Minutes

The Commissioners of the Housing Authority of the City of Willimantic met in its Annual Meeting at the Betty Dunnack Commons, 621 - 645 Valley Street, Willimantic, Connecticut at 7:00 p.m. on Wednesday, August 28, 2013. The meeting was called to order by the Chairman. Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
John Naumec	None
Jean Gaskin	
Linda Stevens	
John Schwenk	

The Minutes of the previous meeting were unanimously accepted as read.

CORRESPONDENCE:

07/15/13 NAHRO Monitor

PUBLIC TIME:

No one from the Public chose to speak.

Resolution #3830

The following resolution, #3830 was introduced by Commissioner Stevens, read in full and considered:

BE IT RESOLVED: That the following Voucher Checks are approved as paid:

Project Conn 10-1-2-5	Transfer to COF	#123	$120,000.00
		#124	$13,734.73
Project MR-7-34	Transfer to COF	#117	$94,930.76
Project MR-50 Section 8	Transfer to COF	#117	$55,256.97
Project E-22-87	Transfer to COF	#117	$26,330.35
Central Office Fund		#5687 - 5976	

Commissioner Stevens moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by Commissioner Gaskin and upon roll call, the "Ayes" and "Nays" were as follows:

"AYES"	"NAYS"
John Naumec	None
Jean Gaskin	
Linda Stevens	
John Schwenk	

The Chairman thereupon declared said motion carried and said resolution adopted.

ANNUAL REPORT

OF THE

HOUSING AUTHORITY OF THE

CITY OF WILLIMANTIC

serving the residents of the

TOWN OF WINDHAM

Fiscal Year Ending: June 30, 2013

BOARD OF COMMISSIONERS

John Naumec - Chairman

Vice Chairman – Linda Stevens

John Schwenk - Treasurer

Jean Gaskin - Tenant Commissioner
Assistant Treasurer

Report presented to the Annual Meeting of the Board of Commissioners held August 28, 2013
Willimantic, CT

Executive Director/Board Secretary

Michael J. Westerfield

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ORGANIZATION AND ADMINISTRATION

The Housing Authority of the City of Willimantic is a "quasi-governmental agency". While being neither a Town, State, nor Federal agency, its Commissioners are appointed by the Board of Selectmen of the Town of Windham and it is regulated by both the Federal and State governments. It owns its developments in its own right, but the use and disposal of the property are restricted by covenants with either the United States Department of Housing and Urban Development (HUD), the Connecticut Department of Economic and Community Development (DECD), and/or the Connecticut Housing Finance Authority (CHFA).

A five member Board of Commissioners is the policy making body of the Authority. It meets on the last Wednesday of each month, at 7:00 p.m., in the conference room at the Authority's offices, 49 West Avenue, Willimantic. These meetings are open to all members of the public.

An Executive Director is employed by the Board of Commissioners and is the chief executive officer of the Authority. It is the Director's duty to provide the Board with sufficient information to make policy decisions, to execute the will of the Board as embodied in Board Resolutions, and to administer the day to day operation of the organization. The Executive Director also serves as the Secretary of the Housing Authority.

The Authority currently employs an Assistant Director who shares responsibility with the Executive Director in a number of areas of operations and acts in the place of the Director in the event of his absence.

Under the Executive Director, the Authority is divided into four sections, the Public Housing Office, the Subsidy Office, the Maintenance Department, and the Social Services Department.

The Public Housing Office is under the direction of the Office Manager/ Leasing Agent. This division is responsible for the management of all of the property that the Authority itself owns.

The Subsidy office is under the direction of The Section 8 Administrator. This office is responsible for managing all of the subsidies provided to tenants living in privately owned housing.

The Maintenance Department is under the administrative direction of the Physical Plant Manager. The Physical Plant Manager assesses and determines the broad maintenance needs of the Authority's developments, works with the Executive Director

to set working policy for this Department, and works with the members of the Maintenance Staff responsible for the day to day functioning of the Department to assure that all work is done to the highest possible performance standards. The Maintenance Foreman/Supervisor is responsible for directly overseeing the daily work of the Department.

The Social Service Coordinator has overall responsibility for this area of the Authority's operations. A Resident Services Coordinator primarily works with elderly and disabled residents to assure that they receive the full range of services which they require and to which they are entitled. Two full time employees and a number of part-time and temporary employees work in the Social Service Department.

The Willimantic Housing Authority owns and manages eight developments containing 576 units of public housing. These developments are as follows:

Nathan Hale Terrace, known as West Avenue, is 100 units of Federally funded low-income family housing.

Terry Court consists of 68 units of State funded moderate income family housing.

Eastman Terrace, known as Memorial Drive, is 78 units of State funded moderate income family housing.

Hevrin Terrace, on Emerald Avenue and Keating Street, contains 90 units of Section 8 substantial rehabilitation family housing.

Wilbur Cross Apartments, a 50 unit Federally funded high-rise for elderly and disabled residents.

John Ashton Tower, a 100 unit Federally funded high-rise for the elderly and disabled.

Jonathan Trumbull Terrace, 40 units of State funded housing for the elderly and disabled.

Father Honan Terrace, 50 units of State funded housing for elderly and disabled residents.

In addition to its own housing developments, the Authority provides subsidies through the Section 8 program to tenants living in privately owned housing. As of the end of the past fiscal year the Authority managed 506 Section 8 vouchers.

APPLYING FOR HOUSING

Throughout most of its history, the Willimantic Housing Authority accepted applications for housing, on a walk-in basis, any time during business hours. In recent years, however, as the number of applicants increased and waiting lists became extremely long, this policy was determined to be detrimental both to prospective tenants and to the proper functioning of the Authority. It was found to be very disruptive of the normal routine of the office staff to have to drop their work to conduct lengthy interviews with prospective tenants at unpredictable intervals. It was also not helpful to raise prospective tenants' hopes for housing only to place them on waiting lists that might be several years long.

The Board of Commissioners has given the Executive Director the power to close waiting lists - not accept applications for specific projects or types of apartments - if the number of persons on that list is so large that housing cannot be provided in a reasonable time. Potential applicants may obtain information regarding which waiting lists are open and on what days applications are being accepted by calling the Authority office.

Currently, the Authority is attempting to keep to a minimum the amount of time which an individual or family must wait between filing an application and being offered housing. To achieve this, the Authority only accepts applications at specific times when it has determined that the Waiting Lists for the various developments are of a reasonable length. The opening and closing of waiting lists is published in the Chronicle. Potential applicants may obtain information regarding which waiting lists are open and on what days applications are being accepted by calling the Authority office.

Due to an increase in applications for housing, the Authority may utilize a lottery type selection process for adding names to waiting lists, whenever it is anticipated that the number of potential applicants for a particular housing program may be excessive.

PROJECTS AND PROGRAMS

Modernizations and Renovations

The Authority's usually ambitious modernization and rehabilitation programs were seriously impacted this past Fiscal Year by the effects of the continuing economic depression. Funding from HUD for all programs has been steadily declining and the return on our investments of reserve funds has been minimal. In addition, tenant incomes have either been holding steady or declining and, as has been the case for close to 20 years, no grant money at all has been provided by the State for housing rehabilitation projects.

The main modernization/rehabilitation programs which we completed during the Fiscal Year was the replacement of all site lighting fixtures at West Avenue with new energy efficient LED street lights. There should require very little maintenance for many years and utilize the least possible energy of any fixtures producing the equivalent amount of light.

We also replaced the original emergency generator for John Ashton Tower. This unit was located in a penthouse on the roof of the building and was fueled from a propane tank buried in front of the building. It had a fairly limited capacity for lighting and only produced enough current to run one of the two elevators in an emergency. The new generator has a higher generating capacity and is located on the ground next to the building. It is fueled by oil from a large tank underneath the generator, so that there is a supply of fuel on site in case of a serious emergency that might disrupt the natural gas distribution service.

The Authority also completed the installation of replacement glass inserts for all the fogged thermopane windows at the Wilbur Cross Apartments and John Ashton Tower.

The exterior of the congregate addition was painted by a professional contractor.

The next project at which the Authority will be undertaking will be to modify two apartments at Nathan Hale Terrace to be fully handicap accessible. This is not an easy task since bathrooms are currently located on the second floor and grading of the property and the configuration of buildings are such as to make ramp placement quite challenging. This work will begin in the fall of 2013.

Federal Public Housing Programs

The most significant problem faced by our federally subsidized public housing programs this fiscal year was HUD's "Operating Subsidy Offset", whereby housing authorities deemed to have "surplus" reserves had their operating subsidy reduced so that they would be forced to spend down their reserves to a level which HUD deemed "adequate". Since the Willimantic Housing Authority has operated in a very fiscally responsible manner for many years, our reserves were quite healthy and therefore HUD reduced our subsidy amount by close to 90%, while housing authorities that had not operated as responsibly and had poor reserves saw no reduction at all. In short, good responsible management was punished and poor management rewarded. Over the course of the past two Fiscal Years, the Authority will have lost somewhere in excess of $700,000.00 in federal funding for low income public housing.

In response to the above, the Board of Commissioners authorized the Authority to join with other housing authorities that had suffered similar losses in a legal action against HUD to recover the "offset" funds. This action is currently making its way through the federal legal system and, no doubt, will take years to resolve. It does appear to be reaching the end of the preliminary maneuvering stage and at least has not yet been dismissed by the courts.

As a result of the subsidy offset, and the consequent reduction in our reserves, the Authority will also experience a reduction in returns on our investments for quite a long time. These returns have been quite small as a result of the financial depression of the last several years, however, if there is a recovery and increase in interest rates, the Authority will in effect be losing the income on the amount of reserves "offset" basically forever, unless some portion is recovered as a result of legal action.

On September 18, 2012, John Ashton Tower experienced an lengthy power outage as a result of a storm with high winds and heavy rain that caused wide-spread damage in the Willimantic area. Shortly after the beginning of the storm, a fuse blew on the utility pole in front of the building, which cut off power to one of the legs of the power supply for the entire building. The result was that some apartments lost power entirely and some had partial power. The emergency generators for the building came on, so that the common areas were lighted, the sprinklers and fire alarm system were functional, and the smaller of the two elevators remained in operation. Housing Authority personnel and the Willimantic Fire Department responded immediately and there was a large staff presence on site for the duration of the situation. Due to the excellent performance of all concerned, possible adverse effects on tenants were minimal.

CL&P was notified about the situation very shortly after it occurred and was contacted periodically thereafter until the emergency was resolved about forty hours after the initial outage event. This outrageous delay in restoring service to a one hundred unit building for the elderly and disabled apparently resulted from the fact that CL&P had 621 Valley Street listed as a single family development and hence marked as the lowest priority for repair service. It is difficult to understand how this could have happened, since Ashton Tower is an all-electric building that routinely pays yearly electric bills of over $100,000.00. Once we found this out we immediately interacted with Town and State officials and CL&P staff to have the building correctly listed as the highest priority for emergency repair and restoration of service.

In October, the Authority received its Public Housing Assessment System (PHAS) score from HUD. We were rated as "Average" performers, with a score of 85%. This is actually a fairly good score for a housing authority with a traditional federal low income family housing development (West Avenue). Generally, "High Performers" are authorities with only housing for the elderly, where tenants stay longer, wear and tear on apartments is less, and turnaround time between tenants is far shorter than with family housing developments.

State Housing Programs

This was a fairly quiet year at most of our state housing complexes, with no major modernization or rehabilitation projects in progress. In the past we had funded various work items out of our reserves, but the dramatic economic decline, with the consequent decrease of returns on our investments, reduced almost to zero, we put any further major work on hold until things improve. We are still continuing, however, to do significant renovations to apartments on a case by case, as needed, basis. The most common of these involve kitchen renovations at Eastman Terrace (Memorial Drive) and replacement of the last few original furnaces at that development.

All of the Authority's State Moderate Income housing complexes, with the exception of Eastman Terrace (Memorial Drive) have city gas service and are heated by gas furnaces in each unit. At Eastman Terrace, however, there are no gas mains in the street and apartments have oil furnaces. In the present economic climate, the necessity to pay cash up front for large deliveries of fuel oil, is proving increasingly difficult for tenants. This problem has resulted in some tenants leaving the development and in apartments there becoming increasingly difficult to rent to families of limited means. The Authority has been working with our State Representative, Susan Johnson, on ways that the state could assist in getting gas mains laid in the street at Eastman terrace, and the Board of Commissioners has been considering various methods of dealing with the situation, but at the close of the Fiscal Year no action yet had been taken.

As a result of the high heating costs, and other factors, the vacancy rate at Memorial Drive continued to rise this past Fiscal Year. In an effort to help tenants control costs, in July, 29, 2012, the Authority instituted "ceiling rents" at this development. In general, there has always been a very reasonable base rent – the minimum rent a tenant must pay, but for tenants earning more than the level necessary to be eligible to pay the base rent, the rent would rise with increasing income. The ceiling rents instituted for each apartment size were comparable to the rents on the open market, so that tenants who desired to remain in their present accommodations would not be forced to move elsewhere due to excessive rents.

Additionally, in order to reduce the occurrence of new tenants moving into either Eastman Terrace or Terry Court, where they would be responsible for all utilities and no subsidy of any sort, and finding themselves unable to afford their living expenses, in September, 2012, the Authority adopted minimum income guidelines for these developments.

For many years the Authority has had extremely minimal Base Rents at its State elderly developments, largely because many of the folks living in Jonathan Trumbull Terrace and Father Honan Terrace were living on very small incomes and any significant rent increase might force them into homelessness. Although there is a small tenant based Rental Assistance Program (RAP) at these complexes, there still is very little money available for major repairs or renovations. While the newer Honan Terrace is in reasonably good shape, the older Jonathan Trumbull Terrace is at the point where is needs major work. Trumbull Terrace, or E-22 as it is commonly knows, was not very well designed to start with, having large expanses of flat roofs, several outside stairways, overhangs at the front of each apartment that limit the amount of sunlight getting into apartments, and poor cross ventilation, among other problems.

The Authority has been working on designing solutions to improve the conditions at E-22, primary among them is a new roofing system to put an end to the sporadic roof leaks that are a problem with the present roof and internal drainage system, which allows ponding on the roof and potential leakage at the roof drain entrances. Now it is a matter of finding the money to comprehensively address the problem and get away from the present patchwork system of "as needed" roof repairs.

Financially, the Authority is experiencing the same type of stresses at its state complexes as at the federal ones. We have very good repair and replacement reserves invested for our family complexes, but our return on these is still minimal and there are the same unavoidable personnel and material cost increases. To help with these, the Authority raised rents at State developments by a very minimal amount so that we would not have to subject tenants to a larger increase in the future if the economy fails to improve significantly.

SECTION 8 PROGRAM

The biggest issue which the Section 8 program had to deal with during the past Fiscal Year was the significant decrease in funding. The average monthly Housing Assistance Payment (HAP) which the Authority made to landlords was $264,705.00, while the average monthly payment from HUD, which is supposed to cover those costs, was $232,026.00. As a result the Authority has been forced to deplete our "Net Restricted Assets" (reserves) each month to cover the shortfall in HAP payments. In August of 2012, our Net Restricted Assets were $782,227.00. As of July 1, 2013, they had decreased to $478,892.00, a loss of $303,335 for the Fiscal Year.

While the Authority is authorized to assist 506 families, due to the decrease in funding we were only able to assist an average of 478 program participants. We are monitoring the issue carefully and currently are not issuing Section 8 vouchers as families go off the program, thereby reducing our expenses by attrition. Unlike some other housing authorities, we have not yet been forced to reduce payments to landlords or cut support to families presently on the Section 8 program, but it is very difficult to predict what we might be required to do in the future.

The Willimantic Housing Authority's Section 8 office processed 473 recertifications of existing program participants, an average of 39 per month, and 458 interim changes, an average of 38 per month. Approximately 51 new clients were admitted to the program and a significant number of families moved from one apartment to another. The staff completed 473 annual inspections, 233 re-inspections to check on failed items, and 135 initial inspections for new tenants or current tenants changing apartments.

The Section 8 program continued its efforts to recapture "unauthorized assistance" payments to program participants who failed to report or under-reported their income for calculating the portion of apartment rent which they were required to pay. When such unauthorized assistance is discovered, those involved are required to enter into a repayment agreement in order to remain on the program. In the past Fiscal Year 19 new accounts were established and 17 previous accounts were paid in full. There are currently 33 active repayment accounts, including 7 former Public Housing tenants, with monthly payments totaling $2,040.00. A total of $23,767.00 was collected in the past Fiscal Year.

Social Service Programs

The primary "social service" program of the Willimantic Housing Authority continues to be Project Academic Advancement, our after school tutoring program for students in grades K through 12. The program utilizes students from both the University of Connecticut and Eastern Connecticut State University as volunteer tutors and mentors, often working with children on a one on one basis. The Authority also provides a number of other programs at the West Avenue Community Center, including a teen program, a summer activities and lunch program, and numerous other programs and activities which benefit a broad range of the Authority's tenants. Additionally, the Social Service Department, working with TVCCA and the Senior Nutrition Program, provided low cost, nutritious meals for seniors at the Betty Dunnack Commons every Wednesday and Friday.

On a continuing basis, the Social Service Coordinator, Resident Service Coordinator and part-time staff work closely with families, the elderly and disabled, evaluating the needs of residents and the services currently, or potentially, available to them, and in working to assure that residents receive the services which are appropriate to their need. Programs for the elderly provided by the Authority's Social Service staff included a tremendous amount of outreach, education and enrollment in the various programs for which they are eligible. Additionally, many home visits for residents in need of social services were conducted, Framers Market coupons were distributed to residents, and a whole range of tenant situations were resolved an a very professional manner.

This past Fiscal Year, the entire housing authority participated in the first "The Willimantic Housing Authority Goes Purple for Domestic Violence Awareness" event, organized by the Social Services Department. The Authority was able to reach many tenant families, providing them with information and tools to combat the serious and sensitive problem of domestic violence. The Department also organized the 2nd Annual Women's Empowerment Dinner, presenting the first Suzete Berrincha Scholarship in memory of a former student volunteer at the West Avenue Community Center who died as a result of domestic violence.

In addition to all of the above, members of the social service staff have served as the Authority's representatives at numerous local and regional meetings and workshops, and participated in a variety of training programs on federal and state laws, regulations and programs which affect our tenants.

GENERAL

The most dramatic event to effect all of the Housing Authority in the past Fiscal Year was the blizzard of February 8th and 9th, which paralyzed the State and left about two feet of snow in the Windham area. The Housing Authority was well prepared for the storm, with all our snow removal in good working condition and our new tractor fitted with a front mounted snow-blower. The maintenance staff did a tremendous job, working long hours during and after the storm. The new tractor demonstrated its worth by doing the majority of the snow removal from sidewalks at West Avenue, Hevrin Terrace, Memorial Drive, and Terry Court. Many hundreds of tons of snow needed to be moved. One of the walk behind snow-blowers went out of action with a broken axel, and the tractor went though many sheer pins and actually wore out the steel skid plate on the bottom of the snow-blower. A great deal of hand shoveling had to be done on stairways, and walkways in various developments. Despite the extremely difficult conditions, the Authority had all of its property cleared as fast as humanly possible.

VACANCY RATES

For a wide variety of reasons relating primarily the ongoing economic depression, the Authority experienced much higher than normal vacancy rates at our various complexes for part of the past fiscal year. Vacancies were particularly high at Eastman Terrace (Memorial Drive), our only complex with oil heat. The high price of oil and the requirement of suppliers for minimum delivery amounts and cash payment on delivery Made these apartments unattractive to folks with limited incomes. Our other developments also suffered higher than normal vacancy rates as tenant incomes went down or remained stagnant and some residents sought even less expensive housing options, such as doubling up with other families or moving in with relatives.

To deal with this problem, the Authority created a working group focused on reducing vacancies at all of the complexes. Kim Haddad, Assistant Director, Stephanie Iazzetta, Leasing Agent, Judy Nelson, Section 8 Coordinator, headed up the effort and the entire staff, both in the office and the maintenance department, worked diligently to turn over and lease apartments as quickly as possible. As a result, by the close of the fiscal year, vacancy rates had been reduced dramatically. The group is continuing working in the new Fiscal Year to further reduce vacancy rates and to keep them as low as possible.

MAINTENANCE STAFFING PROBLMS

The maintenance department experienced a variety of staffing problems in the past Fiscal Year, primary among these was the absence of two workers on Worker's Compensation leave for significant periods of time. Additionally, various staff members had health problems that further reduced the work force at times. These both sets of problems reflect the fact that maintenance work is physically demanding and that we have an aging staff. The Authority did hire in one young worker, but he left the Authority to join the Army. The fact that, at least on paper, the Authority's maintenance department is fully staffed, makes it difficult to hire new permanent, full-time staff members. We did hire on three temporary summer workers, which has helped catch up on some of the backlog of maintenance work.

UNION CONTRACT NEGOTIATIONS

The three year Union Contract with the administrative and maintenance employees expired on June 30, 2013. The Authority and the Union engaged in negotiations over the course of several months for a new three year contract. We did not quite meet the deadline, having only a semi-final draft ready at the close of the Fiscal Year. Negotiations continued and, as of this writing the final contract is only awaiting final ratification by the Union membership and signing by both parties.

In June, Michael Westerfield, the current Executive Director announced his intention to retire, preferably by the date of the Annual Meeting at the end of August 2013. The Board of Commissioners initiated a search process which had not been completed by the end of the Fiscal Year. Subsequently, at a Special Meeting on July 17, 2013, the Board voted to offer the position to the current Assistant Director, Kim Haddad. Ms. Haddad accepted the position and a one year contract was signed by both parties at the Board of Commissioners meeting on July 31, 2013. Mr. Westerfield retires and Ms. Haddad becomes Executive Director and Secretary on August 28, 2013 during the course of the Annual Housing Authority Meeting.

HISTORICAL NOTES

To date, there have been four Executive Directors of the Willimantic Housing Authority.

John Ashton: January 29, 1946 – December 31, 1973
Kendall Anthony: January 1, 1974 – May 1, 1986
Frederick Wallace: June 1, 1986 – September 11, 1992
Michael Westerfield: September 14, 1992 – August 28, 2013

NUMBER OF TENANT FAMILIES SERVED IN PUBLIC HOUSING BY THE WILLIMANTIC HOUSING AUTHORITY

Nathan Hale Terrace (West Avenue) 100 Units Family Housing	1,795 families over 61 years Average stay per family = 3.4 years
Wilbur Cross Apartments	346 tenants over 47 years Average stay per tenant = 6.8 years
John Ashton Tower	562 tenants over 39 years Average stay per tenant = 6.9 years
Terry Court	1,024 families over 64 years Average stay per family = 4.25 years
Eastman Terrace (Memorial Drive)	939 families over 61.5 years Average stay per family = 5.1 years
Hevrin Terrace (Emerald & Keating)	1,274 families over 59 years Average stay per family = 5.3 years
Jonathan Trumbull Terrace (22 Emerald)	435 tenants over 47 years Average stay per tenant = 4.3 years
Father Honan Terrace	310 tenants over 33 years Average stay per tenant = 5.3 years
TOTAL	6,685 Families and Individuals Housed

Remarks by the Executive Director:

The outgoing Executive Director, Michael Westerfield, presented brief remarks on his tenure at the Housing Authority and thanked all of the staff for their work and help over the years.

Election of Officers:

The following Endorsed Slate of Officers was presented to the Board.

Chairman: John Naumec
Vice Chairman: Linda Stevens
Treasurer: John Schwenk
Assistant Treasurer: Jean Gaskin

No further nominations were received and the Endorsed Slate of Officers was unanimously elected by the Commissioners.

Annual Report Presentation:

John Sullivan, the Authority's Fee Accountant, presented a glowing report on the overall financial health of the Authority, despite financial losses due to HUD's "offset" of its federal operating subsidy.

Other Business:

The new Executive Director, Kim Haddad, was presented to the meeting attendees and welcomed with rousing applause.

There being no further business to come before the Board, it was moved, seconded, and carried that the meeting adjourn and that the assembled guests convene at the buffet table. The Chair thereupon declared the meeting adjourned at 7:25 p.m.

Respectfully submitted,

Michael J. Westerfield
Secretary