

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.

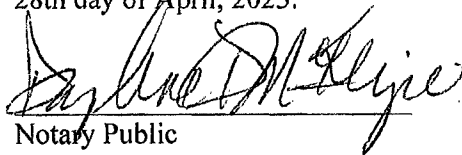
45. Petitioners have for years been tireless and dedicated advocates for those vulnerable and disadvantaged persons in need of safe, sanitary, decent and affordable housing opportunities and support. The creation of a letter containing false and misleading allegations allegedly justifying the termination 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