

STATE OF NEW YORK
SUPREME COURT COUNTY OF WESTCHESTER

In the Matter of the Application of SHEILA E. SMALL,
REVEREND HARRY DAWKINS, MICHAEL YELLIN and
HASLYN HOWARD, FORMER MEMBERS OF THE BOARD
OF COMMISSIONERS OF THE NEW ROCHELLE MUNICIPAL
HOUSING AUTHORITY,

Petitioners,

**VERIFIED
PETITION**

For Judgment Pursuant to Article 78 of the Civil
Practice Law and Rules

-against-

Index No.:

CITY MANAGER FOR THE CITY OF NEW
ROCHELLE, THE CITY OF NEW ROCHELLE, NEW YORK,
THE BOARD OF COMMISSIONERS OF THE NEW ROCHELLE
MUNICIPAL HOUSING AUTHORITY, and THE NEW ROCHELLE
MUNICIPAL HOUSING AUTHORITY,

Respondents.

Petitioners Sheila E. Small, Reverend Harry Dawkins, Michael Yellin and Haslyn Howard (hereinafter "Petitioners"), by their attorneys, O'Connell & Aronowitz, complaining of Respondents, herein allege upon information and belief as follows:

1. Petitioner Sheila E. Small is a resident of the City of New Rochelle and is a former Member of the Board of Commissioners (the "Board") of the New Rochelle Municipal Housing Authority ("NRMHA"). Ms. Small was first appointed to the NRMHA on January 13, 2004, and was recently re-appointed to the Board on March 9, 2021 to an additional five year term.
2. Reverend Harry Dawkins is a resident of the City of New Rochelle and is a former member of the Board of Commissioners of the NRMHA. Reverend Dawkins was first appointed to the

Board on July 1, 2013 and was reappointed to the Board on April 18, 2018 to an additional five-year term.

3. Michael Yellin is a resident of the City of New Rochelle and is a former member of the Board of Commissioners of the NRMHA. Mr. Yellin was first appointed to the Board on November 1, 2017 and was reappointed to the Board on March 31, 2019 for an additional five-year term.
4. Haslyn Howard is a resident of the City of New Rochelle and is a former member of the Board of Commissioners of the NRMHA. Mr. Howard was first appointed to the Board on September 18, 2017. Mr. Howard was reappointed to the Board on July 7, 2020 for an additional five-year term.
5. The NRMHA is a public body corporate and politic organized and existing under the laws of the State of New York as an autonomous, not-for-profit public corporation charged with, among other things, providing safe, sanitary, decent and affordable housing opportunities to the most vulnerable populations in their community.
6. The Board are the governing officers of the Public Housing Authority (“PHA”) whose responsibilities include setting policies governing the operations of the Authority, charting direction of currently and future programs and development; and approving contracts entered into by the PHA.
7. Each of the above-named Petitioners were active members of the Board through and including December 29, 2022, on which date they were sent a termination notice relieving them of their duties by City Manager Charles B. Strome, Jr. (“Strome”), who appointed each Petitioner to their successive five-year terms prior to termination. A copy of the December 29, 2022 termination letter is annexed hereto as Exhibit A (the “Termination Letter”).
8. Strome retired from the Office of City Manager on December 31, 2022.

9. Respondent Kathleen Gill (“Gill”) is the current City Manager for the City of New Rochelle, having assumed this public office on or about January 1, 2023, upon Strome’s resignation.
10. The City of New Rochelle is a governmental and political subdivision of the State of New York, whose powers and duties are set forth in Article IX of the New York State Constitution, the laws of the State of New York, and its City Charter.
11. The City Manager for the City of New Rochelle is Chief Executive and Administrative Officer of the City responsible for supervising and coordinating the work of the departments, preparing and submitting to the City Council an annual budget estimate, enforcing City ordinances and State Laws, executing all contracts, leases and deeds authorized by the City Council, and has the sole power of appointing and removing all heads of departments in the administrative services of the City.
12. The City Manager, City of New Rochelle, and NRMHA and its Commissioners, are each considered a body or officer within the meaning of CPLR section 7802(a).
13. The Board of Commissioners of the New Rochelle Municipal Housing Authority and the New Rochelle Municipal Housing Authority are made parties to this proceeding solely because of the possibility that they may be affected by the outcome of this Article 78 proceeding.

VENUE

14. Pursuant to CPLR section 7804 (b), the venue for this proceeding lies in Westchester County, in the judicial district where the City Manager took the actions that are the subject of this proceeding and where the offices of Respondents are located.

BACKGROUND

15. The NRMHA, since its formation, has advanced the interests of the most vulnerable members of the local population by providing safe, sanitary, decent, and affordable housing opportunities.
16. Under the United States Housing Act of 1937, as amended, 42 U.S.C section 1437 et seq. (the “Act”), the United States Department of Housing and Urban Development (“HUD”) is responsible for administering low-income housing programs and pursuant to the Act, HUD entered into an Annual Contributions Contract (“ACC”) with the NRMHA to develop and operate public housing projects of the NRMHA.
17. Pursuant to the requirements of the Act, HUD must evaluate public housing performance and, in furtherance thereof, instituted the Public Housing Assessment System (“PHAS”).
18. In 2014, the New Rochelle Municipal Housing Authority and the City of New Rochelle were notified by HUD that, on the basis of an annual PHAS score, the NRMHA has been designated “Troubled” or “Substandard” for financial, physical and/or management indicators, or other deficiencies as HUD identified (the “HUD Notification”).
19. On December 8, 2014, as a result of the HUD Notification, the NRMHA, HUD and the City of New Rochelle entered into a Recovery Agreement (the “Agreement”) which required NRMHA to achieve certain outcomes outlined in the Action Plan as incorporated into the Agreement. A copy of the Agreement is annexed hereto as **Exhibit B**.
20. During the next seven plus years, the Board, including Petitioners during their terms as Board Members, worked diligently to satisfy the requirements of the Agreement.
21. On March 24, 2021, HUD notified NRMHA that it had achieved “Standard Public Housing Authority Performer Status” as a direct result of the Board’s correcting many of the errors and

deficiencies which led to the previous “Troubled Agency” status years earlier. A copy of the March 24, 2021 notification letter is annexed hereto as **Exhibit C** .

22. The Agreement set forth multiple goals and requirements for the NRMHA to satisfy in order to graduate from its status as a troubled agency.
23. Thereafter, approximately one year later, on December 6, 2022, HUD gave the Board its highest PHA score in over a decade and a “huge accomplishment” according to the NRMHA’s Executive Director, Angela Farrish (“Farrish”). See, the December 6, 2022 email from Farrish to the Board along with HUD’s PHA Score Report, both attached **hereto as Exhibit D**

THE CURRENT DISPUTE

24. Notwithstanding the significant accomplishments and progress of NRMHA, its staff and Board of Directors, on December 29, 2022, Strome sent Petitioners an email and letter advising them that he was relieving all Board Members of their duties, thereby terminating their positions as Commissioners of NRMHA. Included with the notification was a letter from Luigi D’Ancona (“D’Ancona”), Public Housing Director of HUD criticizing the alleged actions and omissions of the NRMHA Board, and claiming the Board was not meeting HUD’s requirements to govern and oversee the NRMHA (the “HUD Letter”). A copy of the Termination Letter is annexed hereto as **Exhibit A** . A copy of the HUD Letter of December 21, 2022 is annexed hereto as **Exhibit E** .
25. The Strome Letter blindsided the Petitioners as it was sent without any advance notice or conversations with the City Manager with no apparent investigation into the HUD accusations, despite the fact that the HUD Letter contained multiple false and misleading allegations, which Strome knew or should have known.

26. Indeed, since the execution of the Recovery Agreement, Petitioners worked collectively and diligently during their terms in office, and on a volunteer basis without compensation, advancing the goals set forth in the Recovery Agreement and facilitating the corrections and modifications necessary to bring the NRMHA into compliance.
27. During the same timeperiod, Petitioners dedicated their time, skills and professional expertise in steadfast support of the goals of improving the lives and living conditions of NRMHA residents.
28. After Petitioners receipt of the Strome Termination Letter, they promptly delivered a letter dated December 30, 2022 to Strome, dispelling the reasons for their termination and the misleading allegations contained in the HUD Letter. A copy of the Petitioners' December 30, 2022 letter to Strome is annexed hereto as **Exhibit F**.
29. Strome never responded to the letter and never arranged a meeting with Petitioners to review the allegations.
30. Strome retired on December 31, 2022, and was succeeded by Kathleen Gill ("Gill") as the New City Manager, on or about January 1, 2023.
31. On or about January 27, 2023, Petitioners met with Gill to refute the allegations contained in the HUD Letter and the Strome Termination Letter, to request reinstatement to their Board positions, and to obtain information regarding their remedies.
32. Gill then requested that Petitioners put their concerns in writing. Petitioners outlined their concerns in a hand-delivered letter dated February 6, 2023. A copy of the February 6, 2023 letter is annexed hereto as **Exhibit G**.
33. Petitioners had a follow up meeting with Gill on February 10, 2023, in the hopes of dispelling the claims of any wrongdoing and securing reinstatement as previously requested. The

February 10, 2023 meeting ended with Gill agreeing to draft a letter for Petitioners review and comment. Petitioners did not receive this letter.

34. Petitioners next sent a follow-up letter to Gill dated March 3, 2023, advising Gill that Petitioners had not received the letter as promised by Gill, despite the efforts of Petitioners to engage in good-faith settlement negotiations, and advising that pursuant to New York State Municipal Housing Authority Law, Chapter 44-A, Article 3, they were entitled to notice and an opportunity to be heard in person or by counsel at a public hearing to which Petitioners were entitled. A copy of the March 3, 2023 letter is annexed hereto as **Exhibit H**.
35. Petitioners never received a letter from City Manager Gil as promised, but instead received a letter from outside counsel to the City of New Rochelle, Darius P. Chafizadeh, from the law firm Harris Beach PLLC, rejecting Petitioners contentions.
36. The Petitioners rebutted the allegations contained within the HUD Letter and the Strome Termination Letter point by point within their letters of December 30, 2022, February 6, 2023, and March 3, 2023 (the "Board Letters").
37. Along with an understanding of the actual duties and responsibilities of the Board, the Board Letters make it clear that there was no legal basis to relieve Petitioners of their duties.
38. As explained in Paragraphs 12 and 13 of the Affidavit of Public Housing expert James G. Stockard, sworn to on April 27, 2023, D'Ancona and Strome, and now City Manager Gill, seem to misunderstand the duties and responsibilities of Municipal Housing Boards. Board Members typically meet once a month to discuss issues associated with the Housing Authority. Each municipal Housing Authority has a staff of professionals, including financial consultants who manage the day-to-day operations of the authority. The members of the Board do not participate in the day-to-day operations, but rather serve as the governing officers of the PHA.

Their responsibilities include setting policies governing the operations of the authority; Charting the direction of current and future programs and development; and approving contracts entered into by the PHA. The allegations in the HUD Letter and the Strome Termination Letter ignore this reality and blame the NRMHA Board for the errors of the staff and professionals controlled by the City of New Rochelle in accordance with a certain Cooperation Agreement between the NRMHA and The City of New Rochelle.

39. There being no legitimate basis to relieve Petitioners of their duties and terminate their involvement as Board Members of NRMHA, it is appropriate to look at the motivation underlying Strome's decision to terminate the entire Board.
40. In accordance with the accompanying affidavit of Sheila E. Small, sworn to on April 28, 2023, and the documentary evidence submitted in Support of this Article 78 proceeding, it appears likely that there was an illegitimate political motive behind the Board's termination. The City is obligated to comply with NYS Municipal Housing Authority Law, Chapter 44-A, Article 3 and provide Petitioners with a Public Hearing.

AS AND FOR A FIRST CAUSE OF ACTION

41. Petitioners repeat and reallege each and every allegation made in paragraph 1 through 41 as if fully stated herein.
42. As members of the NRMHA, Petitioners were entitled to the protections afforded them under New York State Municipal Housing Authority Law, Chapter 44-A, Article 3, which included being subject to removal only for inefficiency, neglect of duty, or misconduct in office, but only after being given a copy of the charges against them and an opportunity to be heard in person or by counsel in their own defense at a public hearing.

43. The City Manager, acting as the chief Executive and Administrative Officer of the City of New Rochelle and on behalf of the Mayor, failed to comply with the foregoing New York State Municipal Housing Authority legal requirements rendering the removal of Petitioners from the NRMHA Board unlawful, invalid and subject to annulment.

AS AND FOR A SECOND CAUSE OF ACTION

44. Petitioners repeat and reallege each and every allegation made in paragraph 1 through 43 as if fully stated herein.

45. City Manager Strome's removal of Petitioners from the Board of the New Rochelle Municipal Housing Authority was arbitrary and capricious and violative of their statutory rights to due process of law.

WHEREFORE, Petitioners demand judgment as follows:

1. Annulling the action taken by City Manager Strome on December 29, 2022, which caused the removal of Petitioners from the New Rochelle Municipal Housing Board;
2. Annulling any and all actions of the City Manager and the City of New Rochelle in reliance on the December 29, 2022 decision to terminate Petitioners from the New Rochelle Municipal Housing Board;
3. Directing existing City Manager Kathleen Gill to comply with New York State Municipal Housing Authority Law, Chapter 44-A, Article 3, and the due process rights of Petitioners and provide Petitioners with notice of any allegations against them and an opportunity to be heard in person or by counsel in their own defense, at a public hearing ;

4. Granting such other, further and different relief as this Court deems just and proper including, but not limited to, awarding to Petitioners the costs and disbursements associated with this proceeding.

Dated: April 28, 2023

O'CONNELL & ARONOWITZ

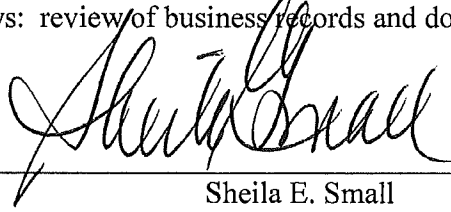
By: 

Daniel J. Tuczinski
Attorneys for Petitioners
54 State Street, 9th Floor
Albany, New York 12207
(518) 462-5601

STATE OF NEW YORK)
) ss.:
COUNTY OF WESTCHESTER)

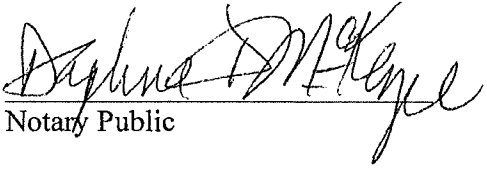
Sheila E. Small being sworn, deposes and says that deponent is one of the Petitioners named in the within proceeding; that deponent has read the foregoing petition and knows the contents thereof; and that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes them to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: review of business records and documents in my possession.



Sheila E. Small

Sworn to before me this
28th day of April 2023



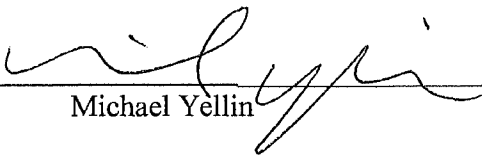
Notary Public

DAPHNE D. MCKENZIE
NOTARY PUBLIC-STATE OF NEW YORK
No. 02MC4849583
Qualified in Bronx County
My Commission Expires 06-30-2023

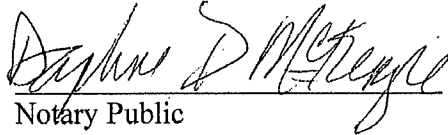
STATE OF NEW YORK)
) ss.:
COUNTY OF WESTCHESTER)

Michael Yellin, being sworn, deposes and says that deponent is one of the Petitioners named in the within proceeding; that deponent has read the foregoing petition and knows the contents thereof; and that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes them to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: review of business records and documents in my possession.


Michael Yellin

Sworn to before me this
28th day of April 2023



Notary Public

DAPHNE D. MCKENZIE
NOTARY PUBLIC-STATE OF NEW YORK
No. 02MC4849583
Qualified in Bronx County
My Commission Expires 06-30-2023

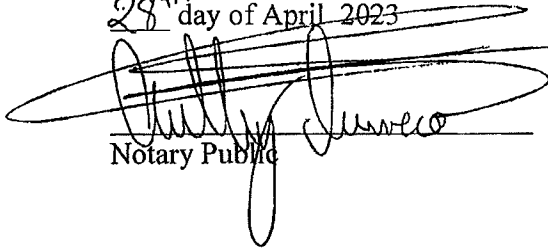
STATE OF NEW YORK)
) ss.:
COUNTY OF WESTCHESTER)

Reverend Harry Dawkins, being sworn, deposes and says that deponent is one of the Petitioners named in the within proceeding; that deponent has read the foregoing petition and knows the contents thereof; and that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes them to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: review of business records and documents in my possession.


Reverend Harry Dawkins

Sworn to before me this
28th day of April 2023

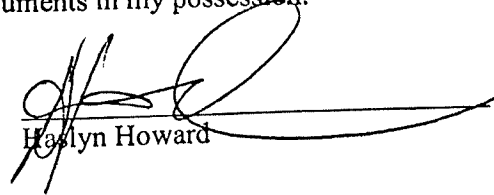

Notary Public

ANTHONY S TERRANERA
Notary Public - State of New York
NO. 01TE6324959
Qualified in Westchester County
My Commission Expires Jan 21, 2023

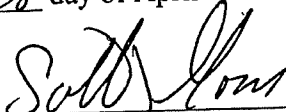
STATE OF NEW YORK)
) ss.:
COUNTY OF WESTCHESTER)

Haslyn Howard being sworn, deposes and says that deponent is one of the Petitioners named in the within proceeding; that deponent has read the foregoing petition and knows the contents thereof; and that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes them to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: review of business records and documents in my possession.


Haslyn Howard

Sworn to before me this
28 day of April 2023



Notary Public

SCOTT GOWE
NOTARY PUBLIC OF NEW YORK
I.D. # 01G06357188
MY COMMISSION EXPIRES 11/11/25

SCOTT GOWE
NOTARY PUBLIC OF NEW YORK
I.D. # 01G06357188
MY COMMISSION EXPIRES 4/27/25

CERTIFICATE OF COMPLIANCE

The foregoing was prepared on a computer. A proportionally spaced typeface was used, as follows:

Name of typeface: Times New Roman

Point Size: 12

Line Spacing: Double

The total number of words in this Petition, inclusive of point headings and footnotes and exclusive of pages containing the table of contents, table of citations, proof of service, certificate of compliance, or any authorized addendum containing statutes, rules, regulations, etc. is 2629.

Dated: April 28, 2023

O'CONNELL & ARONOWITZ

By: _____



Graig F. Zappia, Esq.
Attorneys for Plaintiff
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Albany, New York 12207
(518) 462-5601

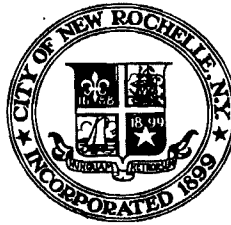
Gzappia@oalaw.com

EXHIBIT A

515 North Avenue
New Rochelle, NY 10801

Charles B. Strome III
City Manager

Email:
Cstrome@newrochelleny.com



Tel: (914) 654-2140
Fax: (914) 654-2174

City of New Rochelle New York

December 29, 2022

New Rochelle Municipal Housing Authority
50 Sickles Avenue
New Rochelle, NY 10801

To NRMHA Board members:

On December 21, 2022 I received correspondence (attached) from the U.S. Department of Housing and Urban Development (HUD) notifying me *“that the actions and omissions of the NRMHA [New Rochelle Municipal Housing Authority] board do not meet HUD’s requirements to govern and oversee the NRMHA.”*

Over the past two (2) years, I have been in regular communication with HUD regarding their serious concerns about the Board and the Board’s inaction with regard to implementing the required remedies outlined in the 2014 Recovery Agreement. Further, the December 21st letter outlined in detail how the Board has failed provide the requisite oversight to govern and oversee the authority.

After several interventions over the past 8 years and with careful consideration, the City feels it is the prudent course of action to implement HUD’s recommendation to disband and reappoint an all-new Board of Directors for NRMHA. The newly appointed NRMHA Board will be charged with taking corrective actions to achieve compliance with the Recovery Agreement and reposition the Authority into good standing in order to be released from the agreement.

As of the date of this letter, all Board Members are relieved of their duties. We thank you for service.

Best regards,

Charles B. Strome, III

Charles B. Strome, III
City Manager

cc: Angela Farrish, Executive Director NRMHA
Kathleen Gill, Deputy City Manager/Corporation Counsel
Adam Salgado, Commissioner of Development
Honorable Mayor and Council

EXHIBIT B

Recovery Agreement between
New Rochelle Municipal Housing Authority
And
the United States Department of Housing and Urban Development
And
The City of New Rochelle

This Recovery Agreement is entered into between the New Rochelle Municipal Housing Authority, the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") and the City of New Rochelle as of this 8 day of DECEMBER, 2014.

RECITALS

WHEREAS, under the United States Housing Act of 1937, as amended, ("Act"), 42 U.S.C. § 1437 *et seq.*, the United States Department of Housing and Urban Development ("HUD") is responsible for administering low income housing programs, and pursuant to the Act, HUD has entered into an Annual Contributions Contract ("ACC") with the New Rochelle Municipal Housing Authority to develop and operate public housing projects of the New Rochelle Municipal Housing Authority; and

WHEREAS, pursuant to the Act, HUD must evaluate public housing performance and has instituted the Public Housing Assessment System ("PHAS"); and

WHEREAS, on the basis of an annual PHAS score, the New Rochelle Municipal Housing Authority has been designated Troubled or Substandard for financial, physical and/or management indicators, or other such deficiencies as HUD has identified; and

WHEREAS, the Act requires HUD to enter into agreements that establish performance targets, set out strategies for meeting targets, provide for incentives and sanctions for effective implementation of the strategies leading to recovery of performance and attain an improved status of at least a Standard Performer; and

WHEREAS, the recovery of performance is intended to lead to a sustainable sound fiscal management and good governance; and

WHEREAS, the parties desire to correct all HUD-identified deficiencies through the implementation of this Recovery Agreement, ("Agreement");

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, HUD, the New Rochelle Municipal Housing Authority and the City of New Rochelle agree as follows:

- I. The New Rochelle Municipal Housing Authority agrees to achieve the outcomes outlined in the Action Plan and incorporated into this Agreement as Exhibit A.

- II. The New Rochelle Municipal Housing Authority and the City of New Rochelle agree to work together to develop and implement a Sustainability Plan if necessary to achieve recovery.
- III. The Action Plan describes the results following HUD's review and assessments of PHA performance, the measures that need to be implemented to improve the performance and the desired outcomes to be achieved and establishes a timetable to achieve those outcomes. The Action Plan also identifies the available remedies to resolve HUD's determination of non-performance.
- IV. Upon execution of the Agreement, the New Rochelle Municipal Housing Authority will commence with the required actions listed in the Plan within the timeframes set forth therein.
- V. The New Rochelle Municipal Housing Authority will cure identified deficiencies within the timeframes established in the Action Plan.
- VI. Subject to section XII, regardless of possible changes in the New Rochelle Municipal Housing Authority's Board composition, or the decision-making individuals for HUD or the City of New Rochelle, the term of this Agreement is effective as of the execution date of this document and will continue until completion of the Action Plan in accordance with 6(j) (2) and (3) of the Act, and any agreed upon extensions. This Agreement will remain in effect until the New Rochelle Municipal Housing Authority has completed all items listed in the Plan, even if HUD removes the New Rochelle Municipal Housing Authority's troubled/substandard designation.
- VII. HUD, in its discretion, may provide technical assistance, including training or contract support, to the New Rochelle Municipal Housing Authority to facilitate accomplishment of the items in the Action Plan. The New Rochelle Municipal Housing Authority's compliance with the Action Plan, however, shall not be contingent on HUD's provision of any technical assistance or other discretionary assistance.
- VIII. The New Rochelle Municipal Housing Authority shall provide HUD with written progress reports as identified in the Action Plan. The report shall detail the New Rochelle Municipal Housing Authority's progress towards the completion of the items required by the Action Plan. The reports shall identify those items that have been completed and provide any necessary documentation to support this determination.
- IX. HUD will review the Action Plan progress reports submitted by the New Rochelle Municipal Housing Authority and supporting documentation. HUD will confirm in writing to the New Rochelle Municipal Housing Authority the items that HUD determines to have been successfully completed, those that require additional documentation and those that are past due.
- X. If the New Rochelle Municipal Housing Authority disagrees with HUD's determination concerning the completion of any item, the New Rochelle Municipal Housing Authority

may request a reconsideration of the determination and submit additional information to support its position. HUD will provide the New Rochelle Municipal Housing Authority with a written notice of its decision.

- XI. The failure of the New Rochelle Municipal Housing Authority, its employees, officers, agents, or contractors to comply with this Agreement, including the failure to achieve the agreed upon outcomes or to take the actions or comply with the time frame set forth in the Action Plan, may result in HUD seeking any available remedies, including any of the following actions sequentially or simultaneously:
- a. Consolidation;
 - b. Consortia/Joint Venture;
 - c. Contraction of Operational Activities;
 - d. Cooperative Endeavor Agreement;
 - e. Debarment;
 - f. Deliver possession and control of project(s) to HUD;
 - g. Limited Denial of Participation;
 - h. Receivership; and/or
 - i. Suspension.
- XII. The parties by mutual written agreement may agree to extend the timeframes set forth in the Action Plan from time to time. In the event said timeframes are extended, HUD agrees that it will not take any of the actions against the New Rochelle Municipal Housing Authority as set forth in this section of the Agreement for noncompliance with original timeframes.
- XIII. Communication related to the Recovery Agreement and Action Plan shall be provided to the Public Housing Director and the HUD Recovery Team leader, if applicable.
- XIV. HUD, the New Rochelle Municipal Housing Authority and their employees, subcontractors, partners or assigns, and the City of New Rochelle shall comply with all applicable federal, state, and local laws and regulations relating to the performance of this Agreement to which their activities are subject.
- XV. Notwithstanding any provisions of this Agreement to the contrary, the parties shall not be held liable for any failure or delay in the performance of this Agreement that arises from fires, floods, strikes, embargoes, acts of the public enemy, unusually severe weather, outbreak of war, riots, civil commotion, force majeure, acts of God, or for any other cause of same character which is unavoidable through the exercise of due care and beyond the control of the parties, provided that said failure or delay in the performance of this Agreement attributed to any of the events described herein is acknowledged in writing by HUD. Upon the issuance of HUD's written acknowledgement, the failure to perform

shall be deemed excused during the continuance of such circumstances as determined by HUD, but this Agreement shall otherwise remain in effect.

- XVI. In the event of any conflict between terms in this Agreement, including all exhibits, attachments and all other documents specifically incorporated by reference, and HUD's applicable Public Housing requirements including, but not limited to, the Act, HUD regulations there under (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, HUD notices, the HUD-approved Declaration of Trust or Declaration of Restrictive Covenants in favor of HUD, and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time to time, the applicable Public Housing requirements shall prevail. HUD reserves the right to resolve any conflict.
- XVII. Any modification or amendment of any condition or provision in this Agreement by either party will not imply or constitute a further modification or amendment of the same or any other condition or provision, nor shall it relieve the parties from performing any subsequent obligations strictly in accordance with the term of this Agreement. No modification or amendment shall be effective unless in writing and signed by the party against whom enforcement is sought. Such modification or amendment shall be limited to provisions of this Agreement specifically referred to therein and shall not be deemed a modification or amendment of any other provision. No modification or amendment of this Agreement shall constitute a HUD-approved waiver of regulatory requirements.
- XVIII. Should any term or provision of this Agreement be held, to any extent invalid or unenforceable, as against any person, entity or circumstance during the term hereof, by force of any statute, law, or ruling of any forum of competent jurisdiction, such invalidity shall not affect any other term or provision of this Agreement to the extent that the Agreement shall remain operable, enforceable and in full force and effect to the extent permitted by law.
- XIX. To the extent authorized by the Act and HUD regulations, HUD can unilaterally amend this Agreement. Otherwise, this agreement may be amended by mutual agreement of the parties.
- XX. This Agreement states the entire understanding and agreement between the parties and supersedes any and all written or oral representations, statements, negotiations, or agreements previously existing between the parties with respect to the subject matter of this Agreement. However, this Agreement does not supersede, modify or amend the ACC as further described in Paragraph XXII. The parties recognize that any representations, statements or negotiations made by the staff of either party does not suffice to legally bind either party in a contractual relationship unless they have been reduced to writing and signed by their authorized representative(s). This Agreement shall inure to the benefit of and shall be binding upon the parties, their respective assigns, and successors in interest.

- XXI. This Agreement may be executed and delivered in separate counterparts, which, when so executed and delivered, shall be deemed an original.
- XXII. This Agreement does not supersede, modify or amend the ACC between HUD and the New Rochelle Municipal Housing Authority, or in any way excuse the Housing Authority from complying fully with its obligations under the ACC. HUD does not waive its statutory, regulatory or contractual rights. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD's right to take any remedial action allowed by the ACC or any provision of the Act or related regulations. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD or the New Rochelle Municipal Housing Authority's right to take any remedial action allowed by the Agreement.
- XXIII. The parties agree that any cost associated with the implementation of this Agreement, the Action Plan and the Sustainability Plan shall be their individual responsibility unless specifically agreed in writing between the parties.
- XXIV. The City of New Rochelle, through its Appointing Authority, acknowledges the importance of effective governance as part of the recovery and sustainability of the New Rochelle Municipal Housing Authority. As a signatory of this Agreement, the City of New Rochelle commits to oversee and monitor its duly appointed agents, the appointees to the New Rochelle Municipal Housing Authority Governing Board, in the discharge of their duties. Upon the discovery of any failure of the New Rochelle Municipal Housing Authority Board to discharge its duties under this Agreement, the City of New Rochelle will take all necessary steps to correct the Board's actions or omissions and ensure compliance with the terms of this Agreement.

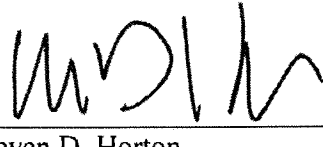
IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

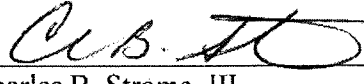
By: Luigi D'Ancona 12/30/14
Luigi D'Ancona
Public Housing Director
New York Field Office

New Rochelle Municipal Housing Authority
ATTEST: BY ITS BOARD OF COMMISSIONERS

By: Elisa Singer for
Elisa Singer
Board Chair
New Rochelle Municipal Housing Authority

By:  12/8/14

Steven D. Horton
Executive Director
New Rochelle Municipal Housing Authority

① By: 

Charles B. Strome, III
City Manager
City of New Rochelle

EXHIBIT C

-----Original Message-----

From: sesesq <sesesq@aol.com>
To: Angela Farrish <afarrish@nrmha.org>; Board of Commissioners <BoardofCommissioners@nrmha.org>
Cc: Jason Labate <jlabate@goldsteinhall.com>; Syme, Michael H. <msyme@foxrothschild.com>;
cstrome@newrochelleny.com <cstrome@newrochelleny.com>; Gill, Kathleen <kgill@newrochelleny.com>; Timothy Doyle
<tdoyle@bonadio.com>; Andrew Fox <afox@efprgroup.com>; Denise Wesley <criminodoc@aol.com>; Catrina Shivers
<cshivers@nrmha.org>
Sent: Thu, Mar 25, 2021 2:15 pm
Subject: RE: FW: Standard Performer Notification - NY088 06/30 2019

WONDERFUL NEWS.
CELEBRATE!!!

Sent from my Galaxy

----- Original message -----

From: Angela Farrish <afarrish@nrmha.org>
Date: 3/25/21 8:31 AM (GMT-05:00)
To: Board of Commissioners <BoardofCommissioners@nrmha.org>
Cc: Jason Labate <jlabate@goldsteinhall.com>, "Syme, Michael H." <msyme@foxrothschild.com>,
cstrome@newrochelleny.com, "Gill, Kathleen" <kgill@newrochelleny.com>, Timothy Doyle <tdoyle@bonadio.com>,
Andrew Fox <afox@efprgroup.com>, Denise Wesley <criminodoc@aol.com>, Catrina Shivers <cshivers@nrmha.org>
Subject: FW: Standard Performer Notification - NY088 06/30 2019

Good morning all,

I am pleased to report that the Housing Authority is no longer a "troubled" agency. I have been awaiting this moment for a long time.

I am grateful.

Best,

Angela Davis-Farrish, PHM

New Rochelle Municipal Housing Authority
Executive Director
914-636-7050 x201
afarrish@nrmha.org

“Success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome while trying to succeed.” – Booker T. Washington

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From: phas@hud.gov <phas@hud.gov>
Sent: Wednesday, March 24, 2021 3:39 PM
To: Angela Farrish <afarrish@nrmha.org>
Cc: Luigi.D'Ancona@hud.gov; Christopher.J.Ingram@hud.gov; suenping.yip@hud.gov; Leonard.J.Spicer@hud.gov; Caroline.A.Ranjitsingh@hud.gov
Subject: Standard Performer Notification - NY088 06/30 2019

Dear Executive Director:

This letter is to advise you that the Public Housing Assessment System (PHAS) score and designation for your public housing agency (PHA) has been issued for the fiscal year end stated in the above subject line.

For your convenience a score report is attached. You are encouraged to login to HUD's Secure Systems for the most recent scoring information; to review the Assessment Status Report; and to monitor the status of your assessments.

If you believe that an objectively, verifiable, and material error occurred in the scoring and that correcting it will change the PHAS designation, you may submit an appeal request pursuant to 24 CFR 902.69. For prompt delivery and assurance it is received within the prescribed timeline, it is suggested that you submit the appeal through the request tab in Secure Systems. If you prefer you may submit the appeal to:

Mr. David A. Vargas
Deputy Assistant Secretary
U.S. Department of Housing and Urban Development
Real Estate Assessment Center
550 12th Street S.W.
Suite 100
Washington, DC 20410

Please refrain from sending the request through more than one method.

Should you have any questions, please email us at PHAS@hud.gov or contact the Technical Assistance Center (TAC) at 1-888-245-4860, Monday through Friday from 7:00am to 8:30pm Eastern Time.

Robert Champion
Program Manager, iNtergated Assessment SubSystem

EXHIBIT D

Daniel J. Tuczinski, Esq.

From: sesesq@aol.com
Sent: Saturday, April 22, 2023 12:42 AM
To: Daniel J. Tuczinski, Esq.; Graig F. Zappia, Esq.; myellin38@gmail.com;
hazhoward@gmail.com; hd3ns@aol.com
Subject: Fwd: Standard Performer Notification - NY088 06/30 2022
Attachments: PHAScoreReport.PDF

[EXTERNAL EMAIL] WARNING: This message contains external information. Do not click on links or OPEN attachments. Please be safe and ALWAYS check the source of this email.

FYI

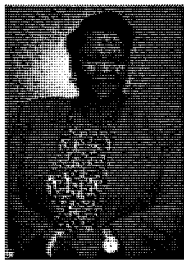
-----Original Message-----

From: Angela Farrish <afarrish@nrmha.org>
To: Board of Commissioners <BoardofCommissioners@nrmha.org>; Jason Labate <jlabate@goldsteinhall.com>; Syme, Michael H. <msyme@foxrothschild.com>
Cc: Andrew Fox <afox@efprgroup.com>; Nicholas Beauchamp <nbeauchamp@efprgroup.com>; Catrina Shivers <cshivers@nrmha.org>; Sophia Grewe <sgrewe@nrmha.org>; Denise Wesley <criminodoc@aol.com>; 'Sheila Small' <sesesq@aol.com>; 'Harry Dawkins' <hd3ns@aol.com>; michael yellin <myellin38@gmail.com>; Haslyn Howard <hazhoward@gmail.com>
Sent: Tue, Dec 6, 2022 12:16 pm
Subject: FW: Standard Performer Notification - NY088 06/30 2022

Good afternoon all,

I am pleased to report that once again, the agency remains a **STANDARD PERFORMER**. We received an overall score of **82** which is the highest score we have received in over 10 years!!!! This is a huge accomplishment for the agency.

Best,



Angela Davis-Farrish, PHM
Executive Director
New Rochelle Municipal Housing Authority
50 Sickles Avenue
New Rochelle, NY 10801
914-636-7050 x201
afarrish@nrmha.org

"Success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome while trying to succeed." – Booker T. Washington

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From: phas@hud.gov <phas@hud.gov>
Sent: Tuesday, December 6, 2022 9:31 AM
To: Angela Farrish <afarrish@nrmha.org>
Cc: Luigi.D'Ancona@hud.gov; Christopher.J.Ingram@hud.gov; suenping.yip@hud.gov; Caroline.A.Ranjitsingh@hud.gov; Norman.W.Murphy@hud.gov; Mark.A.Warren@hud.gov; Nicole.E.Willingham@hud.gov; PHAS-OFO@hud.gov
Subject: Standard Performer Notification - NY088 06/30 2022

Dear Executive Director:

This letter is to advise you that the Public Housing Assessment System (PHAS) score and designation for your public housing agency (PHA) has been issued for the fiscal year end stated in the above subject line.

For your convenience a score report is attached. You are encouraged to login to HUD's Secure Systems for the most recent scoring information; to review the Assessment Status Report; and to monitor the status of your assessments.

If you believe that an objectively, verifiable, and material error occurred in the scoring and that correcting it will change the PHAS designation, you may submit an appeal request pursuant to 24 CFR 902.69. For prompt delivery and assurance it is received within the prescribed timeline, it is suggested that you submit the appeal through the request tab in Secure Systems. If you prefer you may submit the appeal to:

Ashley L. Sheriff
Deputy Assistant Secretary
U.S. Department of Housing and Urban Development
Real Estate Assessment Center
550 12th Street S.W.
Suite 100
Washington, DC 20410

Please refrain from sending the request through more than one method.

Should you have any questions, please email us at PHAS@hud.gov or contact the Technical Assistance Center (TAC) at 1-888-245-4860, Monday through Friday from 7:00am to 8:30pm Eastern Time.

Robert Champion
Program Manager, iNtegrated Assessment SubSystem



U.S. Department of Housing and Urban Development

OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim

Report Date: 12/06/2022

PHA Code:	NY088
PHA Name:	New Rochelle Housing Authority
Fiscal Year End:	06/30/2022

PHAS Indicators	Score	Maximum Score
Physical	28	40
Financial	25	25
Management	19	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	82	100
Designation Status:	Standard Performer	
Published 12/06/2022	Initial published	12/06/2022

Financial Score Details	Score	Maximum Score
Unaudited/Single Audit		
1. FASS Score before deductions	25.00	25
2. Audit Penalties	0.00	
Total Financial Score Unrounded (FASS Score - Audit)	25.00	25

Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	100.00	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

- The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
- Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
- "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
- "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
- PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasinrule.cfm>



U.S. Department of Housing and Urban Development

OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim

Report Date: 12/06/2022

PHA Code:	NY088
PHA Name:	New Rochelle Housing Authority
Fiscal Year End:	06/30/2022

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Designation Status:	Standard Performer	
Published 12/06/2022	Initial published 12/06/2022	

Financial Score Details	Score	Maximum Score
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Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	100.00	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

- The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
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- "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
- "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
- PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasinrule.cfm>

EXHIBIT E



U.S. Department of Housing and Urban Development
New York Office of Public Housing
Jacob K. Javits Federal Building
26 Federal Plaza, Suite 32-116
New York, NY 10278-0068
https://www.hud.gov/states/new_york

December 21, 2022

By email: cstrome@newrochelleny.com

Charles B. Strome III
City Manager
515 North Avenue
New Rochelle, NY 10801

Dear Mr. Strome:

The New Rochelle Municipal Housing Authority (NRMHA) operates under an Annual Contributions Contract (ACC) with the United States Department of Housing and Urban Development (HUD). In exchange for funding from HUD, the NRMHA agrees to operate in accordance with the terms of the ACC, its adopted policies and federal, state, and local laws governing the NRMHA's operations. To achieve this mission, the NRMHA requires a Board of Commissioners, to govern the agency, that are ready, willing, able, and ethical.

On December 8, 2014, a Recovery Agreement was executed between the NRMHA, the City of New Rochelle and HUD due to the NRMHA's status as a Troubled Agency. This Agreement and local law require that the City Manager appoint and maintain a sufficient number of Board Members that the City Manager certifies are qualified to lead the Agency. This Agreement further states that:

"The City of New Rochelle, through its Appointing Authority, acknowledges the importance of effective governance as part of the recovery and sustainability of the New Rochelle Housing Authority. As a signatory of this Agreement, the City of New Rochelle commits to oversee and monitor its duly appointed agents, the appointees to the New Rochelle Housing Authority Governing Board, in the discharge of their duties. Upon the discovery of any failure of the New Rochelle Housing Authority Board to discharge its duties under this Agreement, City of New Rochelle will take all necessary steps to correct the Board's actions or omissions and ensure compliance with the terms of this Agreement."

HUD is charged with oversight and monitoring of NRMHA operations; therefore, we are notifying you that the actions and omissions of the current NRMHA Board Members, give evidence that they do not meet the requirements needed to govern and oversee the NRMHA. The reasons for our determination are the following:

1) The NRMHA Board failed to establish a proper internal control environment.

Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance. The NRMHA board is responsible for establishing a control environment that sets the tone of an organization. This “tone at the top” affects the integrity and ethics of the organization as a whole. Effective internal control is essential to provide reasonable assurance about the achievement of the organization’s mission, goals, and objectives and to reduce the risk of fraud, waste, and abuse.

However, the NRMHA board failed to establish a control environment in achieving the Authority’s mission. Specifically, the NRMHA’s fiscal controls and accounting procedures were inadequate to ensure that it maintained complete and accurate records of its financial transactions that has resulted in continued audit findings, audit flags and overall poor financial conditions.

- a) The FY21 IPA report (submitted by the NRMHA on September 27, 2022) identified substantial issues with the fiscal management of the NRMHA. The auditors noted the following material weaknesses:
- i) **CONDITION:** The Authority did not develop and adopt an operating budget for fiscal year 2021. For the year ended June 30, 2021, the Authority incurred significant operating losses and accumulated substantial liabilities. Excluding depreciation, the non-cash change in pension and OPEB liabilities, and the utilization of restricted reserves, the Authority incurred an operating loss of \$938,347 for the year while accumulating payables to vendors of \$1,308,045.

The Authority’s Central Office Cost Center (COCC), which accounts for 73% of the Authority’s liabilities, reflected a current ratio of .84 at year end. The COCC is unable to meet these obligations with available resources and is restricted by law from accessing the resources of the Authority’s federal programs.

Furthermore, the Authority is lacking control activities to ensure that transactions are recorded in a timely manner, which has prevented the timely completion of cash reconciliation procedures and financial statement preparation at and subsequent to the fiscal year end.

CAUSE: Management has not taken sufficient action to address the Authority’s operating deficits.

EFFECT: The Authority cannot ensure that its resources are managed in a manner that safeguards the long-term financial stability of the Authority.

- ii) **CONDITION:** On June 30, 2021, the Housing Choice Voucher Program’s financial statements reflected a net interprogram receivable of \$353,514, representing approximately seven months of the program’s average monthly operating expenses. The programs that received these funds did not have sufficient cash reserves on June 30, 2021, to repay the Housing Choice Voucher Program.

CAUSE: The Authority was not effectively monitoring and managing inter-program balances in order to ensure that program funds were not used for non-program purposes.

EFFECT: The financial position of the Housing Choice Voucher Program is at least temporarily impaired by the use of program funds for non-program purposes.

- b) The Unaudited Financial Data Schedule (FDS) submitted by the NRMHA on September 15, 2022, contained fourteen audit flags. Audit flags are intended to identify potential review issues that could possibly lead to a Rejection or Conditional Acceptance. In addition, on October 14, 2022, HUD's Real Estate Assessment Center (REAC) reviewed the same FDS submission and identified the following:
- i) New Rochelle Housing Authority reported an Asset Management Fee Expense on FDS Line 92000 in one or more of its projects. The Asset Management Fee for the project(s) shown below is either in excess of the \$10.00 x units under ACC x 12 or the project does not have excess cash (FDS Line 11270) from the prior year when current year inter-project excess cash transfer out are considered to support the current year asset management fee expense.
 - ii) The New Rochelle Housing Authority has Operating Transfers and or Equity Transfers from Section 8 to non-Section 8 programs contained on the Financial Data Schedule (FDS). The transfer of Section 8 funds out of the Section 8 program is a potential noncompliance issue.
 - iii) The New Rochelle Housing Authority reported an Inter-program Due-From on FDS Line-Item Number 144 under the Low Rent or Housing Choice Vouchers (HCV) program. Inter-program Due-From activity in the Low Rent or HCV program may be a potential noncompliance issue."
- 2) NRMHA Board members have not taken significant steps to oversee, guide and track implementation of Action Plan "Measures" for items that remain open since the Recovery Agreement was signed in 2014.
- a) The Action Plan Results and Determinations in the area of "Financial Management" noted the following:
- i) Internal financial controls are weak.
 - ii) Financial reporting and recordkeeping are inadequate.
 - iii) Budget controls are weak as evidenced by expenses over budget, history of comingled funds (intergovernmental payables), and an annual budget that includes questionable financial data. The agency budget does not reflect a sustainable plan for operation of the agency's public housing inventory.

These findings remain open as evidenced above in (1a) and (1b). HUD agrees with the IPA audit findings that the NRMHA has not taken sufficient action to address the Authority's operating deficits resulting in concerns about the long-term financial stability of the Authority.

- b) The Action Plan Results and Determinations in the area of "Financial Management" noted the following:
- i) All AMP budgets show operating surpluses, but Central Office Cost Center (COCC) remains in budget deficit with negative assets.

This finding remains open as evidenced above in (1a)(i).

- 3) The NRMHA has recently achieved an improved, "Standard Performer" score of 82 under the Public Housing Assessment System (PHAS) for the fiscal year ending June 30, 2022. We recognize the improvements in the PASS (Physical Assessment Subsystem) score of 28/40 (70%), however, we want to highlight the following related to the FASS (Financial Assessment Subsystem) score of 25/25 (100%).
- a) FASS is determined by data reported to HUD by the NRMHA in the Financial Data Schedule (FDS). FASS measures the financial condition of projects. It does **not** score the COCC, the PHA's operation of a Section 8 voucher program, any other PHA program, or a PHA's business activities. Therefore, as evidenced above in (1)(a)(i), the NRMHA remains in an overall negative financial position (when the COCC is accounted for) and continues to face significant challenges. Specifically, the FY21 IPA audit identified an Operating Loss of (\$1,807,979) and an OPEB (Other Post-Employment Benefits) liability of (\$5,681,775) for the year ended in June 30, 2021.
- b) The NRMHA will need to make concerted efforts to meet the remaining milestones in the Recovery Agreement Action Plan and demonstrate continued forward progress to avoid falling back into "Troubled Performer" status. This includes steps to increase savings and reduce operating costs in order to improve its overall financial position. This progress will also be necessary in order to complete any additional repositioning transactions that NRMHA is pursuing under the HUD Rental Assistance Demonstration (RAD) program or other similar programs.
- 4) NRMHA Board Members lack fundamental knowledge of HUD programs and how these programs work in concert with each other. This has resulted in violations of fair housing laws.
- a) On September 12, 2021, HUD's Office of Fair Housing and Equal Opportunity issued a report of their compliance reviews of the NRMHA under Title VI of the Civil Rights Act of 1964 (Title VI) and Section 504 of the Rehabilitation Act of 1973 ("Section 504"). The purpose of the review was to determine whether the NRMHA's administration of its low-income public housing and Housing Choice Voucher programs are in compliance with the nondiscrimination requirements of Title VI and Section 504. The report identified the following findings which has resulted in the NRMHA entering into a Voluntary Compliance Agreement.
- i) The NRMHA failed to implement its Limited English Proficiency policies as described in its Administrative Plan and Language Assistance Plan.
- ii) NRMHA was found to be in noncompliance with 24 CFR § 8.24 which requires

- recipients to operate each existing housing program or activity so that the program, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities.
- iii) NRMHA is in noncompliance with 24 CFR § 8.27 as it has failed to adopt suitable means to ensure persons with disabilities are made aware of the availability of accessible units or to maximize use of accessible units by individuals needing the features of these units.
 - iv) NRMHA is in noncompliance with 24 CFR 8.26, which requires recipients to distribute accessible dwelling units throughout projects and sites and make such units available in varying ranges of sizes and amenities to provide housing choices for persons with disabilities.
 - v) NRMHA is in noncompliance with 24 CFR §§ 8.20, 8.23 and 8.24 as the Bracey development does not maintain a minimum 5% of the total number of public housing dwelling units that shall be made accessible for persons with mobility impairments and 2% of the units that shall be made accessible for persons with hearing or vision impairments.

In summary, the NRMHA Board has failed to ensure that the NRMHA meets the requirements of the Recovery Agreement within the prescribed timeframes. In light of this, as the funder and federal regulatory body of the NRMHA and as required by the Recovery Agreement, we are requesting that you review the appointments to the Board and make changes as necessary. In making any new appointments, we further request that you seek Board Members that are not only willing, able and ethical but who also possess the professional experience necessary to govern an Agency of this complexity and size.

Please also be advised, that the NRMHA's ongoing failure to comply with the Recovery Agreement and other HUD requirements may result in the referral of the NRMHA to HUD's Departmental Enforcement Center (DEC). The DEC may seek any and all available remedies, including, but not limited to, a limited denial of participation, and/or the suspension/debarment of responsible parties from participation in federal programs. The contracting-out of some or all of NRMA's administrative functions and operations, consolidation, receivership, or delivery of possession and control of NRMHA projects to HUD are also available.

If you have any questions or would like to discuss this issue further, please contact me at Luigi.DAncona@hud.gov. We look forward to our continued work with both the New Rochelle Municipal Housing Authority and the City of New Rochelle.

Sincerely, **LUIGI**
D'ANCONA

Luigi D'Ancona
Director
Office of Public Housing

Digitally signed by LUIGI
D'ANCONA
Date: 2022.12.21 16:53:16
-05'00'

EXHIBIT F

December 30, 2022

Dear Mr. Strome,

We received and reviewed your letters concerning NRMHA. We are surprised and disappointed that you would take such sweeping action after the relationship we have been nurturing and preserving with you and your office for the past several years. Further, in our individual and collective experiences as Board members of other entities, we have no knowledge of entire Boards being replaced or disbanded, specifically in New Rochelle---where there was no evidence of fraud or other malfeasance. Needless to say, the timing, on the eve of your last day(s) in office, was distasteful and not in character with the level of professionalism displayed throughout your tenure in office.

We also do not agree with HUD's rationale that the Board, that you appointed, "does not meet the requirements needed to govern and oversee the NRMHA." Each Board member that you appointed is a professional in their own right, which I am sure you considered in your decision to appoint. While some of us may not have a background in public housing, we are savvy enough to secure professional guidance and advice to assist us in fully supporting the needs of the housing authority. It is extremely troubling that for the past years we have been consistently meeting with HUD, and seeking guidance and direction only to be met with this outcome. It truly feels like we have been misled down a dark alley with no end. Ironically, for every other entity from whom we have sought advice, guidance, and direction, we have received it. But, the one entity, (HUD) from whom we would expect the same response or more, who claims to have only NRMHA's best interest at heart, we received the worst responses, no responses, delayed responses, unconstructive criticism, or what feels like constant badgering. It is the most unprofessional behavior that we have had to deal with from an entity---a governmental entity at that.

We have worked diligently with NRMHA to reach her goals as outlined in the Recovery Agreement. To have satisfied over 33 of those goals, with approximately 2 remaining is a major accomplishment, which HUD has acknowledged both verbally and in writing. The last 2 items had to do with financial management for which we immediately began to rectify by putting into place the necessary protocols for resolution--which included hiring a CFO. Unfortunately, our experience with HUD has been that no matter what NRMHA does, it is either never enough or never good enough.

The reasons for HUD's determination as outlined in its letter to you of December 21st, amounts to an **unequivocal defamation of character, which we do not take lightly for the following reasons:**

A. Under this Board's guidance, NRMHA was delivered from troubled status to a Standard PHA Performer.

B. HUD required that we hire a CFO to resolve our financial issues as outlined in the Recovery Agreement.

1. The Board hired a CFO - The Bonadio Group (Timothy Doyle)

a. Issue: Mr. Doyle was highly recommended by the City of New Rochelle, and NRMHA had no influence in that decision even though Mr. Doyle, by his own admission, had no prior experience working with housing authorities and stated that his expertise was in working in the Education system. Although, the Board expressed its concern about this major issue, HUD had no problem with NRMHA hiring him and expressed no pushback on this issue. However, Mr. Doyle's lack of housing experience eventually caused the NRMHA to expend additional funds to hire another financial professional to clean up Mr. Doyle's mess.

b. Prior to the expiration of Mr. Doyle's contract, NRMHA conducted and paid for its own professional employment search of a CFO. Upon identifying a viable candidate, HUD, expressed concern about the candidate's educational background, etc., and created such a delay that NRMHA lost the candidate.

c. Subsequently, the NRMHA requested that the fee accountant be allowed to act as CFO--to which NRMHA received resistance, no response(s), or unclear response(s) from HUD.

2. The Board did ESTABLISH a proper internal control environment.

a. In November 2019 the NRMHA established an Internal Control Policies & Procedure, a 53 page document.

b. November 2019, an Internal Financial Controls Policy was established and edited by our CFO, Timothy Doyle.

c. In January of 2020 CFO, Timothy Doyle was instructed to provide full training on the financial policy to the NRMHA staff as required by the Revised Action Plan (p.4).

d. The Board has no knowledge of the failure of the NRMHA to adopt a 2021 budget as we reviewed and adopted budgets for each year of our service. The Board never received any communication from HUD of the NRMHA's failure to develop and adopt a budget until this writing.

e. The Board has no knowledge of the Housing Choice Voucher Program's financial issue as stated in HUD's letter and was never made aware of this issue (which is a direct function of the ED and NRMHA staff) until this writing.

f. The Board has no knowledge of the non-compliance issues raised in HUD's letter and outlined as 1), b), i), ii), and iii), as these are intricately managed, operated and reported by the ED and NRMHA staff.

C. The Board DID take sufficient steps to oversee, guide, and track implementation of Action Plan results for Financial Management

a. The Board approved NRMHA to hire a CFO, Fee Accountant, and several other consultants for which the ED expressed need in order to comply with the financial management requirements of the Recovery Agreement. On one occasion, HUD even inquired why NRMHA needed so many consultants. The Board has properly discharged its fiduciary duty by hiring financial professionals equipped to provide the necessary services and report to NRMHA and the Board on a monthly basis. Hence, HUD is not warranted in its allegations against the Board.

b. The Board approved the implementation of a new financial software system--suggested and approved by HUD--which was guaranteed to alleviate many of the internal financial recording and reporting issues---on which all of the staff would be trained.

c. The Board made consistent requests for financial reports including payables, and inquiries regarding staff size and salaries, which the ED told us met with HUD's satisfaction.

D. The Board does NOT lack fundamental knowledge of HUD programs resulting in Violation of Fair Housing Laws

a. Apparently HUD lacks knowledge of what is discussed at our meetings even though it has a representative present at each meeting. We have discussed Title VI issues at our meeting regarding limited English proficiency and disability issues wherein we had direct guidance from our legal consultants. We pay our professionals to research, guide, direct and advise on these issues. They report to us and ensure compliance with the applicable laws and regulations as this is a daily function of the ED and the NRMHA staff and not the Board.

In view of the foregoing, we fail to see where HUD's allegations bear any relation to the Board's failure to properly discharge its duty. The majority of its complaints bear a direct relation to the ED and internal staff who are charged with management of the day to day operations--which is not a function of the Board. For example see Par. 4) a) i), ii), iii), iv) & v) of HUD's letter. Further HUD's attack on the Board is unwarranted, unjustified, unfair and unethical. It appears that HUD would be satisfied if the Board were in house, full time running the agency, but then, that is not our responsibility as a Board, and based upon experience with HUD, we doubt if that would even suffice.

Sincerely,

The (former) Board of Commissioners
New Rochelle Municipal Housing Authority
Sheila E. Small
Rev. Harry Dawkins
Michael Yellin
Haslyn Howard

EXHIBIT G

Kathleen Gill
Office of the City Manager
City of New Rochelle New York
515 North Avenue
New Rochelle, NY 10801

February 6, 2023

DELIVERY VIA PERSONAL HAND DELIVERY

RE: Appeal of Termination of Board of Commissioners of NRMHA

Dear Ms. Gill:

At your request, this letter is sent in follow-up to our meeting on January 27, 2023 and is intended to provide your office with relevant facts and information that refute the assertions contained in the December 29, 2022 letter from the former City Manager, Chuck B. Strome III, and, by adoption, the December 21, 2022 letter from Luigi D'Ancona, Director Office of Public Housing, United States Department of Housing and Urban Development (HUD). It is also intended to commemorate certain relevant details of our conversation.

At the outset, it is important to highlight that we (both individually as commissioners and collectively as a Board of Commissioners), have worked diligently, over the past several years to reach the goals outlined in both the Recovery Agreement, dated December 8, 2014, and the Inter Inter-Governmental Cooperation Agreement (IGCA), dated September 4, 2018. Indeed, since execution of the Recovery Agreement, collectively as commissioners, we have provided NRMHA with countless hours of our time, skills, and professional expertise, on a volunteer basis, in steadfast support of the goals of improving the lives and living conditions of NRMHA residents as well as successfully achieving the milestones set forth in the Recovery Agreement.

Under our tenure as commissioners, NRMHA and its staff have worked tirelessly to complete goals and milestones outlined in the Recovery Agreement and IGCA and have completed all but two of the remaining milestones, related to financial management and financial controls. Regarding the outstanding milestones, the NRMHA, under our leadership, has made substantial strides toward resolving them and emerging from the Recovery Agreement. We also take great pride in the fact that on March 24, 2021, the NRMHA achieved a Standard Public Housing Authority Performer status with HUD under our leadership, shedding the Troubled Public Housing Authority status that had persisted for more than fifteen years under prior Boards of Commissioners. Further, in his letter of November 10, 2020, Mr. Strome, acknowledged the diligent efforts of the Executive Director, the staff, and the **Board** and commended us for making "*numerous steps in the right direction*" (emphasis added).

In light of the foregoing, we were blindsided by the decision of Mr. Strome to summarily disband a high functioning and effective Board of Commissioners during the Christmas holiday season and on the eve of his retirement as City Manager. Had Mr. Strome given us the simple courtesy of an opportunity to respond to the allegations that formed the basis of his decision, he would have readily discovered that many of the allegations were verifiably false based on

the records that were already in the City's possession or, alternatively, were the responsibility of the Executive Director, the Chief Financial Officer, the Fee Accountant, CPA, and/or the financial consultant (otherwise, the financial team) as part of their day-to-day roles.

Mr. Strome's December 29, 2022 letter highlights that his rationale for disbanding the Board of Commissioners was its *"inaction with regard to implementing the required remedies outlined in the 2014 Recovery Agreement"* and *"December 21st letter [from HUD] outlin[ing] in detail how the Board has failed [to] provide the requisite oversight to govern and oversee the authority"* (emphasis added). However, as discussed below, the simple truth is that under our leadership the NRMHA rapidly achieved over 90% of the milestones outlined in the Recovery Agreement and implemented numerous policies and programs related to the remaining milestones, and were specifically directed at improving the financial governance of the NRMHA, including, but not limited to, a new procurement policy, annual budgets, acquisition/rollout of Yardi accounting software, (*which HUD deemed provided greater **financial controls** than Quick Books, which NRMHA had been using*), and retention of financial consultants to render professional services necessary to resolve financial related milestones outlined in the Recovery Agreement

Given the gravity of the allegations made against us, as well as their lack of merit and factual substance, we feel that it is important that we provide you with the relevant facts and information that directly refute the narratives advanced by Mr. Strome and Mr. D'Ancona and that undermined the substance of the specific allegations set forth in their respective letters. For your convenience, we have provided below, responses to the allegations contained in Mr. D'Ancona's December 21, 2022 letter to Mr. Strome, and by corollary, Mr. Strome's December 29, 2022 letter to the Board of Commissioners.

1(a). *The Board failed to establish a proper internal control environment in achieving the Authority's mission. Specifically, the NRMHA's fiscal controls and accounting procedure were inadequate to ensure it maintained complete and accurate records of its financial transactions resulting in continued audit findings, audit flags and overall poor financial conditions.*

The Board did ESTABLISH a proper internal control environment.

- a. **November 2019**--NRMHA established an Internal Control Policies & Procedure, a 53-page document.
- b. **November 2019**--an Internal Financial Controls Policy was established and edited by our CFO, Timothy Doyle.
- c. January 2020--CFO, Timothy Doyle was instructed to provide full training on the financial policy to the NRMHA staff as required by the Revised Action Plan (p.4).
- d. **February 2020** --Internal controls training was completed.
- e. **March 2, 2020** HUD visited the Authority and interviewed the staff on training.
- f. **April – May 2020**- Internal Control document was reviewed by Authority management and staff and was approved by the Board.

i. CONDITION: The Fee Accountant finalized the operating Budget for fiscal year 2021.

NRMHA's 2021 fiscal year began July 1, 2020. The Fee Accountant is charged with drafting the Budget. The Fee Accountant position was vacant for several months in FY2021 due to, earlier dismissal of the prior Fee Accountant at the urging of the City of New Rochelle and HUD, procurement delays, and pandemic complications.

January 2021 – The CFO reported the following to the Board: HUD approved the procurement for the new Fee Accountant —approximately six months into the fiscal year.

February 2021 – The CFO reported the following to the Board: Fee Accountant met with CFO and the Executive Director to discuss the **Budget for FY2021**—with approximately four (4) months left in the fiscal year.

March, April, May & June 2021--CFO reported the following to the Board, in the Financial Report:

"Fee Accountant had committed to reporting the budget financials utilizing a format that HUD had approved" (emphasis added).

September & October 2021--CFO reported the following to the Board in the Financial Report:

Fee Accountant would complete the requested budget revisions as requested by the HUD office and respond to any remaining questions ***"so that the budget may be finalized"*** (emphasis added).

December 13, 2021—CFO reported the following to the Board in the Financial Report:

"Fee Accountant completed the requested budget revisions as requested by the HUD office and finalized the budget" (emphasis added).

*****It is important to note that HUD never added this item to the Recovery Agreement as a targeted milestone, nor did this issue prevent NRMHA from being released from troubled status on March 24, 2021.***

THE AUTHORITY'S CENTRAL OFFICE COST CENTER (COCC)

February 2021 – September 2021 – Executive Director & HUD reported the following:

Pursuant to communication from HUD, the following needs to be considered for discontinuance of the COCC:

o Cost Allocation Plan: The need to establish a cost allocation plan to properly allocate expenses among the programs.

o Calendar year versus PHA Fiscal Year considerations: The need to accurately capture the PHA financial statements for a fiscal year in which some of the months are under asset management and other months are under non-asset management.

o PHAS score implications: The need to accurately capture the data during the switch.

October 18, 2021— CFO reported the following to the Board in the Financial Report:

o The Authority confirmed with HUD that it is not precluded from migrating away from the COCC structure and ***will look to eliminate the need for COCC effective July 1, 2021.***

o The elimination of the COCC will also ***eliminate the need for the COCC fee schedule that was previously requested.***

o As part of the COCC elimination, the Authority will work with its consultants to develop a ***cost allocation plan prior to the elimination.***

November 8, 2021— CFO reported the following to the Board in the Financial Report:

o NRMHA met with ***Brian Alten, CPA (consultant with BDO PHA Finance)*** to discuss what would be needed to complete the cost allocation plan.

December 13, 2021— CFO reported the following to the Board in the Financial Report:

o NRMHA worked with ***Brian Alten, CPA (consultant)*** and ***completed the cost allocation plan.***

o Plan was ***reviewed with the Board and provided to HUD.***

o ED, Board, and Counsel discussed that elimination of the COCC does not resolve the problem as stated in HUD's letter of 12/21/2022 Par. 1(a)(i) as the ongoing legacy costs place an extremely heavy financial burden on the NRMHA.

CONTROL ACTIVITIES TO ENSURE THAT TRANSACTIONS ARE RECORDED IN A TIMELY MANNER

September 20, 2021 — CFO reported to the Board in the Financial Report that CFO "*began working with the Fee Accountant to ensure that there are procedures in place to ensure that we get caught up so that there is monthly reporting and the year-end close for June 30, 2021 is seamless as we are closing each month in a timely fashion*" (emphasis added).

OCTOBER 18, 2021 — CFO reported to the Board in the Financial Report, that:

o NRMHA met with the software vendors and attended training on the vendor and general ledger modules.

o The unaudited submission for the June 30, 2021 fiscal year end was submitted by the Fee Accountant.

- o The audit of June 30, 2020 was completed by September 30, 2021.

DECEMBER 13, 2021 — CFO reported to the Board in the Financial Report, that:

- o The Fee Accountant will complete the September, October and November bank reconciliations.

Once all trial balances are reconciled in PHAWeb prepare the monthly and quarterly reporting requested by HUD through PHAWeb.

- o Complete the software implementation and develop the monthly and quarterly reporting required by HUD.

FEBRUARY 14, 2022 — CFO reported to the Board in the Financial Report, that:

- o Fee Accountant will complete the January and February bank reconciliations.
- o Fee Accountant will prepare the monthly and quarterly reporting requested by HUD through PHAWeb and submit to HUD.
- o Work with the auditor to complete the June 30, 2021 audit prior to March 31, 2022.

MARCH 11, 2022 — CFO reported to the Board in the Financial Report, that:

- o Migration to the new program and accounting software is complete.
- o All opening balances have been imported and all transactions are now recorded in the PHA-Web software.
- o Work with the auditor to complete the June 30, 2021 audit prior to March 31, 2022.

APRIL 11, 2022 — CFO & Fee Accountant reported to the Board: **(T. Doyle, A. Fox & N. Beauchamp)**

- o Software is up to date and running.
- o Remaining item: Monthly and Quarterly Financial Reporting.
- o Financial reporting was provided to HUD in February with no comments from HUD yet regarding the reports/reporting structure.
- o FYE21 Audit — Draft has been reviewed.

MAY 5, 2022 — CFO reported to the Board in the Financial Report, that:

- o The Management and Finance team were in disagreement with one audit finding.
- o Federal government to address the finding with the auditor and provide additional information, that we believe will resolve the matter.
- o We will continue to update the Board with progress as the audit matter is resolved.
- o The Board has asked that we provide our comments on the audit and discuss further with the Board.

- o We have met with the fee accountant, management and other consultants and will forward that communication to the board in the upcoming month.

June 12, 2022 — CFO reported to the Board in the Financial Report, that:

- o The annual audit — The unaudited submission for June 30, 2021 has been submitted and the audit is complete.
- o The audit of the June 30, 2021 financial statements was concluded and we are awaiting receipt of the final audit.
- o The Fee accountant has reconciled all months through March 2022 and has provided the March 2022 Financial statements.

ii. CONDITION & CAUSE: Housing Choice Voucher Program was being effectively monitored in order to ensure that program funds were not used for non-program purposes.

e. The Board is not aware of the Housing Choice Voucher Program's financial issue as stated in HUD's letter regarding the use of program funds for non-program purposes (which is a direct function of the ED and NRMHA staff). Upon information and belief, NRMHA currently has twenty-three (23) employees, and has dedicated at least two (2) staff personnel to specifically **manage and monitor** the Housing Choice Voucher Program, with the following titles and duties, as outlined in the employment manual:

1. Housing Choice Voucher Program Administrator:

- o ***Oversees*** the overall functions of the Authority's Programs (***Public Housing, Housing Choice Voucher, and Low-Income Housing Tax Credit***).
- o ***Leads*** program staff and *operations*.

2. Housing Voucher Program Specialist:

- o ***Manages*** Portability-Out Program functions which include initial and subsequent billing arrangements. ***Manages*** Portability-In Program functions including voucher issuance.
- o ***Establishes*** initial ***billing arrangements*** and monthly ***collections***.

1(b). The Board has no knowledge of the non-compliance issues raised in HUD's letter and outlined as 1), b), i), ii), and iii), as these are intricately managed, operated and reported to the Board by the ED and NRMHA staff.

Further, to ensure compliance with the Recovery Agreement and the IGCA, the Board relentlessly provided NRMHA with unwavering support in its efforts to hire a financial team that would provide NRMHA, the staff, and the Board with the best financial expertise, advice, guidance, and support to help raise NRMHA out of troubled status. In this effort, we believed we had a strong financial team to achieve this goal, and that we were near the desired

outcome. The financial team individually and/or collectively is best equipped to address issues regarding audits, asset management fee expenses, operating transfers, equity transfers, etc., as the Board is not directly involved with any of NRMHA's daily financial transactions, and should not be held accountable for same, as HUD has alleged, when the financial team, Executive Director, staff and other consultants are being adequately compensated to do so.

2. The Board DID take sufficient steps to oversee, guide, and track implementation of Action Plan results for Financial Management.

- a. The Board approved NRMHA to hire a CFO

The Board hired a CFO - The Bonadio Group (Timothy Doyle)

Mr. Doyle was highly recommended by the City of New Rochelle, and NRMHA had no influence, power, or authority in that decision even though Mr. Doyle, by his own admission, had no prior experience working with housing authorities and stated that his expertise was in working in the Education system. Although, the Board expressed its concern about this major issue, HUD had no problem with NRMHA hiring him and expressed no pushback on this issue. However, Mr. Doyle's lack of housing experience eventually caused the NRMHA to expend additional funds to hire another financial professional with decades of HUD experience to clean up Mr. Doyle's mess.

In a letter to HUD dated March 31, 2020, the ED wrote that the Authority attempted to resolve its financial management issues by, *"entering into a Cooperation Agreement with the City, dated August 31, 2018, (CFO Agreement) whereby the City would provide a Chief Financial Officer (CFO) to oversee the Authority's finances and work with the Authority on its financial management....While the CFO did a number of things to assist the Authority, the work to resolve the financial issues outlined in the Recovery Agreement was not even begun.....In fact, the CFO Agreement did not achieve the desired result....Despite its best efforts, the City is not familiar with all of the rules and regulations to which a public housing authority is subject....The City engaged a third-party to serve in the role of CFO. The CFO chosen did not have housing authority experience nor background and was generally not effective to the capacity we needed."*

Prior to the expiration of Mr. Doyle's contract, NRMHA conducted and paid for its own professional employment search for a CFO. Upon identifying a viable candidate, HUD, expressed concern about the candidate's educational background, etc., and the ED reported that the City's surprise "civil service" inquiries, which were not conveyed until it was near the time for approval of the candidate, created such a delay that NRMHA lost the candidate.

- b. The Board approved NRMHA to hire a Fee Accountant.

Subsequently, the NRMHA requested that the fee accountant be allowed to act as CFO--to which NRMHA received resistance, no response(s), or unclear response(s) from HUD.

c. The Board approved the implementation of a new financial software system— suggested, approved, and recommended by HUD because it was to provide **greater financial controls** -- which was guaranteed to alleviate many of the internal financial recording and reporting issues -- on which all of the staff would be trained.

d. The Board made consistent requests for financial reports, and inquiries regarding payables, staff size and salaries, which the ED told us met with HUD's satisfaction.

The Board approved the NRMHA to hire a CFO, Fee Accountant, CPA, and several other consultants (financial and non-financial) for which the ED expressed need in order to comply with the financial management requirements of the Recovery Agreement. On one occasion, HUD even inquired why NRMHA needed so many consultants. The Board has properly discharged its fiduciary duty by hiring financial professionals equipped to provide the necessary services and report to NRMHA and the Board on a monthly basis, all of whom are sufficiently and consistently compensated. Hence, HUD is not warranted in its allegations against the Board.

Par. #3 of HUD's letter — Responses are embodied in the various foregoing paragraphs.

4. The Board does NOT lack fundamental knowledge of HUD programs resulting in Violation of Fair Housing Laws

a. Apparently, HUD has a memory lapse of what is discussed at our meetings even though it has a representative present at each meeting. We have discussed Title VI issues at our meeting regarding limited English proficiency and disability issues wherein we had direct guidance from our legal consultants. We were advised by Counsel that this was not a matter of grave concern as the violation(s) could be cured by the NRMHA entering into a Voluntary Compliance Agreement (VCA) with HUD's Office of Fair Housing and Equal Opportunity. Said Agreement was signed in February of 2022.

b. HUD references the letter of September 12, 2021 from its Office of Fair Housing and Equal Opportunity, but conveniently and unfairly failed to reference the subsequent letter of November 10, 2021 from that same office wherein the following directive was conveyed:

"The Department is confident that the parties can resolve the findings of the September 13, 2021 LOF through a VCA. In an attempt to secure voluntary resolution, attached is a revised VCA that is ready for execution."

c. February 23, 2022 – Special Board meeting. The Board adopted Resolution 22-02-22 to authorize the Executive Director to enter in the VCA with HUD's Office of Fair Housing and Equal Opportunity.

BOARD TRAINING

Although the issue of training does not appear anywhere in HUD's letter of December 21, 2022, it is extremely important that we address the false allegation advanced by Michael Syme at the January 2023 City Council Meeting, that the Board refused to complete the training requirement as required by the Recovery Agreement.

a. The following is included in HUD's letter of May 14, 2020 to the Executive Director:

▪ ***Governance: 1b. states new Board Members shall participate in training to include, but not limited to, PHA financial management and operational oversight within 60 days of appointment. Please confirm that all new Board members, if any, has received required training within the 60-day time-frame.***

▪ ***NRMHA Response: The Authority confirms that all new Board Members have received the required training noted above within 60 days of their appointment***

▪ ***HUD response: This item has been satisfactorily closed.***

In view of the foregoing, we fail to see where HUD's allegations bear any relation to the Board's failure to properly discharge its duty. The vast majority of its complaints bear a direct relation to the Executive Director and internal staff who are charged with management of the day-to-day operations--which is not a function of the Board. Further HUD's attack on the Board is unwarranted, unjustified, unfair and unethical. It appears that HUD would be satisfied if the Board were in house, full time running the agency, but then, that is not our responsibility as a Board, and based upon experience with HUD, we doubt if that would even suffice.

Finally, please be advised that we hereby confirm acknowledge of your statement in our meeting of January 27, 2023 that there are no formal administrative remedies or processes currently existing that will allow us to challenge Mr. Strome's decision to terminate the New Rochelle Municipal Housing Authority Board of Commissioners.

Sincerely,

The (former) Board of Commissioners

Sheila E. Small

Rev. Harry Dawkins

Michael Yellin

Haslyn Howard

EXHIBIT H

PRIVILEGED & CONFIDENTIAL COMMUNICATION

Kathleen Gill
Office of the City Manager
City of New Rochelle New York
515 North Avenue
New Rochelle, NY 10801

March 3, 2023

DELIVERY VIA PERSONAL HAND DELIVERY

RE: Follow-Up to Settlement Discussion

Dear Ms. Gill:

This letter is sent in follow-up to our meeting on February 10, 2023. At the conclusion of the meeting, your office agreed to draft a proposed letter of acknowledgement for our initial review and comment. The understanding at the time was that proposed letter would be forthcoming in a matter of days, however, several weeks have now elapsed and we have not heard from your office, nor have we received the draft of the proposed letter.

To date, we have sought to engage in settlement negotiations with the City in good faith and hope that the delayed in production of the proposed letter is not a bad faith delay tactic intended to prejudice our ability to vindicate our rights. Assuming, that this is merely an oversight or misunderstanding on the part of the City, we are standing by for the promised draft of proposed letter of acknowledgment, and hope that you can produce said letter within a week.

However, if the City no longer wishes to negotiate an amicable settlement to this matter, please extend to us the common courtesy of affirmatively stating its intention to terminate settlement negotiations of this matter.

In the event that the City terminates negotiations, please be advised that we are left with no other alternative but to file an Article 78 proceeding challenging the City Manager's unlawful decision to terminate the Board of Commissioners of the New Rochelle Municipal Housing Authority (NRMHA).

As I am sure you are aware, as NRMHA Commissioners, we were each appointed pursuant to Article VI, Section 41 of the City Charter, which states in relevant part that the City Manager "shall have the power to appoint and remove all department heads and such officers and employees in the administrative service of the city as may be assigned by law." Furthermore, we acknowledge the City Manager has removal authority pursuant to Article VI, Section 42 of the City Charter which dictates the means and manner by which the City Manager is authorized to effect a removal. However, pursuant to NYS Municipal Housing Authority Law,

Chapter 44-A, Article 3, as Commissioners, the City was obligated to provided us both notice and an opportunity to be heard prior to removal.

Indeed, NYS Municipal Housing Authority Law, Chapter 44-A, Article 3, in relevant part states the following regarding removal of a member of a municipal housing authority:

"The mayor of a city or village, or the town board of a town, may remove a member of the authority for inefficiency, neglect of duty, or misconduct in office, but only after the member shall have been given a copy of the charges against him and an opportunity to be heard in person or by counsel in his own defense at a public hearing."

Your predecessor's summary termination of the Board was in direct contravention of the strictures of NYS Municipal Housing Authority Law, Chapter 44-A, Article 3 as it pertains to notice and hearing requirements. Further, his action in this regard is a fatal and unamendable flaw; that renders the termination of the Board invalid by operation of law.

Former City Manager Chuck Strome's ("Strome") decision to terminate the Board on the eve of his retirement was a proverbial own goal that has had widespread unintended consequences for both the City and the members of the Board. To be sure, the fallout from Strome's decision has increased animus and suspicion amongst the residents of New Rochelle and the residents of NRMHA toward the City and towards your Administration. We understand that you undeservedly inherited an albatross from Strome which now places you in the unenviable position having to address it with both empathy and political savvy.

It is important to note that we have gone to great lengths to avoid dragging the City into litigation. Such litigation ~~which~~ would needlessly waste taxpayer resources, divert your attention from other more pressing matters of the City, and bring unwanted attention from the media and New Rochelle citizens to the current and prior administration. And, while litigation of this matter will rightly restore our respective good names and reputation, it is a course of action that we hope both parties seek to avoid, if at all possible.

Thanks, you for your time and attention is this matter.

Sincerely,

The (former) Board of Commissioners

Sheila E. Small

Rev. Harry Dawkins

Michael Yellin

Haslyn Howard

STATE OF NEW YORK
SUPREME COURT COUNTY OF WESTCHESTER

In the Matter of the Application of SHEILA E. SMALL, REVEREND HARRY DAWKINS, MICHAEL YELLIN AND HASLYN HOWARD, FORMER MEMBERS OF THE BOARD OF COMMISSIONERS OF THE NEW ROCHELLE MUNICIPAL HOUSING AUTHORITY,

Petitioners,

AFFIDAVIT

For Judgment Pursuant to Article 78 of the Civil Practice Law and Rules

-against-

CITY MANAGER FOR THE CITY OF NEW ROCHELLE, THE CITY OF NEW ROCHELLE, NEW YORK, THE BOARD OF COMMISSIONERS OF THE NEW ROCHELLE MUNICIPAL HOUSING AUTHORITY, and NEW ROCHELLE MUNICIPAL HOUSING AUTHORITY

Respondents.

STATE OF NEW YORK)
) ss.:
COUNTY OF WESTCHESTER)

Sheila E. Small, being duly sworn, deposes and says:

1. From 2004 until December 29, 2022, when Respondents unceremoniously and unlawfully terminated my position, I served on the Board of Commissioners of the New Rochelle Municipal Housing Authority (“NRMHA”). As such, I am fully familiar with the facts and circumstances herein, and I am authorized to make this affidavit. I make this affidavit based on personal knowledge and knowledge derived from reviewing books, records, and documents possessed by Petitioners. Said books, records, and documents were made and kept in the ordinary

course of Petitioners' business, and it is Petitioners' business to produce and keep such books, records, and documents.

2. I make this affidavit in support of Petitioners' Article 78 Petition.

3. On January 13, 2004, The City of New Rochelle (the "City") appointed me as a Commissioner to the NRMHA. I have been reappointed for additional five-year terms since, including my last reappointment in March of 2021.

4. During my tenure with the NRMHA, I served as a Commissioner, as the Vice Chairperson, and as the Chairperson.

5. On December 8, 2014, a Recovery Agreement was executed between NRMHA, the City, and the United States Department of Housing and Urban Development ("HUD")(the "Agreement") as a result of NRMHA's status as a troubled municipal housing agency.

6. The Agreement sets forth approximately 35 goals for the NRMHA to satisfy in order to graduate from its status as a "Troubled Agency". Petitioners worked diligently with HUD over the previous eight (8) years to satisfy 33 of those 35 goals, which allowed NRMHA to graduate from their "Troubled Status" to a "Standard Public Housing Authority ("PHA")" on March 24, 2021. Prior to this graduation, NRMHA qualified as a "Troubled Agency" for more than fifteen (15) years.

7. On December 6, 2022, HUD gave the Board its highest score in over a decade in terms of its performance, remaining a Standard Performer, and a "huge accomplishment" according to the NRMHA's Executive Director, Angela Farrish ("Farrish"). *See*, December 6, 2022 email from Farrish to the Board, accompanied by HUD's PHA Score Report, both attached hereto as **Exhibit I**.

8. On December 21, 2022, in a letter to the former City Manager, Charles B. Strome,

III (“Strome”), HUD alleged that Petitioners were not meeting their requirements needed to effectively govern the NRMHA (“HUD Letter”).

9. On December 29, 2022, on the eve of his retirement and within weeks of receiving one of its highest scores ever by HUD, Strome relieved Petitioners of our duties in a one-page letter (“Termination Letter”). *See*, December 29, 2022 letter to all Board Members terminating their positions, attached to the Petition as **Exhibit A**.

10. The decision to relieve us of our duties occurred during the holiday season, only eight (8) days after the HUD Letter was sent, and without any opportunity for the Board to defend itself. The Termination Letter makes blanket allegations in an attempt to undercut the previous eight (8) years of service carried out by Petitioners.

11. Indeed, since execution of the Recovery Agreement, collectively as Commissioners, we have provided NRMHA with countless hours of time, skills, and professional expertise, on a volunteer basis, in steadfast support of the goals of improving the lives and living conditions of NRMHA residents as well as successfully achieving the milestones set forth in the Recovery Agreement.

12. At no time while we discharged our duties under the Recovery Agreement did our performance ever come into question by Respondents.

13. To the contrary, the City acknowledged the diligent efforts of the NRHMA Executive Director, its staff, and the Board when commending us for making “numerous steps in the right direction”. *See*, November 10, 2020 letter to all Board Members, attached hereto as **Exhibit J**.

14. We were commended by the City for satisfying 33 out of the 35 HUD-mandated goals, guiding NRHMA to a Standard Public Housing Authority performer, shedding the Troubled

status that had persisted for more than fifteen years under the prior Board of Commissioners.

15. In light of the foregoing, we were blindsided by Strome's decision to summarily disband a high-functioning and effective Board during the Holiday season and on the eve of Strome's retirement as City Manager. Had Strome given us the simple courtesy of an opportunity to respond to the allegations that formed the basis of his decision, he would have readily discovered that many of the allegations were verifiably false based on the records that were already in the City's possession or, alternatively, were the responsibility of the City, the Executive Director, the Chief Financial Officer, the Fee Accountant, CPA, and/or the financial consultant (collectively, the financial team of the NRMHA) as part of their day-to-day roles within the NRMHA and under the terms of a Cooperation Agreement between the City and NRHMA dated August 31, 2018. A copy of the Cooperation Agreement is attached hereto as **Exhibit K**.

16. Respondents unlawfully terminated Petitioners in response to the Board's ongoing objection to the City's larger political agenda of redeveloping areas surrounding and including the Bracey Project, a large public housing project the NRHMA and our Board oversaw.

17. For example, in January of 2021, the Board noticed a change in Respondent's attitude toward the Board shortly after the Board expressed concerns over the City's plan that would convert property directly adjacent to the Bracey Project into a Starbucks that included a drive through and could have detrimental effects on the health and safety of the Bracey residents residing next door. The Board expressed concerns over the design, lighting, landscaping, and traffic that would have resulted from such a project, not to mention the City's plan did not comply with the current zoning that prevented drive-throughs on any premises abutting residential property. Keep in mind, 100 families reside within the Bracey Project.

18. Subsequently, at its December 12, 2022 meeting – just seventeen (17) days before

our unlawful terminations – the Board informed the City of its intention to adopt a plan at its next Board meeting in January that would support the NRMHA’s continued operation of the Bracey project and provide its residents with potential ownership opportunities – a plan that directly conflicted with what the City envisioned within that area of the City.

19. While the City aggressively pushed the Board to convert the public Bracey Project into a privately owned Rental Assistance Demonstration (“RAD”) project, the Board collaborated with the Fordham Law Clinic and the Harvard Graduate School of Design to devise an award-winning redevelopment plan allowing the NRMHA continued control of Bracey, while at the same time providing potential home ownership opportunities to its residents, thereby maximizing community development.

20. On December 13, 2022, within hours after learning the Board intended to oppose the City’s plan for privately redeveloping the Bracey Project, the City’s Commissioner of Development reached out directly to HUD in an effort to generate evidence supporting Respondents’ plan of removing the entire Board that would not support the City’s privatization of Bracey. *See*, December 13, 2022 email from Salgado to D’Ancona (the “Salgado Email”), attached hereto as **Exhibit L**.

21. Within days of the Salgado Email, HUD outlined its alleged “concerns” within its Termination Letter that are nothing more than pretext for removing the Board Members whose interests ran counter to the City’s preferred private redevelopment of the Bracey Project.

22. Upon receipt of the City’s Termination letter, the Petitioners and I reached out to set the record straight with the City. To that end, the Board drafted several letters to the City responding to each and every allegation within the HUD Letter, pointing out the extreme falsehoods contained therein. Those letters are attached within the Petition as **Exhibits F, G and**

H and I highlight a few of HUD's misrepresentations below.

23. As and for one example, the Respondents' allegation the Board failed to establish a proper internal control environment in achieving the NRMHA's mission is false.

24. In November 2019, the NRMHA, in conjunction with its CFO, Timothy Doyle ("Doyle"), established an Internal Control Policies and Procedure (the "Policy"), a 53-page document establishing internal control policies.

25. On March 2, 2020, HUD visited the NRMHA and interviewed the staff concerning Doyle's recently completed Policy training. At no time during this visit did HUD express any concern with the Policy NRMHA developed.

26. In April and May of 2020, the NRMHA management and staff reviewed the Policy document and the Board ultimately approved of the same.

27. Even though HUD and the City reviewed the Policy years prior, at no time did Respondents or HUD object to the newly created Policy. HUD's Letter marked the first time Petitioners learned of any concerns over the recently enacted Policy.

28. HUD also misrepresents the facts surrounding the NRMHA's FY2021 Operating Budget within its Termination Letter.

29. By way of background, NRMHA's 2021 fiscal year began July 1, 2020. Every year, it is the fee accountant's responsibility to draft the NRMHA budget.

30. In 2020, the fee accountant position was left vacant for several months for a number of reasons outside the Petitioners' control including, without limitation, the earlier dismissal of the prior fee accountant at the urging of the Respondents and HUD, procurement delays, and pandemic complications.

31. In January of 2021, HUD finally approved the Petitioner's request for the

procurement of a new fee accountant, approximately six (6) months into the fiscal year.

32. In February of 2021, the CFO and the new fee accountant met with NRMHA's Executive Director of NRMHA to discuss the FY2021 budget with only roughly four months left in that same fiscal year.

33. Throughout the remaining months of FY2021, the CFO reported to the Board within his monthly Financial Report that he "committed to reporting the budget financials utilizing a format that HUD had approved".

34. On December 13, 2021, the CFO reported that the fee accountant completed the requested budget revisions required by HUD and finalized the FY2021 budget.

35. At no time did the Board receive any concerns from HUD (or the City for that matter) regarding the FY2021 budget delay.

36. More importantly, HUD never added the above items to the Agreement as a targeted milestone, nor did this issue prevent HUD from releasing NRHMA from troubled status on March 24, 2021.

37. There are also many allegations HUD raises that we as a Board did not have direct knowledge of since the Executive Director, the fee accountant, the CFO, or other day-to-day staff members (many of whom were appointed by or recommended for service by the City) maintained direct oversight within the areas in which the concerns were raised pursuant to an August 31, 2018 Intergovernmental Cooperation Agreement (hereinafter "Cooperation Agreement").

38. At HUD's request, the NRMHA and the City of New Rochelle entered into this Cooperation Agreement whereby the City of New Rochelle was engaged to provide all necessary financial services and oversight of the NRMHA. This oversight included retaining a Chief Financial Officer whose services included responsibility for financial planning, tracking cash flow,

overseeing financial activities, serving as the internal financial control officer, facilitating all expenditures to be made by the NRMHA pursuant to the approved annual budget, and approving in advance any expenditures outside of such approved budget.

39. The CFO for NRMHA was highly recommended by the City even though the CFO had no prior experience working with housing authorities. This lack of experience ultimately placed additional financial pressures on the NRMHA (through no fault of the Board's) when it expended funds to hire another financial professional to clean up the mess left behind by the previous CFO.

40. In addition, the Chief Financial Officer was given the authority to approve the retention of all outside professionals, including accountants and legal counsel. The Chief Financial Officer was further given the authority to work with the Executive Director or her designee to resolve the open financial issues set forth in the Recovery Agreement, and in furtherance thereof, the City's designee shall create deadlines to achieve milestones, and create a process for tracking the progress of resolving the open issues set forth in the Recovery Agreement.

41. The Board also had no direct knowledge of HUD's concerns with the Housing Choice Voucher Program's financial issues as that program is overseen by the Executive Director and NRMHA staff. The Board was never made aware of this issue until receiving the Termination Letter and thus did not have any opportunity to respond or remedy the concern.

42. Furthermore, HUD's "concerns" with the Board's knowledge of HUD programs resulting in alleged violations of the Fair Housing laws gravely misrepresents the facts. The Board on numerous occasions discussed Title VI issues at its meetings, especially regarding limited English proficiency and disability issues. The Board went so far as seeking out and receiving direct guidance from their legal consultants and was advised by all parties involved that there was

nothing to be concerned about as any perceived “violations” could be cured by the NRMHA entering into a voluntary compliance agreement (VCA) with HUD’s office of Fair Housing and Equal Opportunity.

43. On February 23, 2022, at a Special Meeting of the Board, HUD and the NRMHA, at the direction of the Board, entered into a VCA. Since then, the NRHMA never fell out of compliance with the VCA’s requirements.

44. As outlined above, the NRMHA continued its upward trajectory since the NRMHA executed the Recovery Agreement in 2014. The HUD Letter to Strome, solicited by Salgado, contains baseless allegations that obfuscate the facts. The HUD Letter only came about when it became clear to the City that the Board, acting independently with a focus solely on the needs and interests of our financially vulnerable tenants, did not support the views of the City when it came to redeveloping the Bracey Project and its surrounding areas. Once the Board’s intentions were known to the City, the most expedient way for the City to continue its third-party, privatization-focused redevelopment plans was to remove the only thing in its way – the independent-minded Board. In its haste to terminate the Board before its planned development policy vote on January 9, 2023, the City removed the Board without affording the Board any opportunity to refute the baseless, undeserved and reputation-damaging allegations wrongfully lodged against them.

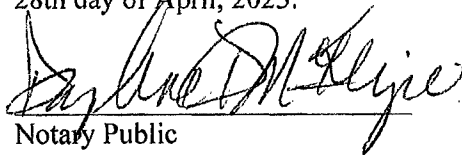
45. Petitioners have for years been tireless and dedicated advocates for those vulnerable and disadvantaged persons in need of safe, sanitary, decent and affordable housing opportunities and support. The creation of a letter containing false and misleading allegations allegedly justifying the termination of Petitioners from NRMHA by Strome on December 29, 2022, which was disseminated to other City officials and the public with photographs of each Petitioner, coupled with the denial of Petitioners rights to challenge and refute those allegations

by the current City Manager and City of New Rochelle, has unlawfully damaged the reputations and opportunities of Petitioners, without due process of law.

WHEREFORE, Petitioners respectfully request the relief set forth in our Petition, together with such other and further relief which the Court deems just and proper.


Sheila E. Small, Petitioner

Sworn to before me this
28th day of April, 2023.


Notary Public

DAPHNE D. MCKENZIE
NOTARY PUBLIC-STATE OF NEW YORK
No. 02MC4849583
Qualified In Bronx County
My Commission Expires 06-30-2023

CERTIFICATE OF COMPLIANCE

The foregoing was prepared on a computer. A proportionally spaced typeface was used, as follows:

Name of typeface: Times New Roman

Point Size: 12

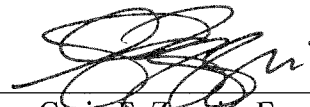
Line Spacing: Double

The total number of words in this affidavit, inclusive of point headings and footnotes and exclusive of pages containing the table of contents, table of citations, proof of service, certificate of compliance, or any authorized addendum containing statutes, rules, regulations, etc. is 2726.

Dated: April 28, 2023

O'CONNELL & ARONOWITZ

By: _____



Graig F. Zappia, Esq.
Attorneys for Plaintiff
54 State Street, 9th Floor
Albany, New York 12207
(518) 462-5601
Gzappia@oalaw.com

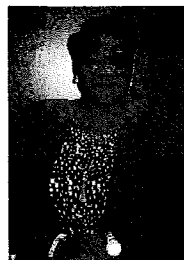
EXHIBIT I

From: Angela Farrish <afarrish@nrmha.org>
To: Board of Commissioners <BoardofCommissioners@nrmha.org>; Jason Labate <jlabate@goldsteinhall.com>; Syme, Michael H. <msyme@foxrothschild.com>
Cc: Andrew Fox <afox@efprgroup.com>; Nicholas Beauchamp <nbeauchamp@efprgroup.com>; Catrina Shivers <cshivers@nrmha.org>; Sophia Grewe <sgrewe@nrmha.org>; Denise Wesley <criminodoc@aol.com>; 'Sheila Small' <sesesg@aol.com>; 'Harry Dawkins' <hd3ns@aol.com>; michael yellin <myellin38@gmail.com>; Haslyn Howard <hazhoward@gmail.com>
Sent: Tue, Dec 6, 2022 12:16 pm
Subject: FW: Standard Performer Notification - NY088 06/30 2022

Good afternoon all,

I am pleased to report that once again, the agency remains a **STANDARD PERFORMER**. We received an overall score of **82** which is the highest score we have received in over 10 years!!!! This is a huge accomplishment for the agency.

Best,



Angela Davis-Farrish, PHM
Executive Director
New Rochelle Municipal Housing Authority
50 Sickles Avenue
New Rochelle, NY 10801
914-636-7050 x201
afarrish@nrmha.org

“Success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome while trying to succeed.” – Booker T. Washington

Confidentiality Notice: This e-mail transmission is intended only for the individual or entity named in the email address and may contain confidential or legally privileged information that is exempt from disclosure under applicable law. If you are not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying, distribution or reliance upon the contents of this e-mail communication is strictly prohibited. If you have received this e-mail transmission in error, please reply to the sender, so that the New Rochelle Municipal Housing Authority can arrange for proper delivery, and delete the message from your system. Thank you.

From: phas@hud.gov <phas@hud.gov>
Sent: Tuesday, December 6, 2022 9:31 AM
To: Angela Farrish <afarrish@nrmha.org>
Cc: Luigi.D'Ancona@hud.gov; Christopher.J.Ingram@hud.gov; suenping.yip@hud.gov;

Caroline.A.Ranjitsingh@hud.gov; Norman.W.Murphy@hud.gov; Mark.A.Warren@hud.gov;
Nicole.E.Willingham@hud.gov; PHAS-OFO@hud.gov
Subject: Standard Performer Notification - NY088 06/30 2022

Dear Executive Director:

This letter is to advise you that the Public Housing Assessment System (PHAS) score and designation for your public housing agency (PHA) has been issued for the fiscal year end stated in the above subject line.

For your convenience a score report is attached. You are encouraged to login to HUD's Secure Systems for the most recent scoring information; to review the Assessment Status Report; and to monitor the status of your assessments.

If you believe that an objectively, verifiable, and material error occurred in the scoring and that correcting it will change the PHAS designation, you may submit an appeal request pursuant to 24 CFR 902.69. For prompt delivery and assurance it is received within the prescribed timeline, it is suggested that you submit the appeal through the request tab in Secure Systems. If you prefer you may submit the appeal to:

Ashley L. Sheriff
Deputy Assistant Secretary
U.S. Department of Housing and Urban Development
Real Estate Assessment Center
550 12th Street S.W.
Suite 100
Washington, DC 20410

Please refrain from sending the request through more than one method.

Should you have any questions, please email us at PHAS@hud.gov or contact the Technical Assistance Center (TAC) at 1-888-245-4860, Monday through Friday from 7:00am to 8:30pm Eastern Time.

Robert Champion
Program Manager, iNtegrated Assessment SubSystem



U.S. Department of Housing and Urban Development

OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim

Report Date: 12/06/2022

PHA Code:	NY088
PHA Name:	New Rochelle Housing Authority
Fiscal Year End:	06/30/2022

PHAS Indicators	Score	Maximum Score
Physical	28	40
Financial	25	25
Management	19	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	82	100
Designation Status:	Standard Performer	
Published 12/06/2022	Initial published	12/06/2022

Financial Score Details	Score	Maximum Score
Unaudited/Single Audit		
1. FASS Score before deductions	25.00	25
2. Audit Penalties	0.00	
Total Financial Score Unrounded (FASS Score - Audit)	25.00	25

Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	100.00	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

- The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
- Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
- "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
- "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
- PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasinrule.cfm>

EXHIBIT J

Charles B. Strome III
City Manager
(914) 654-2140



515 North Avenue
New Rochelle, NY 10801
Fax: (914) 654-2174

Email – Cstrome@newrochelleny.com

City of New Rochelle
New York

November 10, 2020

Ms. Angela Davis-Farrish
Executive Director
New Rochelle Municipal Housing Authority
50 Sickles Avenue
New Rochelle, NY 10801

Re: Intergovernmental Cooperation Agreement

Dear Ms. Farrish:

As you are aware, the City of New Rochelle and the New Rochelle Municipal Housing Authority entered into an Intergovernmental Cooperation Agreement (IGCA) back in August of 2018. The IGCA was established, as a HUD requirement, to satisfy the Queen City Tower Project Rental Assistance Demonstration (RAD) conversion commitment conditions requiring the NRMHA to show satisfactory progress with all Recovery Agreement and Action Plan items. It is safe to say that the closing would not have occurred without assurances from the City regarding oversight of the NRMHA's financial controls required in this agreement and the hiring of a Chief Financial Officer (CFO).

Over the last two-plus years City staff, working out of the Department of Development, have worked diligently to assist the NRMHA. It is my understanding that the NRMHA has made numerous steps in the right direction and for that I commend you, your staff and the Board.


I have been advised that the NRMHA desires to terminate the IGCA because the agreement, according to your letter to HUD dated March 31, 2020, did not achieve the desired result of (effective) financial management. In response to your aforementioned letter HUD has stated, in their letter dated August 07, 2020, that "they (HUD) is not a party to the agreement between the NRMHA and the City; therefore, both parties can renew or terminate the agreement without HUD approval." In the same letter HUD has also stated that:


If the Agreement is terminated, you (NRMHA) must develop and submit an alternate action plan for our review and approval (within 30 days of termination) that meets the same requirements as the agreement. This includes but is not limited to the following: Assign a person or person(s) to serve as NRMHA's CFO and be responsible for financial planning, tracking cash flow, overseeing financial activities and serving as the internal financial control officer.

It is important to note that the original intent of the IGCA was that the agreement would stay in place until the termination of the Recovery Agreement. With that said, and in response to the NRMHA's desire to terminate the IGCA, the City will support the termination of the IGCA, effective December 31, 2020. Prior to terminating, the NRMHA should provide assurances to the City, in writing, detailing their confidence in meeting the HUD required submission of an alternate action plan within 30 days after the IGCA is terminated. Of course, the City will remain

a party to the Recovery Agreement between HUD and the NRMHA until all issues are resolved. In addition, the City will continue to send a representative to attend all NRMHA Board Meetings in the future.

Please advise, within 10 days of receipt of this letter, if the NRMHA would like to move forward with the termination of the IGCA. Please note, the CFO contract with the Bonadio Group is scheduled to expire on December 31, 2020.


Sincerely,


Charles B. Strome III
City Manager

cbs/la

Enclosure: HUD Letter to Angela Farrish Dated August 07, 2020

cc: Kathleen Gill, Corporation Counsel (via email)
Luiz C. Aragon, Commissioner of Development (via email)
Luigi D'Ancona, Director NY Office of Public Housing (via email)



U.S. Department of Housing and Urban Development
New York State Office
Jacob K. Javits Federal Building
26 Federal Plaza
New York, New York 10278-0068
https://www.hud.gov/states/new_york/offices

August 7, 2020

By email: afarrish@nrmha.org

Ms. Angela Farrish
Executive Director
New Rochelle Municipal Housing Authority
50 Sickles Ave.
New Rochelle, New York 10801

SUBJECT: Intergovernmental Cooperation Agreement
Assignment Number: 20-03-31-1715

Dear Ms. Farrish:

We are in receipt of your March 31, 2020 letter regarding the Intergovernmental Cooperation Agreement (Agreement) between the New Rochelle Municipal Housing Authority (NRMHA) and the City of New Rochelle (City). You stated in your letter that the Agreement did not achieve the desired result of (effective) financial management and therefore have asked for approval to terminate the Agreement. HUD is not party to the Agreement between the NRMHA and the City; therefore, both parties can renew or terminate the Agreement without HUD approval.

However, we remind you that the Agreement was established as a requirement to satisfy the Queen City Tower Project Rental Assistance Demonstration (RAD) conversion commitment conditions before the closing in June 2018. One of the conditions required the NRMHA to show satisfactory progress with all Recovery Agreement and Action Plan (AP) items. We would not have cleared the conditions without the assurances related to the City's oversight of NRMHA's financial controls required in the executed Agreement and the hiring of a Chief Financial Officer (CFO).

Therefore, if the Agreement is terminated, you must develop and submit an alternate action plan for our review and approval (within 30 days after termination) that meets the same requirements as the agreement. This includes but is not limited to the following: Assign a person or person(s) to serve as NRMHA's CFO and be responsible for financial planning, tracking cash flow, overseeing financial activities and serving as the internal financial control officer. We also remind you that if you decide to procure a third-party CFO, our letter dated July 20, 2015 stipulates that for any contract over \$25,000, the procurement documentation must be submitted to our office for review and approval.

In addition, please note that we revised the AP (as of April 30, 2020) and transmitted it to you on May 14, 2020. Unfortunately, the NRMHA has still not achieved the desired outcomes in the area of financial management as outlined in the AP. Therefore, we remind you that we need to see more substantial progress toward the open items in the AP before we can support any future repositioning actions (including RAD).

If you have any questions, or require further assistance, please feel free to contact Ms. Mandy Clarke, Portfolio Management Specialist, at Mandy.Clarke@hud.gov or 212-542-7906.

Sincerely,

LUIGI

D'ANCONA

Luigi D'Ancona

Director

New York Office of Public Housing

Digitally signed by LUIGI D'ANCONA
DN: CN = LUIGI D'ANCONA C = US O = U
S Government of Housing and Urban Development, Office of
Administration
Date: 2020.08.07 09:17:42 -0400

cc: **NRMHA Board of Commissioners**

1. Sheila Small, Board Chairperson
2. Harry Dawkins, Board Vice-Chairperson
3. Timothy Clark, Board Member
4. Haslyn Howard, Board Member
5. Ryan Landrine, Board Member
6. Michael Yellin, Board Member
7. Tony Brown, Resident Board Member

EXHIBIT K

COOPERATION AGREEMENT

This Intergovernmental Cooperation Agreement (this "**Agreement**") is entered as of August 31, 2018 (the "**Effective Date**"), between the New Rochelle Municipal Housing Authority, a public body corporate and politic organized and existing under laws of the State of New York (the "**Authority**"), and the City of New Rochelle, Westchester County, New York (the "**City**").

RECITALS

A. The Authority is currently proceeding to close on the Rental Assistance Demonstration program conversion of 203 public housing units located at Queen City Towers (the "**Transaction**")

B. As part of the Transaction, the U.S. Department of Housing and Urban Development ("HUD") requires confirmation of progress under the Recovery Agreement between the Authority, HUD and the City (the "**Recovery Agreement**").

C. HUD has recommended that the Authority engage a third party to oversee its financial operations, develop and implement the necessary financial controls to achieve sound fiscal management and satisfy the terms of the Recovery Agreement.

D. The City, as a party to the Recovery Agreement, has an interest in assisting the Authority in resolving the Authority's fiscal issues and seeing the Recovery Agreement terminated.

E. The City employs trained personnel with special expertise and experience in the matters with which the Authority desires assistance and the City desires to make such personnel available to the Authority.

F. The Authority desires to engage the City to provide all necessary financial services and oversight of the Authority, including providing a Chief Financial Officer ("**CFO**") and the City desires to provide such services in such capacity pursuant to the terms and conditions hereinafter set forth.

AGREEMENT

In consideration of the mutual covenants set forth in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Engagement.** The Authority hereby engages the City to provide the financial services set forth in Section 2 herein, and the City hereby accepts such engagement, all upon the terms and subject to the conditions hereinafter set forth.

2. **Responsibilities of the City.** The City agrees to provide the following services (the "**Services**"):

(a) **Chief Financial Officer.** The City shall designate, from time to time, an employee(s) of the City or an independent contractor procured by the City to act as the Authority's CFO in order to oversee the Authority's finances (other than development entities managed by

third parties) until this Agreement expires or is terminated pursuant to the terms set forth in Section 7.

(b) Duties of Chief Financial Officer. The employee(s) or an independent contractor providing such CFO Services shall:

(i) provide to the Authority's Executive Director or her designee as requested or required, all financial and other information customarily prepared and provided by the chief financial officer;

(ii) have responsibility for financial planning, tracking cash flow, overseeing financial activities and serving as the internal financial control officer;

(iii) facilitate all expenditures to be made by the Authority pursuant to the approved annual budget and approve, in advance, any expenditures outside of such approved budget;

(iv) attend and participate in all Authority procurement selection committee meetings, including, but not limited to, outside consultants and legal counsel; and

(v) approve the retention of all outside professionals, including accountants and legal counsel;

(vi) work with the Executive Director or her designee to resolve the open financial issues set forth in the Recovery Agreement. In furtherance thereof, the City's designee shall (A) develop a schedule setting forth milestones required to satisfy the issues set forth in the Recovery Agreement; (B) create and deadlines to achieve such milestones; and (C) create a process for tracking the progress of resolving the open issues set forth in the Recovery Agreement. The foregoing schedule and procedures shall be provided to the Executive Director and the Authority's Board of Commissioners ("**Board**"); and

(vii) provide to the Executive Director a quarterly report on progress to resolve the open issues set forth in the Recovery Agreement.

The foregoing rights to attend, participate and approve of any procurement or retention done by the Authority shall be subject to all laws and regulations governing procurement by a public housing authority under federal or state law, including, but not limited to 24 C.F.R. Part 200 et. seq.

(c) Board Attendance. The City shall designate, from time to time, an employee of the City, other than an employee serving as the Authority's CFO (the "**City Representative**") who shall attend meetings of the Authority's Board. This Agreement shall also constitute an invitation by the Board to permit such City Representative to attend all executive sessions. The City Representative shall have the right to participate in such Board meetings and executive sessions; provided that such representative shall have no right to vote upon any matters set forth before the Board and shall recuse himself/herself from any meeting and/or discussion which would be a conflict of interest (either personal or professional).

(d) Services. The City, by and through its officers, directors, employees representatives or contractors, shall perform all Services under this Agreement in a professional manner and otherwise use its reasonable efforts to provide the Authority with quality Services. Any Services performed by the City on the Authority's behalf shall comply with all laws, ordinances, orders, rules, regulations, and requirements applicable to the Authority.

(e) Bracey. The City will use its reasonable efforts to support the revitalization and rehabilitation of Bracey Houses, including, but not limited to, the use of low-income housing tax credits or the Rental Assistance Demonstration Program.

3. Engagement of CFO. The Authority desires to engage an employee(s) to serve as its CFO following the expiration or earlier termination of the Recovery Agreement and this Agreement. Accordingly, during the Term (as defined in paragraph 7), the City shall work with the Authority to undertake a search for a qualified CFO to be employed by the Authority. Such search shall be undertaken by the Authority and overseen by the CFO provided by the City. The Authority shall submit the candidate or candidates for CFO to the Board for approval. The CFO engaged by the Authority shall be approved by the City prior to an offer of employment.

4. Responsibilities of the Authority. The Authority shall:

(a) use its reasonable business efforts to provide the City with access, documentation and information necessary to enable the City to effectively meet its obligations, including performance of the Services, contemplated by this Agreement;

(b) engage a third party independent certified public accountant to undertake a full financial and compliance audit under the supervision of the CFO provided by the City; and

(c) work diligently to resolve all outstanding issues set forth in the Recovery Agreement.

5. Compensation. For the Services performed by the City, the Authority shall pay the City an hourly rate as set forth on Exhibit A attached hereto. In addition, the Authority shall reimburse the City for its reasonable third party out-of-pocket expenses incurred to perform the Services including such independent contractor as the City may engage to provide the Services. The Authority will provide for the payment of the Services in its approved annual budget. The City shall use its reasonable business efforts to minimize the cost of the Services. The City shall submit monthly invoices to the Authority, which such invoices shall include an itemization of: (i) the hours expended by the employee(s) providing the Services; (ii) the nature of the Services performed; and (iii) the reimbursable expenses, including invoices from any third party contractor related thereto. The Authority shall review, process and pay all such undisputed invoices within thirty (30) days of receipt. The City shall send the invoice to the Authority's address as set forth in Section 11 herein. Upon termination of this Agreement, pursuant to the terms set forth in Section 8 below, the Authority shall reimburse the City for all Services performed and all reasonable third party out-of-pocket expenses incurred through the termination date in accordance with the terms set forth in this Section 5.

6. Disclaimer of Relationships. The parties agree that the City is an independent contractor and its personnel are employees of City and shall not be deemed to be and the City shall

not hold itself out as an agent, joint venturer, legal representative or employee of the Authority. The City acknowledges that any transfer of Authority funds by the Authority to the City shall not be deemed an assignment of such funds. The City will not succeed to any rights or benefits of the Authority or attain any privileges, authorities, interests, or rights of the Authority.

7. **Term; Part-Time Basis.** This Agreement shall be effective as of the Effective Date for a period of one (1) year (the "Term"), unless sooner terminated as provided herein. The Term may be extended on a year-to-year basis upon either party's provision of written notice to the other at least thirty (30) days in advance of the end of the Term or any extension thereof. It is the intent of the parties that the Agreement continue until the termination of the Recovery Agreement. Although the City shall be available to perform the Services, the Authority and the City agree that the engagement shall not be full-time, but shall be on an as-needed basis.

8. **Termination.**

(a) This Agreement may be terminated by the Authority or the City if there has been a default in the performance or observance of any term or condition of this Agreement by the other party that is not cured within sixty (60) days after receipt of written notice thereof from the non-defaulting party; provided that, if such default cannot reasonably be cured within sixty (60) days, and the defaulting party shall have commenced to cure such default within such sixty (60) period, then the defaulting party shall have such additional time as is reasonably necessary to cure the default if the defaulting party promptly and diligently proceeds to cure the same, it being agreed that no extension shall be for a period in excess of ninety (90) days.

(b) The City may terminate this Agreement for any reason upon the provision of at least ninety (90) days' prior written notice to the Authority, delivered in accordance with Section 11 herein, stating such party's intention to terminate this Agreement.

(c) This Agreement shall terminate upon the termination of the Recovery Agreement.

9. **Confidentiality.** The City agrees that it will not, and will ensure its officers, directors, employees and representatives do not, either during or after the term of this Agreement, without the prior written approval of the Authority, reveal to a third party or use for its/their own benefit any confidential information pertaining to, or obtained while performing the Services, except for information clearly established to be in the public record. The determination of whether information is a public record shall be made by the Authority.

10. **No Conflicts.** No member of the governing body of the City or any other public official of the City who exercises any responsibilities or functions with respect to the performance of the Services during his or her tenure or for one (1) year thereafter shall have any interest, direct or indirect, in any contracts with or property utilized by the Authority. If any such governing body member or such other public official of the City involuntarily acquires or had acquired prior to the beginning of his or her tenure any such interest, he or she shall immediately disclose such interest to the Authority.

11. **Notices.** All notices, requests, demands, approvals, or other formal communications given hereunder or in connection with this Agreement shall be in writing and

shall be deemed received three (3) days after being sent by registered or certified mail, return receipt requested, postage prepaid; or one (1) day after being sent by a nationally recognized, receipted overnight delivery service, addressed as follows:

If to the City:

City of New Rochelle, New York
515 North Avenue
New Rochelle, NY 10801
Attn: City Manager
Email: cstrome@ci.new-rochelle.ny.us

If to the Authority:

New Rochelle Municipal Housing Authority
50 Sickles Avenue
New Rochelle, NY 10801
Attn: Executive Director
Email: afarrish@nrmha.org

With copies to:

Fox Rothschild LLP
BNY Mellon Center
500 Grant Street, Suite 2500
Pittsburgh, PA 15219
Attn: Michael H. Syme, Esq.
Email: msyme@foxrothschild.com
Phone: (412) 391-2450

and

Goldenberg & Selker, LLP
399 Knollwood Road, Suite 112
White Plains, NY 10603
Attn: Ira S. Goldenberg, Esq.
Email: igoldenberg@goldenbergselkerlaw.com
Phone: (914) 997-0999

12. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements between the parties with respect thereto.

13. Miscellaneous.

(a) **Amendment.** This Agreement may be amended or waived only by a writing signed by each of the parties.

(b) **Assignment.** This Agreement may not be assigned, pledged or otherwise transferred, whether by operation of law or otherwise, without the prior written consent of the other party.

(c) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(d) Governing Law. This Agreement has been made and entered into and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to any conflict of laws rules.

(e) Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors, assigns, affiliates, subsidiaries and related entities.

(f) Approvals. Wherever approval is required herein, such approval shall not be unreasonably delayed, conditioned or withheld.

(g) Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

(h) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

**NEW ROCHELLE MUNICIPAL HOUSING
AUTHORITY**

By: Angela Davis-Farrish
Name: Angela Davis-Farrish
Title: Executive Director

CITY OF NEW ROCHELLE, NEW YORK

By: C. B. Strome, III
Name: Charles B. Strome, III
Title: City Manager

EXHIBIT A

Title	Department	Hourly Reimbursement Cost
Commissioner of Development	Development	\$130.86
Operations Manager	Development	78.74
Community Development Specialist	Development	58.40
Senior Community Development Specialist	Development	61.12
Commissioner of Finance	Finance	130.86
Deputy Commissioner, Finance	Finance	99.74
Accounting Supervisor	Finance	54.93
Corporation Counsel	Legal	135.58
Assistant Corporation Counsel	Legal	94.63

EXHIBIT L

Katlyn Dixon

From: D'Ancona, Luigi <Luigi.DAncona@hud.gov>
Sent: Tuesday, December 13, 2022 9:48 AM
To: Salgado, Adam
Subject: RE: <External Message> RE: NRMHA follow up

EXTERNAL SENDER: DO NOT CLICK links or open attachments unless you recognize the sender and know the content is safe. If unsure, contact IT for guidance.

Will call you after my meeting. Around 10:15am

From: Salgado, Adam <asalgado@newrochelleny.com>
Sent: Tuesday, December 13, 2022 9:46 AM
To: D'Ancona, Luigi <Luigi.DAncona@hud.gov>
Subject: Re: <External Message> RE: NRMHA follow up

Hi Luigi-

I wanted to know if you were available to chat about the NRMHA today. Can you call me? It's urgent. Thank you

Adam

From: D'Ancona, Luigi <Luigi.DAncona@hud.gov>
Sent: Thursday, April 21, 2022 6:04:03 PM
To: Salgado, Adam <asalgado@newrochelleny.com>
Subject: RE: <External Message> RE: NRMHA follow up

EXTERNAL SENDER: DO NOT CLICK links or open attachments unless you recognize the sender and know the content is safe. If unsure, contact IT for guidance.

Thanks Adam.

Let's shoot for Tuesday at 2pm. I will send a TEAMS invite...

Best, Luigi

From: Salgado, Adam <asalgado@newrochelleny.com>
Sent: Thursday, April 21, 2022 4:40 PM
To: D'Ancona, Luigi <Luigi.DAncona@hud.gov>
Subject: <External Message> RE: NRMHA follow up

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. If you have concerns about the content of the email, please send it to phishing@hud.gov or click the Report Phishing Button on the Outlook ribbon or Phishing option within OWA.

Hi Luigi –

STATE OF NEW YORK
SUPREME COURT COUNTY OF WESTCHESTER

In the Matter of the Application of SHEILA E. SMALL, REVERAND HARRY DAWKINS, MICHAEL YELLIN AND HASLYN HOWARD, FORMER MEMBERS OF THE BOARD OF COMMISSIONERS OF THE NEW ROCHELLE MUNICIPAL HOUSING AUTHORITY,

Petitioners,

AFFIDAVIT

For Judgment Pursuant to Article 78 of the Civil Practice Law and Rules

-against-

CITY MANAGER FOR THE CITY OF NEW ROCHELLE, THE CITY OF NEW ROCHELLE, NEW YORK, THE BOARD OF COMMISSIONERS OF THE NEW ROCHELLE MUNICIPAL HOUSING AUTHORITY, and NEW ROCHELLE MUNICIPAL HOUSING AUTHORITY

Respondents.

STATE OF MASSACHUSETTS)
) ss:
COUNTY OF MIDDLESEX)

JAMES G. STOCKARD, JR., being duly sworn, deposes and says:

1. I have been requested by the Petitioners to review the facts and circumstances surrounding their dismissal and termination from the New Rochelle Municipal Housing Authority (hereinafter "NRMHA") by former New Rochelle City Manager Charles B. Strome, III ("Strome") on December 29, 2022. In connection with my review and opinion expressed herein, I have reviewed relevant documents related to this matter, kept in the ordinary course of business of Petitioners, which are attached to the proposed Petition and the affidavit of former NRMHA Board Member Sheila E. Small. These include a letter to Strome dated December 21, 2022 from Luis

D’Ancona, Director of Office of Public Housing (“D’Ancona”), United States Department of Housing and Urban Development (“HUD”)(the “D’Ancona Letter”); a letter to Petitioners dated December 29, 2022 from Strome (the “Strome Letter”); a letter to Strome dated December 30, 2022 from Petitioners; a letter dated February 6, 2023 to New Rochelle City Manager Kathleen Gill (“Gill”) from Petitioners; a follow up letter to Gill from Petitioners dated March 3, 2023; a letter to Petitioners dated March 15, 2023 from Harris Beach, Counsel to the City of New Rochelle; the Recovery Agreement between NRMHA and HUD and The City of New Rochelle dated December 8, 2014; the Intergovernmental Cooperation Agreement between the NRMHA and the City of New Rochelle ; letter from Luigi D’Ancona to Board of Commissioners dated Apr-9 2018 with Public Housing Assessment PHAS report date 01/26/2018; email from Angela Farrish to Board of Commissioners ; Jason Labate and Michael Syme dated December 6, 2022 and Letter to Angela Farrish, Executive Director from Luigi D’Ancona dated December 6, 2021.

2. As is clear from the record, the termination of Petitioners was the City Manager’s response to the D’Ancona Letter dated December 21, 2022, which, as set forth in the affidavit of Sheila Small, contains numerous factual inaccuracies that led to the Board’s termination by then City Manager Strome.

3. I believe that my knowledge of public housing authorities, their governing boards, the processes and procedures of HUD, and the nuances and intricacies of public housing make me uniquely qualified to provide an opinion as to whether the Petitioners were properly terminated by the New Rochelle City Manager on December 29, 2022.

4. For the Court’s edification, I am an academic career liaison with the Department of Urban Planning and Design at the Harvard Graduate School of Design and have been a lecturer in Housing at the Harvard School of Design since 1997. I have accumulated in excess of 50 years

of knowledge and experience with public housing and with the procedures and practices of HUD. I also served for 40 years on the Cambridge Housing Authority, as it went from a very troubled agency to one of the most outstanding in the nation. I have also served as the Principal Investigator for the Public Housing Operating Cost Study that reworked the funding formula for Public Housing Authorities (PHAS) under contract to HUD and the United States Congress. I further served as the Special Master for Federal District Judge Stefan Graae in the case of the District Department of Public and Assisted Housing (the Washington, D.C. PHA). During my career, I have consulted with dozens of housing authorities across the country on matters of policy, operations and capital improvements, and have provided guidance to numerous communities, resident groups, Community Development Corporations, non-profits, church groups, public agencies, HUD and others concerned with public housing and associated costs. For a decade, I have directed a program sponsored by the Commonwealth of Massachusetts to train PHA Commissioners. I have authored numerous publications related to issues associated with public housing on diverse topics including Managing Affordable Housing, Asset Management, studies related to operating costs and a Guide to Comprehensive Asset and Property Management. For a decade, I have directed a program sponsored by the Commonwealth of Massachusetts to train PHA Commissioners. A copy of my curriculum vitae/resume detailing my educational and professional qualifications and experience is annexed hereto as **Exhibit A**.

5. Initially, it is important to acknowledge that despite my career dedicated to public housing including Municipal Housing Authorities and HUD, I have never seen a single instance of a HUD Director of Public Housing writing to a Chief Executive Officer of a City suggesting he review the appointments to the existing Municipal Housing Authority Board and make changes as necessary, notwithstanding it may result in the removal of Board Members lawfully serving on

that Board.

6. After reviewing facts and circumstances surrounding the dismissal of Petitioners from the NRMHA Board, I prepared a letter on or about February 3, 2023, for submission to the new City Manager Gill, who succeeded Strome upon his retirement. In my letter, I pointed out a number of reasons why it appeared that the Board's dismissal was inappropriate and unwarranted. Unfortunately, I never heard back from the City Manager, or anyone associated with the City of New Rochelle. A copy of my letter is annexed hereto as **Exhibit B**.

7. Since the preparation of my letter, I have reviewed additional documents and information related to the performance of Petitioners as Board Members and believe that there was no legitimate basis for their termination. Even in the case of the Washington D.C. Housing Authority – which was on the HUD's troubled Housing Authority for 17 years and suffered from numerous irregularities and performance issues – no such action against the Board was taken.

8. NRMHA was also considered a "Troubled Agency" which led to a Recovery Agreement being entered into between NRMHA, the City of New Rochelle and HUD on or about December 8, 2014. The Recovery Agreement provided multiple milestones for the Authority to achieve in order to rehabilitate its status.

9. Upon the execution of the Recovery Agreement, the Board and staff began the tedious and time-consuming process of making the corrections and modifications necessary to bring the NRMHA into compliance. The Recovery agreement identified specific goals which needed to be achieved to bring the NRMHA out of "Troubled Agency" status.

10. On March 24, 2021, HUD confirmed that the NRMHA achieved a "Standard Public Housing Authority Performer Status" and corrected many of the errors and deficiencies which led to the previous "Troubled Agency" status determination years earlier. In addition, The Board

corrected the vast majority of the Recovery Agreement milestones required by the Recovery Agreement and was in the process of implementing the additional financial requirements and controls to resolve the remaining issues when it was terminated.

11. The Board's actions in moving the NRMHA out of "Troubled Status" and into the "Standard Performer" category is impressive and certainly not a condition in which removing an effectively functioning Board is an appropriate exercise of discretion or warranted.

12. The Board's success in bringing the NRMHA to "Standard Performer" status is a significant achievement, especially considering the economic backdrop of every housing authority in America. Every housing authority struggles with their financing because the United States Congress woefully underfunded both their operating subsidies and their capital improvement budgets for many years. This underfunding, which I calculated to be only 82% a few years ago, causes continued financial stress for the operations of Municipal Housing Authorities across the nation. Indeed, capital improvement funding is running short of 10% of certified needs. The relevance of this information is that a version of the D'Ancona Letter could be sent to almost any Authority in the nation. The fact that Authorities have financial issues, however, does not justify the conclusion that their Boards should be terminated.

13. Moreover, D'Ancona, Strome and now City Manager Gill seem to misunderstand the duties and responsibilities of Municipal Housing Authority Boards. As I understand is the case with NRMHA, these positions are usually uncompensated. The Board Members usually meet once a month to discuss issues associated with the Housing Authority. Each Municipal Housing Authority has a staff of professionals, including financial consultants, who manage the day-to-day operations of the Housing Authority. The Board Members do not participate in the day-to-day operations, but rather serve as the governing officers of the Public Housing Authority. Their

responsibilities include setting policies governing the operations of the Authority; charting the direction of current and future programs and development; and approving contracts entered into by the Public Housing Authority. *See*, the NRMA web page. The allegations within the D’Ancona and Strome Letters largely ignore this reality and criticize the NRMHA Board for the errors of its professional staff.

14. D’Ancona and Strome seem to have forgotten, or chosen to ignore, that it was the City of New Rochelle, through its designated Chief Financial Officer and employees, which is responsible for financial services and oversight of the NRMHA. Pursuant to an August 31, 2018 Intergovernmental Cooperation Agreement (hereinafter “Cooperation Agreement”) requested by HUD, NRMHA and the City of New Rochelle entered into an agreement whereby the City of New Rochelle was engaged to provide all necessary financial services and oversight of the NRMHA. This oversight included retaining a Chief Financial Officer whose services included responsibility for financial planning, tracking cash flow, overseeing financial activities, serving as the internal financial control officer, facilitating all expenditures to be made by the NRMHA pursuant to the approved annual budget, and approving in advance any expenditures outside of such approved budget.

15. In addition, the Chief Financial Officer was given the authority to approve the retention of all outside professionals, including accountants and legal counsel. The Chief Financial Officer was further given the authority to work with the Executive Director or her designee to resolve the open financial issues set forth in the Recovery Agreement, and in furtherance thereof, the City’s designee shall create deadlines to achieve milestones, and create a process for tracking the progress of resolving the open issues set forth in the Recovery Agreement.

16. In addition, the Chief Financial Officer was to provide the Executive Director with

a quarterly report on progress to resolve the open issues stated within the Recovery Agreement. *See*, Cooperation Agreement, dated August 31, 2018, including Paragraph 2(a) and (b)(i)-(vii), “Responsibilities of the City”.

17. Moreover, pursuant to the Recovery Agreement, Paragraph 6 “Disclaimer of Relationships”, the parties made it clear that the City is an independent contractor, and its personnel are employees of the City, and the City shall not hold itself out as an agent, joint venturer, legal representative or employee of the NRMHA. Thus, the City of New Rochelle, and not the NRMHA Board Members, was responsible for the financial operations and progress in resolving open issues outlined within the Recovery Agreement. Remarkably, Strome executed the Recovery Agreement as City Manager and had to be aware of the City’s responsibilities when he terminated Petitioners from the NRMHA.

18. In reviewing the D’Ancona Letter, the Strome Letter, and the letters and documents submitted in response by Petitioners *after* their termination (including the letter from the petitioners to Gill dated February 6, 2023), it is clear that there are additional factual inaccuracies and erroneous assumptions.

19. For example, with regard to the alleged financial issues raised in the D’Ancona letter, is clear those were the responsibilities of the City, its Chief Financial Officer, the staff and financial professionals hired at the behest of the City of New Rochelle. It is the Board’s responsibility to make policy, not to run the daily activities of the agency. Both HUD and the City Manager ignore this.

20. Moreover, a number of the allegations in the HUD letter bear upon its own responsibility and failure to provide relevant information to the Board in a timely fashion. For example, any complaint by HUD that there was no operating budget from FY21 on record for

2021, implicates HUD in not notifying the Board until 18 months to the end of the fiscal year that this information was missing.

21. The letter from the Petitioners to Kathleen Gill thoroughly rebuts on a point-by-point basis, the allegations contained in the Strome and the D'Ancona Letters. It is shameful that Petitioners were not allowed to address the allegations before being terminated by outgoing manager Strome who, it does not appear, bothered to conduct any sort of investigation or inquiry, or acknowledge the City's responsibility under the Cooperation Agreement.

22. In connection with my review of this matter, I had occasion to speak with several of the former NRMHA Board members who were terminated. During these conversations, I formed a very clear impression of serious professionals working hard to create a credible and worthy Public Housing Authority committed to advancing the affordable housing needs of those people of modest means. As I noted earlier, I have spent a good deal of time in my professional life training Public Housing Authority Commissioners. I believe I have a good ability to judge the seriousness and skill with which a Commissioner approaches this work. I believe each Commissioner is competent, serious and capable of serving on the NRMHA Board and are ones I would be pleased to serve with.

23. Given the foregoing, the dismissal of the Petitioners from the NRMA Board suggests it was motivated by a hidden agenda unrelated to the mission of this public housing agency.

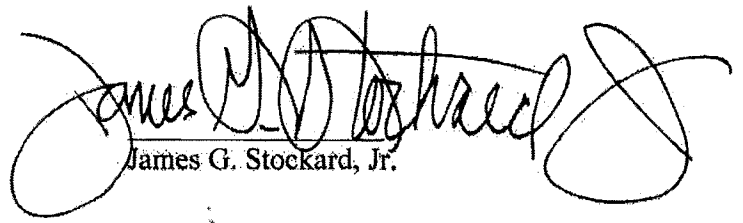
24. I have been advised that a possible reason for the Strome's action in removing the Board appears to be political and in response to a previously scheduled vote by the NRMA Board on its plans for the Peter Bracey project that was set to occur after the New Year, plans which were at variance with the plans of some in the City to turn over the project to a third party for

development purposes. The NRMHA Board vote was set to occur on January 9, 2023. Within days of HUD and Strome learning about this upcoming vote, Strome terminated the Board on December 29, 2022. If this is in fact accurate, then such action by the Strome and the City of New Rochelle is in my mind, highly irresponsible. Public Housing has a simple mission which is nevertheless difficult to accomplish. It is to create the maximum possible number of quality affordable homes for people of modest means for the longest possible amount of time. Any effort that does not serve that end is misguided.

25. In my letter to City Manager Gill, I pointed out many of my concerns set forth herein, urged that she reconsider the actions of her predecessor, and reinstate this Board and allow them to proceed with their revitalization of the NRMHA. I further requested that she ask the individuals and the HUD official who wrote this letter to appear in her office so that they can have a serious discussion of the issues raised in the D'Ancona Letter.

26. Unfortunately, as of this date, I have never heard from City Manager Gill or any representatives or officials from the City of New Rochelle.

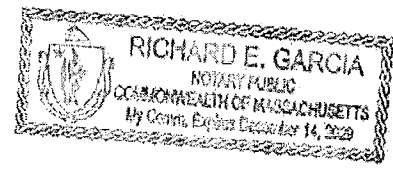
27. I understand that the Petitioners are seeking a public hearing and opportunity to respond to the allegations referenced in the Strome and D'Ancona Letters. Given what appears to be meritless allegations of wrongdoing alleged against Petitioners, they should be given the opportunity to respond in an open public forum.


 James G. Stockard, Jr.

COMMONWEALTH OF MASSACHUSETTS)
 COUNTY OF Middlesex) ss.:

On this 27 day of April, 2023, before me, the undersigned notary public, James G. Stockard, Jr., personally appeared, proved to me through satisfactory evidence of identification, which was Massachusetts driver's license to be the person who signed the preceding document in my presence and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his knowledge and belief.

Richard E. Garcia
 [OFFICIAL SIGNATURE AND SEAL OF NOTARY]



CERTIFICATE OF COMPLIANCE

The foregoing was prepared on a computer. A proportionally spaced typeface was used, as follows:

Name of typeface: Times New Roman

Point Size: 12

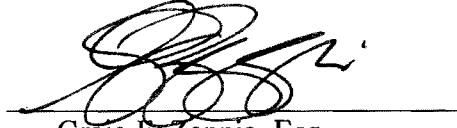
Line Spacing: Double

The total number of words in this affidavit, inclusive of point headings and footnotes and exclusive of pages containing the table of contents, table of citations, proof of service, certificate of compliance, or any authorized addendum containing statutes, rules, regulations, etc. is 2816.

Dated: April 28, 2023

O'CONNELL & ARONOWITZ

By: _____



Graig F. Zappia, Esq.
Attorneys for Plaintiff
54 State Street, 9th Floor
Albany, New York 12207
(518) 462-5601
Gzappia@oalaw.com

EXHIBIT A

James G. Stockard, Jr.
141 Oxford Street
Cambridge, MA 02140
(617) 864-8947 at home
(617) 913-3264 on the cell
stockardjg@gmail.com

Professional Experience

- 2021-Present** **Academic Career Liaison, Department of Urban Planning and Design, Harvard Graduate School of Design**, Provide career counseling for Urban Planning students and organize career panels to present a variety of professional paths for their consideration.
- 2015-2016** **Fulbright Senior Scholar, Glasgow Urban Lab and Glasgow School of Art**, Taught a planning course and studied the Scottish programs for social housing.
- 1997-2014** **Curator, The Loeb Fellowship, Harvard Graduate School of Design**
Director of a fellowship program that brings 10 mid-career professionals concerned with the built and natural environment to Harvard for a year of independent study. Responsible for outreach, leading the selection process, providing assistance to the Fellows while they are in residence, and catalyzing events involving Fellows in residence, alumni/ae and the larger community.
- 1997-Present** **Lecturer in Housing, Harvard Graduate School of Design**
Responsible for all aspects of teaching graduate level courses in housing, community development and neighborhood revitalization.
- 1999-2004** **Principal Investigator, Public Housing Operating Cost Study**
Overall direction of a GSD study to determine for the United States Congress the reasonable costs for administering a well-run national public housing program. Results of the study have been used to create a new formula for providing operating subsidies for the nation's oldest affordable housing program, as well as a new approach to property management for the 1 million units in the program.
- 1970-1997** **Principal, Stockard & Engler & Brigham**
Founding principal of a small consulting organization focusing on affordable housing and related urban concerns. Originally formed as Justin Gray Associates, the firm assisted public and private organizations in the development of affordable housing properties, the creation of programs supporting affordable housing, neighborhood planning, property management, resident services and organizational development for groups with affordable housing as a part of their mission. The following assignments are among the most significant work undertaken as a part of the firm:
- Court-appointed Special Master for the Washington, D.C. Housing Authority. Investigation, analysis, and recommendations to Judge Steffen Graae of the

Superior Court of the District of Columbia about the future administration and policy governance of the Authority, one of the most troubled in the nation. The final report to Judge Graae recommended receivership for the Authority, which the Judge implemented, and which led eventually to a well-run agency returned to its status as an independent body of city government.

Consultant to Public Housing Authorities (PHAs) with HOPE VI grants. Service to a number of authorities (Boston, Richmond, New Orleans, Philadelphia among others) regarding their application for, or implementation of, a HOPE VI grant. Particular expertise with regard to management operations, board training, development strategies and resident services.

Author, curriculum designer, and trainer regarding asset and property management for affordable housing. Author or co-author of two books about property and asset management. Author of a published 36 module curriculum for training non-profits about asset and property management. Trainer of non-profits in the fields of asset and property management with extensive experience in cities across the nation. The client for much of this work was the Local Initiatives Support Corporation.

Consultant to Public Housing Authorities, resident groups, HUD and others concerned with quality public housing. Numerous assignments, including policy development, program evaluation, procedural consultation, board and staff training and strategic planning. Service to PHAs of all sizes in all parts of the country, as well as regional and national offices of HUD.

Consultant in affordable housing development to Community Development Corporations, non-profits, church groups and public agencies. Full development consultation (securing of financing and zoning approvals, selection of site and development team, advice on design, interaction with public officials, coordination of construction activities, etc.) for numerous housing developments using every significant assisted housing program over a 25 year period.

Consultation to communities in the development of affordable housing policies and procedures. Facilitator of discussions between a city or town government and a potential developer of affordable housing to reach comfortable terms for a new development. Development of programs to assist local communities in expanding and improving housing stock.

Teacher and trainer in the fields of affordable housing development, as well as strategic planning, board development and public housing policies and procedures. Numerous assignments for a wide variety of clients. Settings have varied from full graduate courses at the University level to week long executive education programs to weekend strategic planning retreats with community

based organizations to one hour orientations with new board members of a non-profit neighborhood association or a PHA.

Professional Affiliations

- 2022-Present** **Member, Cambridge Charter Review Committee**
- 2018-Present** **Member, Board of Directors of Designing Justice, Designing Spaces**
- 2012** **Member, Governor's Commission on Public Housing Sustainability and Reform**
Delegate appointed by Citizens Housing and Planning Association
- 1973-2014** **Commissioner, Cambridge Housing Authority**
Eight terms as Chairperson
- 1985-Present** **Board Member, Citizens Housing and Planning Association**
2015-Present, Member of the Policy Leadership Committee
1990-2015, Member of the Executive Committee
1994-1996 President
- 1988- Present** **Founding Trustee, Cambridge Affordable Housing Trust Fund**
Member of the Project Review Committee
- 1998-Present** **Member, Faculty Advisory Committee, Joint Center for Housing Studies**
Harvard Graduate School of Design
- 2005-Present** **Member, Housing Appeals Committee, Commonwealth of Massachusetts**
Committee which implements state oversight of Chapter 40B, the Comprehensive Permit statute outlining local responsibilities for affordable housing.
- 2002-Present** **Member, Board of Trustees, Neville Center**
Neville Center is a complex of facilities including an affordable assisted living property and a nursing home that were developed by a joint venture of the Cambridge Housing Authority and the Cambridge Heath Authority.
- 2009-Present** **Member, Commonwealth Housing Task Force Committee on Public Housing**
- 1999-2002** **Member, Harvard Housing Advisory Committee**
Appointed by the President of the University to serve on a committee to provide advice and technical assistance to the University's home communities of Cambridge and Boston.
- 1993, 1994, 1995** **Testimony to the United States Senate and House of Representatives**
Presentations regarding the improvement of the Public Housing program in general, and the District of Columbia Housing Authority in particular.

1992-1993 Member, Massachusetts Legislative Study Commission on the Leased Housing Programs

1991-1993 Chair, Mayor's Commission on University-Community Relationships, City of Cambridge

Publications

2017 "Opinion: Why Affordable Housing Needs to be a Right, Not a Privilege", published on the TED Ideas Blog -- Ideas.ted.com. May 19, 2017

2014 "Affordable Housing; It's Just (A) Right", Lecture given at the Harvard Graduate School of Design, May 9, 2014 and published on YouTube, May 12, 2014.

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1964 **Designing Neighborhood Commons**, Washington Center for Metropolitan Studies, Washington, DC

Education

1964 **Princeton University, BA in Architecture**

1965 **Union Theological Seminary, Rockefeller Fellow**

1968 **Harvard Graduate School of Design, Master of City Planning**

1978 **Harvard Graduate School of Design, Loeb Fellow**

EXHIBIT B

James G. Stockard, jr.
141 Oxford Street
Cambridge, Massachusetts 02140

Dear Madam City Manager—

My name is Jim Stockard. I have been asked by the recently replaced members of the board of the New Rochelle Municipal Housing Authority to share my views of the current status of the agency with you. I have considerable experience with public housing and with HUD. I served on the board of the Cambridge Housing Authority for 40 years as it went from a very troubled agency to one of the most outstanding in the nation. I was the Principle Investigator for the Public Housing Operating Cost Study that reworked the funding formula for Public Housing Authorities (PHAs) under contract to HUD and the US Congress. I served as the Special Master for Federal District Judge Stefan Graae in the case of the District of Columbia Department of Public and Assisted Housing (the Washington, DC PHA). I have consulted with dozens of housing authorities across the country on matters of policy, operations and capital improvements. I believe very strongly in the public housing program and I take seriously the responsibility of board members to guide their agency through good policy making and strong goal setting. For a decade I directed a program sponsored by the Commonwealth of Massachusetts to train PHA commissioners.

Let me be clear at the outset that I have not examined the books or files of the NRMHA. I have not visited their offices or properties or

interviewed key staff members. So what I have to share with you is of a general nature, based on my long experience with HUD and with PHAs across the country.

The first thing to say is that in all my years of experience with HUD I have never witnessed or heard of their writing to a chief executive officer of a city and suggesting that the board should be removed. Some judges have done this in Receivership cases, but this is not, in my experience, a standard HUD strategy. In the case of the Washington, DC Housing Authority (DPAH in those days) the agency was on HUD's Troubled Housing Authority list for 17 years without any such action.

Further, there is every indication, even in HUD's own letters, that the Authority is making progress under the leadership of this board – moving out of troubled status and into the “standard performer” category. This is certainly not a condition in which removing the board is a common practice in any field of endeavor.

You should be aware that every housing authority in America struggles with their financing, because the US Congress has woefully underfunded both their operating subsidies and their capital improvement budgets for many, many years. I do not have absolutely current figures, but a couple of years ago, when I did know the numbers in some detail, HUD could provide only 82% of the operating funds that were required by the subsidy formula, because that is all that was appropriated by the Congress. Capital improvement funding (PHAs are not allowed to maintain capital reserves or to borrow against their 100% equity) is running somewhat

short of 10% of certified needs. All of this is to say that a letter alleging many of the things in the HUD missive could be sent to almost any Authority in the nation. It appears from the letters I have seen that the board hired financial professionals that were endorsed by this same office of HUD to deal with any of the financial issues that HUD raised, and that those people let them down.

I am aware that this board has begun the process of a dramatic revitalization of one of its developments. Almost every Authority in the nation should be thinking in these terms about some or all of their properties. With rare exception, any public housing development in America is over 50 years old. In the absence of adequate capital improvement funds over the years (as described above), many will need massive rehabilitation if not demolition and reconstruction. Again, I do not know the Peter Bracey development, but I suspect I know many others that are like it. I understand there are allegations that this quest to remove the board is a reaction to that initiative. If so, it would be the height of irony and maladministration to stop them from moving in this direction. Just when a board is seizing the initiative to turn their agency around and deal with the current condition of one of their properties largely caused by the US Congress' failure to adequately fund the agency (and, frankly, by HUD's failure to fight hard enough for reasonable funding), HUD pulls the rug out from under the agency. This all sounds very much like a strategy that is motivated by a hidden agenda – and one that is not related to the mission of a public housing agency.

As to some of the specific allegations, several of them sound very strange to me. Housing Authorities have strict deadlines for developing annual budgets, and missing that deadline should result in a letter from HUD. That letter is typically addressed to the Chair of the Board of Commissioners. If there really is no operating budget from FY21 on record, then HUD bears a serious responsibility for not notifying the chairman until 18 months after the end of that Fiscal Year. Further, if there is no budget on file, how is it that HUD can comment on an alleged operating loss? Such a loss could only be calculated by comparing operating costs to the approved budget. If there is no approved budget, how does HUD know there is an operating loss.

The alleged “inter-program receivables” are very likely cash exchanges necessary to temporarily deal with the funding shortfalls identified above. Audit flags are, of course, serious matters, with which an Authority must deal. But it is the rare PHA that does not have some of these, and the ones mentioned in the HUD letter are not necessarily serious matters. In many ways, the single most important statement in the HUD letter is the acknowledgement that the NRMHA has lifted itself out of the “Troubled” category and reached “Standard Performer” status under this board. That is very significant progress and is not, under any conditions that I can imagine, a reason to remove an entire Board of Commissioners.

Furthermore, in my conversations with several of the board members, I have formed a very clear impression of serious professionals working hard to create a credible and trustworthy PHA. In our discussions, they have each seemed “ready, willing, able and ethical” (HUD’s words) in

their approach to their roles on the board. As I noted above, I have spent a good deal of time in my professional life training PHA Commissioners. I believe I have a good ability to judge the seriousness and skill with which a Commissioner approaches this work. And these commissioners are ones I would be pleased to serve with.

Many of the HUD assertions are related to the financial workings of the NRMHA. Yet, in its response the board pointed out that they had hired professionals to handle that part of the work, including persons and firms recommended by the city and by HUD. As they correctly point out in their response to HUD, it is the Board's responsibility to make policy, not to run the daily activities of the agency. That they hired people who then failed them is a shame, but it is hardly reason to replace people who are working hard to turn the PHA around.

If, indeed, the reasons behind this very unusual act by HUD and now by your predecessor, are about Peter Bracey and the desire for that land to be turned over to some third party for development purposes, then such action is, in my mind, highly irresponsible. Public Housing has a simple mission that is, nonetheless, difficult to accomplish. It is to create the maximum possible number of quality affordable homes for people of modest means for the longest possible amount of time. Any effort that does not serve that end is misguided. I hope you will reconsider the actions of your predecessor and reinstate this board and allow them to proceed with their revitalization of the NRMHA. At a bare minimum, I would hope you might ask these individuals and the HUD official who wrote this letter to appear in your

office so they can have a serious discussion of the issues raised in the HUD letter. The city of New Rochelle deserves that.

If I can be of any assistance to you or to the Authority in this matter, do not hesitate to call or write.

My very best,

James G. Stockard, Jr.