ridiculous. Park Gardens is a separate entity, and you can't put federal funds out there. So, section 8, wherever that started, is incorrect. The sale of the property is incorrect. There's my name, my number, email, call me. I will sit and talk with you. Only a couple of people in this whole room came and talked to me. I explained how it works, the deficits, the loans. Please don't go on Facebook, it is silliness, it's all rumors. Talk to me, or the Board who put their names and emails up there. Feel free. Ms. Cruz:

Ms. Cruz: Thank you, Mr. Lynott, for that presentation. As he said, you can call him at his office or go to our website. All 5 of us have email addresses so that you can contact us, and we will happily answer any questions you may have. So, with that said, we will now welcome public comments. Per SHA policy each speaker is allocated 5 minutes. We ask that you state your name as you come up to the podium. I'm also asking that speakers maintain decorum. We have about 20 speakers on the list, but if you are here and haven't signed up and feel compelled to speak you can come up after the last speaker and just state your name.

Laura Agostini: I'm the President of the Green Ridge Neighborhood Assoc. I know I'm supposed to be addressing the Board, but I really want to stand on the side so everyone back here can hear me. I'm happy that you addressed many of the rumors or innuendos that have been floating around regarding Park Gardens. The Neighborhood Assoc. attempted to get information before we put it out on our social media. We reached out to various people, and we thought that what we were told was correct information. We now know, it was not correct and based on my personal conversation with various people, as Mr. Lynott said, Park Gardens is not for sale. I do want to inquire about any potential transition because, based on social media, comments from someone who appeared to have inside knowledge. She is not on the Board; she is not employed by the Board. But she is employed by a company whose specialty is to come in and purchase or manage complexes such as Park Gardens and then try to move them to low-income rather than the moderate-income or no income apartments that Park Gardens has right now. My inquiry to the Board is, is there any such transition thought of? What are the plans, I understand that you hope to recoup money through your rent increases but there seems like there is a structural deficit in Park Gardens. You've had loans for Capital Improvements which apparently some of these tenants don't know what was done. I find that discouraging and that is something that should have been disclosed to the tenants when those loans were taken out. It's possible that it was. I recognize that we are looking back 3 years or 4 years now and not all of you were on the Board at that time. I do think that transparency is paramount in this case. I understand that you stopped your newsletter which I thought was supposed to be giving information out to the tenants. Perhaps, you should investigate emailing or putting it out in some other form so that you can still disclose information to all of these tenants who are seeking information. And that's all that I am doing here as President of the Green Ridge Neighborhood Assoc. is to find out what is happening with a large section of Green Ridge. As I've said many times as Green Ridge goes so goes the city. We pay a lot of taxes, and we are one of the areas that subsidize the rest of the city. So, it is important that the character of Green Ridge stays the same. Thank you.

Mr. Lynott: If I could respond, I'm not sure what was relayed to you by the "inside source", it is 100% false. Tonight, we are talking about rent, if we can get a rent increase then it takes care of itself. The issue with the newsletter we are converting to a web page. Scranton Housing Authority you can check in on your computers, we are going to update that and provide information through that. Hopefully, we enter a new era, it's a new Board, I've been the Director for a year now. We must address one thing tonight and one thing only; to maintain Park Gardens we must raise the rent. The Board over the years has tried to accommodate everybody out there and the rents were more than reasonable. But it's just not sustainable anymore be it utilities, insurance and salaries, loan payments, it is all accumulating and utilities are not going down. It is inevitable they've tried over the years to do the best they could to keep a low rent or low rent increase. We are not looking to sell it; we're not looking to put section 8 out there. We just need to raise the rent to get to where we want to go. That other story, it's a good one, I don't know who came up with it, makes no sense but that's fault. Information for housing call me, email me or check the web. Thank you.

Bonnie Aqualina: I'm a resident at Park Gardens. Mr. Lynott you addressed many of the questions I have, so I'm going to be very short. One thing I'm concerned about is that you stated in the last meeting that we were \$17,000.00 in back rent. Unfortunately, when I reviewed my lease, there's nothing in the lease that addresses late rent payments, sixty days, ninety days, whatever.

Mr. Lynott: If I could address that. That is part of the overall conversion that we are looking into a new policy out there. The good news is that I checked with our manager, we've gotten that number way down. Also, the state governs the notification and the letters that must be issued for termination and so forth pertaining to evictions and we are going to comply with that. That number has come way down, I don't have the total number but it's probably less than \$6,000.00. I hope that answers that question.

Ms. Aqualina: Thank you, that answers that concern. Because of the long waiting list, I was going to ask if there was some kind of a policy regarding evictions. Another thing, I want to thank you. After the last meeting we did start inspections of our apartments. I had a few things Fixed and I hope that everybody else did too. Thank you for that.

Mary Ann Sweeney: I've lived in Park Gardens for 40 years it would be a real hardship for me to have to move. I have a suggestion, instead of raising the rent 25%, raise it 15%. My apartment is \$645.00 a month so 15% of that is \$95.00. Then if you subtract that from the \$810.00, that's a 2 bedroom, it's only a difference of \$70.00. That seems like a lot of money, but many of us are on Social Security and you get a raise in January, \$30-\$40. So, if it was \$30.00, I'm looking at the 2-bedroom apartment, it would be \$60.00 extra, if it was \$40.00 then it would be \$50.00 extra. The same goes for a 1-bedroom, that's 15%, which would be \$90.00. The 3-bedroom is \$730.00 and that would be \$109.00. You subtract these and what happens is the following January you do the same thing-15%, and you come out with 30% over 2 years. We are talking about 25% for the year. So, 25% compared to 30% seems like a reasonable explanation. Thank you.

Josh McGinnis: My mom just moved in here, there are no vents in the bathroom, no vents in the kitchen. There is other stuff that needs to be upgraded. Suddenly, you guys are going to raise the rent 25%. Where is it after all these years? Why 25% after all these years? There is no security, people are coming in and out of those doors. None of these apartments have been updated and you want to raise the rent by 30%. There's nothing, these people are retired, they shouldn't be subject to this. Someone could come in there and shoot up the place and you want to raise the rent. It's not right for these people, and after 25 years you want to raise it.

Ann Moore: At the last meeting you said the increase would be 25% and now it's 30%, 10% now and 10, 10. I've been there 9 years, they have not been updated. I understand that new tenants get new flooring, when I moved in, I was told to do whatever I wanted with it. We get 2.5% in social security and that's not enough to do anything. I understand you need money but who has been budgeting this money for the last few years?

Janine Walker: I've lived at Park Gardens for 11 years. I have never received a newsletter.

Ms. Cruz: Let me clarify this, the newsletter that we suspended is for the whole of the housing authority, it was published and released twice a year and the amount that was used for it came from Park Gardens revenue. We thought that was odd, especially when it was something for the whole housing authority. We asked the administration to suspend it.

Ms. Walker: I never got one, so is that something that was being paid for that actually wasn't happening?

Ms. Cruz: The only place that I saw a newsletter was in the housing authority building.

Ms. Walker: Did anyone get a newsletter? So where was that money going? If it's coming out of Park Gardens. What was the loan for? I've never seen any improvements in this place. 11 years ago when I moved in, maintenance pulled up the dirty carpet. Underneath that carpeting is grey asbestos tile from 1952 when it was built. It's cracking and crumbling. My apartment is sagging, the wall in the basement is bowing in, there's all mold on the one wall, water comes in all the time. I addressed these concerns; nobody ever did anything. I'm afraid to use my dryer because I don't think the dryer vents have been cleaned. Does anybody know what the loan was for, what the improvements were? I know that some of the new tenants are getting a new floor. The other thing is, a 30% increase, I'm just newly retired, I take care of my mother who lives across the hall from me. If I were to pay section-8 rent on my social security income, my rent would be about \$300.00. I can't move because I'm trying to take care of my mother. I'm barely making my rent now. We got a little bump in January, but then Medicare went up, so they give us a little but take a lot back. I can't take a full-time job because I take care of my mother. My mother did get a new floor before she moved in but I don't know of any other improvements that were made. The maintenance men do a wonderful job in the Summer cut the grass, etc. but the buildings themselves are not taken care of. In the winter, they plow but not like they used to. I would really like to know about this loan, what was done with it? I would really like an accounting of that.

Ms. Cruz: Mr. Lynott or Mr. Cappelloni would either of you like to address what the loan was for.

Mr. Lynott: There was a series of loans, going back to 1998, either refinanced or one loan was taken to pay off another loan. Mr. Cappelloni could give you the specifics. Most of it was borrowed to pay off a previous debt and a little bit for capital improvements. That was a series of loans throughout the last 25 years, specifically for Park Gardens. Mr. Cappelloni can explain.

Mr. Cappelloni: The loans were taken out to do the roofs that were put on between 2007 and 2010. Another loan was taken out to redo the parking area, drainage issues and new lighting in 2010. The other two loans were re-financing to get a better rate and the last loan taken out in 2021 was for some working capital and replacing boilers and hot water heaters. All that money went into the Park Gardens account and stayed in Park Gardens and was used to take care of expenses there.

Nancy Walsh: I moved into Park Gardens two months ago. I don't understand how you can have all these loans and not tell the residents what they are for. You had all that information on board there for rents all around the neighborhood up to 30%, well why can't you have this on the board, line #1-Capital Improvements on roofs-X amount of dollars, salaries-X amount of

dollars. So, we as residents of Park Gardens know where the money is going because it sounds like you are trying to avoid the issue, what the loans were really for. That tends to make people think there is some kind of cover-up. Especially when they don't see any improvement in their buildings, to me it's just ridiculous. At the last meeting you had, you were going to discuss the raise at 25% not 30%. How did that get flipped around? Now if you vote on that, we will be paying more than we talked about in December. You are getting rid of people, I called the emergency number the other night, no one called back, I had no heat. They came promptly the other day; they fixed it promptly. I had no heat, and the rent is going to go up. They don't know why they need the money because you want all the residents to cover the mistakes that were made over the years.

Mr. Zimmerman: I'm also a resident of Park Gardens; I've been there for 15 years. I moved here because my wife had cancer. The rent was about \$580.00, it was a quiet neighborhood. Being here that long, the rent was not a problem for me. Now I'm retired, on a fixed income. I have no problems with bumps in rent because the rent was low to begin with. But now that I'm on a fixed income, when you say \$50.00, \$75.00 here, you can take that, no problem. But when you say \$200.00 a month, what have you done to earn that \$200.00 increase a month? I have to question that. Nothing has been done in my apartment since I moved in. All the improvements that have been made there, I did. I don't mind chipping in. You are paying \$28,000 on a bill that's Two million dollars; it will take you a hundred years to pay off. Most of us are senior citizens, where do you go? You make too much for housing, HUD and you're talking about going from \$700 to \$900, local amounts around the area are \$1200, \$1300, \$1400 for the same amount of space. That's almost twice as much as we're getting right now. It scares people. I don't want to leave this place, but you may be forcing me out of this place. I would like to propose half of it, 15% this year, 15% next year. This at least gives you a little bit of a buffer, then maybe at that point you guys can come up with an answer on how to come up with the \$300,000 a year, subsidize, ideas. The rent has been good, the electric is going to go up again, cable. There are certain things we can do and certain things we can't do, if we work together, we might be able to come up with an answer. The numbers don't have to be that far apart. Thank you.

Jim McDermott: Made a suggestion to remove the air conditioners from the windows during the winter months. A little cost cut. There are many senior citizens who live there on social security and pensions. They lost their husbands or wives. They shouldn't have to put up with this increase of 25%-30%.

Joe Gilhooley: I want to thank the Board for their service, they don't get paid, and you put up with a lot of crap. When it comes to this issue, we had about 75 people at the last meeting, at that time we discussed people who are living alone, elderly people. Everybody knows that Park Gardens is full of an elderly community. There are 3 or 4 young families there. Now, to add insult to injury, what was 25% is now up to 30%, I'll leave it at that. I want to talk about transparency with this administration, whether you like it or not. Mr. Lynott, I like you, you are a friend of mine, you said at the last meeting that we may have to sell. That's where that rumor started. The section 8 rumor came out of nowhere. I don't know where that came from. I say there's no transparency because I asked Mr. Cappelloni at the last meeting, regarding the loans, what were they used for. They were used for roofing, Mr. Cappelloni, when was the roof put on?

Mr. Cappelloni: 2007

Mr. Gilhooley: What was the total cost of that?

Mr. Cappelloni: I don't have that information.

Mr. Gilhooley: There you go, the problem is that we don't have the information because you can't supply it to us. You knew this meeting was going to take place tonight. I asked you the same questions at the last meeting and I got no answers. So, that's #1. I've been there since 2015, a medical emergency required me to get a smaller place, it worked out tremendously. I've never seen any painting up there since 2015. I spoke to the former Mayor; Mayor Doherty, and he told me that that was done around 2012. I don't understand why the debt has not been paid down, refinancing keeps recurring, and you are up there blasting numbers in front of everybody without telling us the true picture of how this housing authority has been run. How long have you been the CFO of the housing authority?

Mr. Cappelloni: I am not the CFO; I am the Deputy Director.

Mr. Gilhooley: Ok, who is the CFO? Mr. Lombardi. Is he here? Not here tonight, couldn't make it. How much does Mr. Lombardi make a year? This is bizarre, all I can say to you is look into your hearts, look at the people living at Park Gardens, they are old. They don't have the money, the last increase we had was a year ago at \$50 a month. Look at the community that this place serves, it's a jewel and Green Ridge is a jewel, and I understand everybody's concerns. I just don't know where the money went and until someone can give us a good answer to that I don't think that this Board should act at all tonight because there is no way that capital improvements that started in 2007, we should still be paying for it. The maximum a loan should be taken out is 10 years. This is bizarre. Thank you.

Harry Jadick: I have to ask; the information you provided us was extremely vague. \$1.7 million in expenses, \$1.3 million in revenue. I think a breakdown of the \$1.7 million would have been appropriate for these people to have an understanding where you are coming from. So, we are looking at approximately a \$400,000 deficit. Will this increase cover that deficit?

Mr. Lynott: In two years.

Mr. Jadick: In two years, how are you going to carry over the deficit of 2024 and 2025? How are you going to pay that.

Mr. Lynott: We have an alternate source.

Mr. Jadick: What is the alternate source?

Mr. Lynott: We have money in a CD right now.

Mr. Jadick: So, you are going to use the CD fund from the Scranton Housing Authority.

Mr. Lynott: Potentially, it depends if the rent increase is approved. There's roughly a million dollars in the CD.

Mr. Jadick: May I add too your staggered increase of 10%, 10% and 10%. If you take the beginning of the year prior to the increase to the end after the increase it really comes out to 34%.

Mr. Lynott: It goes off October 1st. the fiscal year to next September.

Mr. Jadick: No, the rent increase that you are showing was February, if you go January to December, the residents file their income tax return. From point A to the end of the year it's going up 33.8%. John, as a former banker doesn't that make sense, 10%, 10% and 10%. It's going to be more than 30% increase, correct? I really think that you should disclose more details to these residents about what the expenditure is. You are looking, is this budget on a cash basis of accounting?

Mr. Lynott: You would have to ask our accountant.

Mr. Jadick: A 20-year loan outstanding is mind-boggling. I don't know how that can happen and this payment of \$26,600 a month in loan payment, is that principal and interest?

Mr. Lynott: Yes

Mr. Jadick: Those budgeted numbers, is only the interest expense showing or principal and interest?

Mr. Cappelloni: Principal and interest.

Mr. Jadick: So, is this a cash flow financial statement that you are presenting?

Mr. Lynott: I believe it is.

Mr. Jadick: I also have to say, when the city was in financial distress maybe 8 years ago, the city was looking to sell Park Gardens. So that tells me that Park Gardens is an asset of the city and not the SHA, am I right?

Mr. Lynott: Scranton Housing owns it.

Mr. Jadick: You didn't answer my question, then how 8 years ago did the city of Scranton look at selling Park Gardens if they don't own it.

Mr. Lynott: I can't speak for the city.

Mr. Jadick: Why isn't there any information on the SHA website about Park Gardens except a little brief stating there are 150 units available.

Ms. Cruz: That question was asked at our January 6th meeting, I asked Mr. Lynott, and he told me that our website is financed by HUD and because Park Gardens is not, that's why it is not listed.

Mr. Jadick: I hope that the Board is seriously looking at the operating expenses. There are ways they can be cut. Join forces of manpower between the various facilities.

Mr. Lynott: You can't use federal funds at Park Gardens. 100%. We looked at everything.

Mr. Jadick: You're telling me that the 1.7 million dollars operating expenses are bare bones.

Mr. Lynott: Could be more. We don't have the bills for the utilities for this month, it's a projection.

Mr. Jadick: I understand, my question is, you are saying that the number you are proposing as operating budget cannot be trimmed by looking at other types of operations.

Mr. Lynott: Potentially, but it could increase as well.

Mr. Jadick: Have you looked is my question.

Mr. Lynott: No, I haven't.

Mr. Jadick: No, you are the Executive Director, it falls on your shoulders.

Mr. Lynott: Yes, it does.

Mr. Jadick: I just think more transparency to these residents would be appropriate.

Ms. Cruz: That exhausts the attendance list but is there anyone else who would like to speak who hasn't spoken already. Please state your name when you get to the podium.

Maggie O'Brien spoke as a resident of Scranton and a homeowner. She has had experience with the SHA. She owns a home in South Side across the street from Hilltop Manor. She dealt with the chronic issue for years with trash. Residents from Hilltop were always putting their trash out on the street without receptacles and the garbage was always blowing around her neighborhood. I tried for years calling, emailing, visiting the Hilltop office, trying to get the SHA to take responsibility. Never got anywhere. This summer I came home from work one day and was upset to see trash all over her yard. She went right to the Hilltop office and spoke to the manager, Wendy Luciano, who listened to her complaints. She encouraged her to go to a Board Mtg because they were the only ones who could make a difference. A month later she went to a Board Mtg and stated her case. Mr. Lynott told her he would immediately look into this and rectify the situation. Within weeks the trash situation in Hilltop was rectified. Now, I understand, this is not an apple-to-apple situation, I just wanted to offer my experience with the new administration and the new Board.

Victor Alberigi who is a Scranton resident attempted to provide insight as a former social worker. He had been at Park Gardens several times working with residents. He inquired if this Board is it just for Park Gardens.

Ms. Cruz: No, we are a board for all of Scranton Housing Authority.

Mr. Alberigi: I've worked at a nursing home and on several occasions, we had what we call a resident council, who were residents of the nursing home. I don't see why there can't be a resident council of 6, 8 or 10 residents of Park Gardens that would meet with the Board and management on a quarterly basis to discuss problems and try to find solutions vs. waiting a year or longer for meetings like this. It might help in terms of communication and help to avoid situations that you probably have in crisis. There were many individuals here who were very adept in presenting their points. I think that would help. I don't see how you guys, and by the way you are very well dressed, honestly think that this population of people can come up with the 30% increase. So, what happens is that they move out,

Mr. Alberigi was interrupted by people in the back of the room who could not hear him. He said he was talking as loudly as he could. He then stated that he went to a city council meeting last week and the mayor was not there, the mayor is not here tonight. The mayor is someone who has appointed or who helped appoint the people on the Board. She is one person who could possibly help you figure this out.

He again was interrupted by the crowd, and he gave up and left.

Ms. Cruz: Is there anyone else? Do you want to get in line.

Mr. C.J. (muffled): Thank you, I am part of the Green Ridge Neighborhood Assoc., and I have been a resident of Scranton for one year. I'm not from here, my wife grew up in Dunmore and my son will be from Scranton. What I am interested in is preserving the character of Green Ridge. It sounds like Park Gardens, even though it's a wonderful place to live, but it may not have been managed as well or have had some updates that some of the residents had wished for. Then the money conversation happens. We understand there is a rent increase on the books. We are voting on that tonight. We've been talking about what happens with the rent. You are effectively pricing some of these people out of their homes. We understand that is inevitably what will happen. You are going to have vacancies at Park Gardens with people who are willing to pay these new rents, which may or may not be the case. You can have a whole bunch of people waiting to get in there. My concern is what happens if we collectively say they can't afford the rent, so we are going to vote NO. Your deficit continues. What happens to Park Gardens then.

Mr. Lynott: There is a loan payment of \$26,000 a month. If it's not paid it will be out of our control at that point. It will be up to the bank; they can foreclose on the mortgage.

C.J.: So are some of these concerns that the communities have had rumors and such and information we might not be privy to. Does that become a real reality for us as residents of Green Ridge that this place could be sold because of defaulting on the loan and the bank gets to choose. I know it would be out of your hands, but we are talking about ways that we can keep that from happening. No one wants that to happen, and I imagine all of you feel the same way. It's starting to feel a little too late in this situation. Can you speak on what happens when this rent increase gets voted no tonight. So, we all understand so it's not a witch hunt on who said what on Facebook. The fear is there, I am not a resident of Park Gardens, I live on Electric St. but I feel for everybody who are residents there. They are scared on where they are going to be living because they can't afford these rent increases. Transparency has been the kind of motif tonight. We just want to know what happens

Mr. Lynott: You are asking if the Board rejects the rent increase?

C.J. What are we voting on tonight.

Mr. Lynott: The vote is for the rental increase.

C.J. Correct but what if the rent increase doesn't go through. Oh, we don't get to vote. I thought we had a say, sorry.

Mr. Lynott: I can't predict what the vote is going to be.

C.J. That's all I have to say.

Dorian Stevens, maiden name McLane: The reason I gave my maiden name is because I've lived at Park Gardens since I was 4 ½ yrs old. I feel your pain, and I understand that you have responsibilities, I get that. But there are a lot of people here who live totally on fixed incomes not just senior citizens. What about the families that are here. There aren't many but there are some. What about the single mother w/two kids, or the widow that just moved in. This is not just a senior citizen problem; it's a family problem and a community problem. This is a beautiful place; I spent 19 years here. My parents were there 27 years. I understand your responsibilities, but you also have responsibilities to the residents where are they going to go? They make too much money to qualify for housing. A single mother who works for the Scranton School District doesn't make a lot of money, but she makes too much for HUD, where is she going? That's all I'm asking, think about the people in this room and the people that couldn't get here tonight. Some are working 2 jobs to pay the rent now. Please think about it.

Michele Patritis: I am a resident of Green Ridge, my property backs on the backside of Park Gardens on ? Street. I have some concerns about what is happening, I understand that you need to increase the rent. What measures have been taken and what audits have been done on the existing costs to prove that the funds for Park Gardens are separate from the Housing Authority, because on several occasions tonight it has been mentioned that, for instance, the newsletter was coming out of the funds for Park Gardens. That money is supposed to be separated from the rest of the Housing Authority. If they are operating on two separate budgets has there been an audit of this budget to ensure that the money is being spent for this neighborhood is from this neighborhood and not coming from other places. We talked a lot about transparency tonight and that there isn't a lot of it. You have bills from 2007 that you are still carrying are we sure that those bills including the refinancing of them only included the money that was supposed to be paid through and to Park Gardens. You found one for \$24,000. How many years has that been going on that is has been coming from the budget of Park Gardens and did it get paid back to Park Gardens coming from the budget of the Housing Authority? So, if that happens would that then go forward and take care of some of this rent increase, perhaps decrease it a little bit. I think this is something that should be privately done by someone who is reputable to go through the line items and make sure that they are specifically for Park Gardens because that's what you are arguing about.

Tucker (?): I live in Pine Brook which is a great neighborhood. You are dealing with a lot of ridiculous mismanagement. I know that a lot of you up here have nothing to do with that and so I feel for you getting yelled at by a lot of justifiably angry people. What are you doing moving forward to make sure that stuff like this doesn't happen again? Transparency is one but is there a structure that you will be applying to make sure that transparency is (muffled) to make sure that funds aren't mismanaged the way that they clearly have been. What are the steps that you are going to take to make sure that doesn't happen?

Ms. Cruz: As shown on one of the slides in the presentation I have asked our Solicitor, Atty. Jim Doherty, to draft policies on admission and occupancy. Through conversations I've had I realize that we also need policies for eviction, rent collections and employee evaluation.

Tucker: You also mentioned a waiting list that went back to 2008, is that for real? People have been waiting since 2008.

Mr. Lynott: There is a list of applications, there is no technical waiting list.

Tucker: How do people get to be chosen?

Mr. Lynott: There is no set policy on that either.

Ms. Cruz: There are no policies whatsoever that govern Park Gardens, for instance for our other two programs that are funded the application for each is 14 pages. The application for Park Gardens is one page. What I've been told is that while people fill out the application and submit it to the main office, it is then transferred to Park Gardens directly. Throughout the years, I think it is well known that in the city, individuals are given apartments based on who they know.

Tucker: So essentially, we have a lot of funds that have been mismanaged and now people are upset that you don't have money to cover all of this mismanagement. I very much understand that and for anybody in Green Ridge who are worried about the character of their neighborhood, I don't know, open up your wallets. I think the city is fine, but we can't expect money to fall from the sky.

Janine Walker: I know I spoke before, but I have a couple more questions. Why is there no way that HUD will work with this property to either, not make it section 8, but it affordable like a fixed rent like it has been. I don't understand that.

Mr. Lynott: Public Housing is governed by HUD; we have 10 developments throughout the city. They are funded by HUD. HUD has strict regulations on how you use that money. Park Gardens is a separate, distinct entity.

Ms. Walker: That's what I mean, how is our funding used?

Mr. Lynott: Park Gardens does not get funding, it's the rents, but it is not enough to run the operation as of today's date, that's why we are seeking a rental increase. There is no outside money coming from anywhere.

Ms. Walker: I believe it was mismanaged, why should the tenants have to suffer for it?

Mr. Lynott: I don't disagree with you, but we are here to clean up that mess. The rents have been low.

Ms. Walker: You are going to price us right out of here. I qualify for section-8, my income is low. Prior to covid, I had a full-time job, I'm a social worker. Mr. Hanley is a social worker, what's going to happen to all these people that can't afford the new rent. They can't move to private housing because rents in this area have skyrocketed after the pandemic because New Yorkers moved in, bought up properties, raised rents for run-down apartments. My mother lived in an apartment in the Hill Section that was \$1100.00 a month and it was a rat hole. I had to get her out of there. Maybe I can apply for section-8, go to a project or a senior high-rise. The waiting lists are absurd. We will all be homeless at some point. Maybe Mr. Hanley will have a solution because he worked with the homeless population as did I when I was a social worker. I worked with the elderly; I visited Park Gardens often when I was a social worker just like the other gentleman said. These people don't have money to pull out of the sky. Most of us are living on social security, maybe a small pension. Have any employees, have you considered taking a pay cut. I make about \$15,000 from social security. I don't know what you guys make, maybe \$100,000 - \$200,000 what do you make?

Mr. Lynott: If I may ma'am, you are talking section-8 and public housing. Let me finish, section-8 is a voucher issued to an individual, you go to an apartment, you ask the landlord if they accept section-8, if they accept then you get to move into that apartment. They are two separate entities, section-8 is currently closed. Public housing is open which is based on

income. Park Gardens is a separate entity unto itself, not based on income. You can't go to HUD on Park Gardens, they are not going to fund it.

Ms. Walker: Did you talk to anybody there?

Mr. Lynott: I talked to a lot of people.

Ms. Walker: How about the Pennsylvania Housing Finance Agency. Since Pennsylvania used to own it, according to you.

Mr. Lynott: That's for new or rehabilitated properties. Park Gardens is only funded by its own revenue.

Ms. Walker: I don't understand, did anybody talk to HUD?

Mr. Lynott: HUD has nothing to do with Park Gardens.

Ms. Cruz: In my conversations with Mr. Lynott and Mr. Cappelloni, I understand that for HUD to be applied to this theoretically, the residents would have to submit income verifications and assets.

Ms. Walker: That's fine, most of us are living on a fixed income.

Ms. Cruz: A lot of rules and regulations that apply to our other 2 programs would have to apply to Park Gardens.

Ms. Walker: Fine, I've lived in public housing, Lackawanna County Public Housing for 10 years when I had children. Then I was able to buy a home.

Ms. Cruz: So theoretically that were to be done, it would open up Park Gardens residency to anybody who was eligible.

Ms. Walker: That's what I mean because of the waiting list, you only get picked if you know someone. I have a niece who has been on the list since 2010.

Mr. Lynott: We can't turn Park Gardens into public housing,

Ms. Walker: Why, because of the Green Ridge Neighborhood Association, that's what I want to know.

Ms. Cruz: Ma'am, your 5 minutes are up. Next person in line.

Mike Mancini: I am a resident of Scranton and I've been listening to a lot of residents from Park Gardens and Green Ridge. With that being said, there are a lot of people here who live paycheck to paycheck. You mentioned that there is a CD set aside for Park Gardens, how much is in that account?

Mr. Lynott: It is not specifically for Park Gardens. It's non-federal money that we won in a lawsuit, it's sitting in the bank accumulating money, but it was awarded for public housing misuse of the annual contribution, I don't want to get into specifics, but we received this money from a lawsuit and put it in a CD. It has nothing to do with Park Gardens.

Mr. Mancini: So, it is an asset.

Mr. Lynott: Yes, it is an asset.

Mr. Mancini: ok, well, the assets are the people who have been paying their rents for several years, many of them living there 20 years, paycheck to paycheck. They barely get by, where would they take it from their savings or their checking account. Why don't you do the same thing with these funds that are available to you. Also, look at the debts you are carrying, you mentioned you have had one from 1998.

Mr. Lynott: If I could just speak on that for one second. It was a series of loans and refinancing over the years. The 1998 loan was paid off in 2007. The oldest loan is from 2021, refinancing
In 2021.

Mr. Mancini: How long has this debt been carried, this \$348,000 and change?

Mr. Lynott: It has been going on for decades but from 1998 is when I was able to track it to. Coming forward, but it has been paid off and refinanced over the years.

Mr. Mancini: So, this has been paid off in 2021?

Mr. Lynott: No

Mr. Mancini: How long is this debt incurred for \$348,000.

Mr. Lynott: the current debt is from 2021, and it goes to 2033.

Mr. Mancini: No, I am talking about the \$348,000. That you are short

Mr. Lynott: That's not on the loan but that's included but that's on the property.

Mr. Mancini: I understand that, but the question is simple. You have this \$348,000 you are short. You are short for a reason, what caused that. It wasn't the \$24,000 a year for the mail list that no one received and that's your only way of saving face and expense is to actually do that. My suggestion to you, since you have that debt, take the debt and refinance it into the loans again. Let me ask you, what is the current credit rating for the SHA?

Mr. Lynott: Tripple A

Mr. Mancini: Tripple A, so you shouldn't have a problem getting the best available rates. Take the debt force it out. As long as it is manageable and payable. What you are doing is putting the burden on the people when the burden should be on the party that caused the debt by mismanaging it. All you've been able to explain is the \$24,000 that you were paying out on a yearly basis. Why don't you table this for a month, go over and look at some of these units, go down into the basements, look at the mold. Has anyone gone out to look at these properties?

Ms. Cruz: I have friends who live at Park Gardens, and I've been out there. I was shown photos of the basement.

Mr. Mancini: Have you done anything to address that?

Ms. Cruz: I've had conversations with the administration about what we need to do moving forward to address these issues.

Mr. Mancini: Why don't you determine what the expenses are for all of this. Determine what needs to be corrected. Their issues are not addressed on several levels. Look, I want each one of you to go into these units and see what they need. Get a cost, get a true snapshot, refinance everything and then put the burden on the people a couple of years from now. Plan it out as far as you can, that way, 5 years from now the rates will drop even further and then you could refinance again. A lot of these people are on fixed incomes, but what you are doing is taking more money out of their pockets, it is not fair to them because you guys mismanaged their rents.

Maureen Capozzi: I'm a resident in Green Ridge, I live on Woodlawn St. I have nothing to do with Park Gardens, but I implore you, look around at all these people. Open your hearts, postpone this vote, renegotiate, lower it, 20%, 15% or do what they are asking you to do. Please don't vote on this rate increase tonight.

Ms. Cruz: Is there anyone who hasn't spoken, I think that exhausts the list for public comment.

Joe Gilhooley asked if he could have one minute; Speaking of the mayor and that's one of the reasons I did ask the Authority for a census of the elderly population at Park Gardens before the mayor even brought it up. They couldn't give that to me. With the idea of having an elderly community as the younger families move out, we can start to fill that with elderly people who need housing. That's the only thing that I really wanted to suggest because once it becomes a totally elderly community then grants are available from both the state and the federal government, which would help us alleviate the debt.

Jack Cawley: I live at Park Gardens and the one thing I see which is kind of unfair, and I'll simplify it, the water bill. I'm a single person, call PG & W and see what the average person

pays for water in Lackawanna County, say it's \$1.00. You've got some people that have 2 people in their apartment, well, I don't think a single person should be paying the water bill for 2 people. I think the 2 people should be paying \$2.00. If there are 4 people, then they would have to pay \$4.00. The money must come from somewhere, but I think if there are 3 or 4 people in a family then you should be paying the sewer and water bill for 4 people if you have a washer. That's simple, I think it's obvious. If you are using excess water, then you should pay for it. I don't know how else you can break it down. If you are younger, I suggest you get a part-time job if you live there. I don't know what else to say.

Ms. Cruz: Gentlemen, based upon what was said tonight, is it your recommendation, on what is on the table, a vote to raise the rent as the schedule was shown in the presentation.

Mr. Lynott: Yes, we need a motion on the vote to increase the rent at Park Gardens. 10%, 10%, 10% is the motion.

Ms. Cruz: Plus, the \$250,000 of undesignated.

Mr. Lynott: That's correct. That's our recommendation, yes.

Ms. Cruz: The motion on the table was never 15%.

Mr. Lynott: Is there a motion?

Ms. Cruz: Before that, can you state what changed between the December meeting and now that it went from a proposal of 25% to 10, 10 and 10.

Mr. Lynott: After further review and the utility bills coming in from last month, there's an increase in expenses and the accountant calculated the 10, 10 & 10 policy would sufficiently reduce all the debt by 2026. That was his recommendation. And that's what I am recommending to the Board tonight.

Ms. Cruz: So, the first review when numbers were looked at was 25% and once we had the meeting in December the numbers were. . . .

Mr. Lynott: 25% was the proposal for December 1st, but we've already lost 2 months on that but we're losing revenue as we speak. That's why it is at 10, 10 and 10.

People in the room were shouting questions at Mr. Lynott.

Mr. Lynott: Is there a motion or is there not? There is no more public input at this point.

Ms. Cruz made a motion for what is on the table. Mr. Hanley seconded the motion.

Mr. Lynott: On the question, I will start with Mr. Hanley.

Mr. Hanley: First, I would like to say that I am very troubled as I am sitting here tonight, not because of you folks but because of this situation. This is a situation that never should have happened. I've been sitting on this Board for 3 years and I've never heard of a funding issue at Park Gardens. It has just come to light. As many of you know, we have a new administration here, a new CEO, we have all new Board members here. What we are looking at is not only at Park Gardens but all of the HUD properties and how they've been managed and run over these past few years. Unfortunately, we are in a situation now where we can't pay last month's bills. Never mind next month's bills or the bills after that. Our responsibility as Board members is to make sure that you have safe places to live. I hear people talking about what wasn't done, and I'm thinking it was because there was no money. Nobody was telling the Board, and nobody was addressing it. So systematically it's an issue. The Housing Authority has put us here today in a very unfortunate and uncomfortable situation.

Ms. Schumacher Cohen: I came on the Board in October. This is only the second meeting that is recorded for the public, so we are committed to transparency moving forward as Mike has said, we are all coming in to this and having to deal with the situation we have in hand, which is that there is not enough money coming in to pay the costs of the complex. And one of the things that I heard is that many of you are financially struggling and I hear that in the community work that I do in Scranton. Even though these increases are, of course no one ever wants to pay 25%, 30% more, but \$600.00 for a 1-bedroom apartment is 35% below the fair market rate in Scranton. It's 25% below the Housing Choice Voucher Program, so the reality is that these rents have been too low, and the complex is not managed with income verification requirements. We have a mismatch. I understand that this is an elderly population, but we don't have an income verification process for Park Gardens. It is not a Public Housing project. It is different than our other properties. So, we are having to manage it this way and try to balance the budget simply through the rents. I also hear and certainly have taken notes on all the things you have raised regarding things that need to be looked into. Even with this increase we are still going to be in the red, we are going to have to pull this one time, and we still don't have the money to make improvements. You should get improvements for living in a complex. I drive by Park Gardens, and it looks like it is a wonderful community, and we want to stabilize it and have it be a place to continue to serve the community and the city. We certainly want to be looking into and doing a holistic look at Park Gardens, evaluating and getting expertise to help us doing that and the entire Scranton Housing Authority, again because we are coming in as almost an entirely new Board.

People started asking questions and making comments and were informed by Mr. Lynott that the public comment portion was over.

Ms. Cruz: A motion is in flux so if you have more questions, please go on our website and send emails, I and my colleagues will gladly answer via email.

Mr. Lynott: Megan on the question?

Ms. Alpert: No, but we just really want to do what's best for the Scranton Housing Authority and we want to be partners with you. It's very emotional to see all of you struggling but we do have a responsibility to make this Housing Authority solvent. We really can't go back right now, as it was said, we are a new Board. I just joined the Board in November. We are going to do our absolute best to partner with you, and I think being able to infuse that one-time payment to get you folks to where you need to be. This increase is definitely going to hurt, we understand that but we must do what is right for everyone involved. It is not an easy position to be in as you can understand. Thank you.

Mr. Lynott: On the question Ms. Cruz

Ms. Cruz: First, I would like to thank everyone who is here tonight, you are listening attentively, and I do appreciate it. The motion on the table tonight is one that weighs heavy on me. I know and love many of the residents of Park Gardens, they are my friends, acquaintances and the loved ones of those I hold dear. Over the last month, my colleagues and I have worked with the authority's administration looking at the numbers, looking at housing authority records, doing research on archives to figure out what can be done here and how it got to be like this. In that time, I have had so many conversations with people who are residents, people

in the community, and they shared different things that have concerned me greatly. The things that have been made clear to me and cleared to us is that there are and have been deeper issues here than a justifiable rent increase. It was said to me that Park Gardens was viewed as a dream and on the surface it is. It is a lovely development which has been home to countless individuals for over 70 years. But in its current state with almost a \$400,000 deficit, current payment on 2 loans and with no documented policies or followed procedures, Park Gardens is in truth, a financial and operational nightmare. I receive no joy in knowing and stating this, rather I am grieved with the knowledge that the tasks before me and my colleagues as a Stewart of this Authority are greater than I originally thought when I joined in June. However, I am even more determined to see what we can do going forward to utilize our resources wisely and ethically. It is neither my role nor my nature to judge the decisions or indecisions of my predecessors. I know a lot of people talked tonight about what happened in 2007 and 2012. However, it is my duty to uphold our mission and to adhere to fair housing law for all our residents in all our communities including Green Ridge. With that I would like to make a statement that is surrounding this issue, from a personal standpoint. I have always loved the Green Ridge section of Scranton. From the time that I was a little girl growing up in Dunmore, attending the Assembly of God Church on Green Ridge St. to when I specifically moved here 14 years ago because of its proximity to my chosen school, Marywood University, I have always admired this community for its charming elegant beauty, its rich history of community service and its deep commitment to advocacy and philanthropy. It was within this environment that I was inspired to flourish as a learner and a leader. I earned my degree, and I acquired and hold a job that I love and became active in community organizations such as the Junior League of Scranton. I was mentored by some in this room, I'm looking at you Tom Schuster, to hold office as a Director of the Scranton School Board for 4 years. I did all of this until 3 years ago when I became ineligible as a Housing Choice Voucher of Section 8 recipient. From the day I moved into this neighborhood, I have felt nothing but friendship, love and support from the Green Ridge community, which is why over this past month, the words my ears have heard, and my eyes have seen, have gravely hurt so deeply. Low-income eligibility does not automatically equate to criminality nor does possessing a housing subsidy mean possessing a low or bad character. I know I have been very fortunate in my life to be able to break cycles and (muffled) stereotypes. I was able to do that not just with my own self-determination but by following the examples of others, many in this room. My plea tonight is for you to continue to inspire with your example and with your words, as you inspire me. And so, with that, I will close.

Mr. Lynott: Thank you Ms. Cruz for those very touching words. On the motion to raise the rent at Park Gardens on February 1st 10%, on May 1st an additional 10%, and on July 1st an additional 10% on that. May I have a vote:

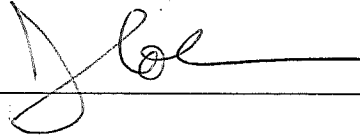
Mr. Hanley – Yes

Mrs. Schumacher Cohen – Yes

Mrs. Alpert – Yes

Ms. Cruz – Yes

Thank you, move to adjourn the meeting. Mrs. Alpert made the motion to adjourn.

A handwritten signature in black ink, appearing to read 'Julie', written over a horizontal line.

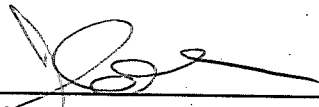
Julie Schumacher Cohen, Secretary

CERTIFICATE

I, Julie Schumacher Cohen, hereby certify that:

- 1. I am the duly appointed, qualified and Secretary of the Scranton Housing Authority.**
- 2. I am custodian of the records of said Authority.**
- 3. The attached copy of the Minutes of the Special Meeting of said Authority held January 13, 2025, is a true and correct copy of the original Minutes of said meeting, as approved at the meeting of said Authority on February 3, 2025, and is recorded in the Minutes of the Authority.**

In Witness Whereof, I have hereunto set my hand and the Corporate seal of this Authority this 3rd DAY of FEBRUARY 2025.



Julie Schumacher Cohen
Secretary