



**MINUTES OF THE DECEMBER 17, 2009
BOARD OF COMMISSIONERS
REGULAR MEETING**

COMMISSIONERS PRESENT:

Domenico Chieffalo
Mary Teicholz
Jim Zeh
Raymond Yamin
Stanley Watkins

ATTENDEES:

Carolyn Sistrunk
Colleen Madson
James Sabo
Rose Morrison
Jacqueline Elam
Richard Knapp
Jessie Marengo
Levita Brooks
Irene Hernandez
Ella M Fraser
Everette Spencer
Kim Nolan
Dick Short
Bridget Nuna
Daniel Veness
Peter Green

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CALL TO ORDER

The Regular Board of Commissioners Meeting for the Housing Authority of the City of Danbury was called to order at 5:35 pm. at HACD Main Office, 2 Mill Ridge Road, Danbury, Connecticut. Upon motion by Jim Zeh and second by Mary Teicholz the meeting was called to order.

PUBLIC COMMENTS: My name is Daniel Veness. I have been taking care of my mother for the last eight or nine months and my mom has since passed away. I have four small children and I have been living in my mom's house but she had an appointment to come down and put me on her Section 8. My mother didn't get the chance because she passed away last month. I didn't



know if there is anything that can be done to be put on her Section 8, or something like that. I got a letter form the Landlord and all the necessary paperwork. I have four small children and I was just wondering if there is anything that can be done and get some kind of help. Ms. Sistrunk states that you are going to be referred to Jackie Elam who can take you through the program and explain how the program works. It is not a commitment that we can do anything, but it is a commitment that we will look into it. Commissioner Watkins confirms with Jackie that she will handle it. Ms. Elam states that she will handle it.

RESIDENT COUNCIL REPORT

Ella Fraser, Resident Council President, I would just like to say thank you all for your support at our annual meeting. Everyone had fun. Thank you all for the gift. Thank you Ms. Sistrunk for all your help and all your efforts that you do for us.

APPROVAL OF MINUTES

Upon motion by Mary Teicholz and second by Jim Zeh the minutes of the November 19, 2009 regular meeting were approved.

DEPARTMENTAL HIGHLIGHTS

Ms. Sistrunk states that we do not have any departmental highlights tonight, but would like to take the time to add it to the Authority Management Report so we can talk about a number of things that are going on here.

EXECUTIVE DIRECTORS REPORT

HACD has a number of important initiatives underway that I am pleased to give a status on tonight. As you are aware as Commissioners, we were awarded a million four for the Neighborhood Stabilization Program for the purpose of which is to allow the Housing Authority to acquire and add to its portfolio foreclosed properties that would then be rented to low and moderate income persons. We have two contracts pending with closings scheduled over the next couple of weeks. We have one offer that we are pretty sure will be accepted and go to contract. We believe that we will meet our target and have all our funds obligated by March 2010 and have them expended by September 2010. We are looking at condominiums as the property of choice mainly because the maintenance fees are included in the purchase price. And for the monthly fee, the Housing Authority staff will not be as taxed as it otherwise would be with the Housing Authority responsible for all the maintenance related to the properties. We have purchased all over the City; one pending contract is up here at Scuppo Road at Westville Commons, the second is on the other side of Town on East Pembroke another Census tract and the third property that we just made an offer on is in Census Tract 2106 down under the under pass on Lake Avenue going towards Beaver Street or it is West Beaver Street. That project is moving along well and our hope is that we can add six to ten units to our portfolio.

We have Neighborhood Stabilization Program II, where we have an application in since July 17th and we are part of the State Consortium on that particular application. It is a three million dollar request for Danbury. There are a number of cities that have been turned down and we think that the longer we don't hear anything that is good news. I understand that the announcement for the



awardees will be sometime in the first quarter of 2010 so fingers crossed that our relationship with the State of Connecticut and other larger cities will bring about 4.7 million dollars to the State if we are awarded what we asked for.

We have successfully submitted our application for 50 family unification vouchers, submitted and accepted by HUD last week. We have gotten through the first validation phase which is a good thing. We are part of 11 cities in the State of Connecticut that have applied for vouchers for family unification purposes. All total we have asked for 625 unification vouchers that are very needed in the state. We are expecting to hear sometime first quarter 2010.

We have also submitted two applications to HUD to federalize two state elderly properties. This Board approved our request to submit the application on November 17 and we formally submitted on November 23rd. We had approximately three weeks to put together a one hundred page application each. HUD conducted a site visit this week at both Glenn and Crosby to determine eligibility: HUD could accept both properties, HUD could accept neither property, HUD could accept one or the other, or HUD could accept units within each property. How all this will look we don't know, but it is an extraordinary opportunity for the Housing Authority to attempt to get some more stabilized operating subsidy for those units as well as capital funds. The big kicker is that these units need to meet certain rehabilitation and zoning standards and we estimated that the cost would be somewhere around 4 or 5 million dollars last word. We obviously don't have 4 or 5 million dollars so we are talking to the State about a home application that would provide funding, which is about 2 million dollars there. We are looking at refinancing the mortgages for the properties, there is only about \$200,000 in mortgages for each property. Right now in the value in Vision is 12 million dollars so the idea is to refinance and take some of the equity out and upgrade the properties. No matter what we need to do it. The big ticket items for Glen Apartments are roofing, new windows and doors and at Crosby it is doors and windows. We have had an outside agency do an independent inspection of the properties using the tougher federal standards. I think my staff now knows the work that we have to do at those properties and will be diligent about it. It is an extraordinary opportunity and I think there are about 17 other proposals in State to ask to take the properties on for the State of Connecticut. We will keep you posted as we go along the road regard to if we are successful or not. Commissioner Watkins asks if there is a time table for that. Ms. Sistrunk states that here is what we know so far as it is moving very fast; we got the letter inviting us to apply on October 29, the application was due on November 23. Between October 29 and November 23, we had to do the legal notice, public hearing, amend our annual plan, revise the budget, project the budget, get inspections done and get cost estimates done. We did all that with the help of a consultant. We didn't go that all ourselves. We did get it all done because we didn't want to miss the opportunity. Since then, we have had the site visit and we are now doing policy review with them regard to our occupancy standards because, as we discussed last time, there are differences between the State and Federal programs in terms of exemptions and in terms of requirements of under the Federal lease that are not required under State lease. So we are going through that review now. The next part will be the financial component that we just got which is so many inches of a request that is part of the review. It is happening really quickly. We do know that if we are accepted we will know soon. Even we are accepted to be eligible we still have to go through another whole development process review. The earliest we could expect any funding would be around May 2010 if we are successful. We are being very realistic of our chances on



this because of the age of the properties and the ticket on the properties. We are not foreclosing other funding opportunities should we not get accepted under the federalization process the properties need a lot of work.

In the meanwhile, we have completed the parking lot at Wooster, completed the parking lot at Putnam, signed contract to do a complete renovation of the steps at Eden Drive, that work should begin very soon because we don't want to go through another winter with the steps as they are at Eden Drive.

We have run into a curious problem with the new parking lots. They are so smooth they are now more prone to black ice. So we went from having not enough parking spaces to now having new surfaces with a whole host of problems and I think these are good problems to have. We are getting a large number of requests for handicap parking spaces beyond our capacity at this point. We went over the required amount of spaces at both sites but we are getting more requests than we can handle. We will have figure out some way as to manage who actually gets the spaces. That is what we have the Resident Council for and will work with them to resolve that issue.

I will say a few words about the State budgets that are in here. The State budgets are here being submitted as required by the end of December to the State. They have had them since mid-October. As you remember we have a short-fall primarily with the State Elderly. We have identified the major source of the short-fall and it is out of the properties we estimate income in the amount of \$600,000 next year and \$300,000 is going to utilities. It is a back breaker and leaves very little room in terms of other operating costs that are non-discretionary for the property. With our submission of these budgets for the State we ask for certain things that we don't know if we are going to get them but we ask for them anyway thinking outside the box. They actually have said; "we understand that you aren't going to pay some of these things pending federalization." We have asked for a small rent increase for State Moderate Rental of \$25 a month, we have asked for a RAP increase of \$17,000 and we now know we probably won't get it we will get less than we asked for. We have asked for a moratorium of paying the mortgages for those properties until the federalization issue is resolved and we have asked for a forgiveness of the mortgage should the federalization occur. We have asked the State to assist us in developing an energy performance contract that will look at our properties and our energy conservation and do capital upgrades that will reduce the energy cost for the properties. Whether or not that will happen or not we are planning a meeting with our consultant, Steve Ball, in the next couple of weeks to pursue that avenue. We have asked the State to declare a moratorium with us for paying special fees of \$17,000 a year which is just administration cost of them monitoring our portfolio, no direct benefit for our residents. It has been a tough year, they understood that this was as bare bones of a budget as you can imagine. We are not putting the cost on our tenants as they have become unemployed or under-employed in this economy. We are trying to help ourselves in the best way we can. I wanted to generalize that conversation about the budgets as they are all in here. I know you had a chance to look at them. They are with the State and pretty close to being approved. We always submit a draft so we can have some deliberation back and forth before we submit the budgets for your review so once what we present to you is the finalized version that we are asking the State to approve. I'll take any questions and I am sure I am forgetting something but I know the staff will remind me if there is something critical.



Commissioner Watkins ask that with the federalization of the two projects, the work is going to be done regardless? Ms. Sistrunk states that we will look for alternative ways to find the funding, it just may take a little longer time. Even with the federalization, what we would propose is a three to five year plan to upgrade the properties to the standards. Even without the federalization that is still the same goal because Glen is a 1965 property and Crosby is a 1975 property. Age is a proxy for need of repair. Crosby fairs better and is a different kind of property. It is not as sprawling as Glen, but they both need some significant capital work. Commissioner Watkins asks if this application process is a one-time thing. Ms. Sistrunk comments that HUD traditionally frowned upon any attempt by any Housing Authority to try to federalize their State program. The State does not provide capital money so that has been our issue for Housing Authorities like us that have both State and Federal programs that attempt to move those units. HUD has said that they don't want the State units and that the State should take care of its own. With the recent recovery act money there is a loophole in there that we caught and rode the wave to get the application in. We don't think we will get another opportunity, not any time soon.

Commissioner Yamin clarifies that there are two levels of maintenance; maintenance we would do and the other is a higher degree of upgrade qualifying for federalization. Ms. Sistrunk states that the way we would categorize the work, we would put it into four groups; first emergency like, phase two of the fire alarm system at Glen that I would consider an emergency, the next would be general rehab and maintenance and those are things like new gutter and down spouts at Crosby Manor and next you are looking at rehab grouping that would be like windows and doors and the last would be what we would call revitalization that is new kitchen, new bathrooms, the heavier ticket items. The staff has been bouncing off both properties trying to be responsive and to get as much information as we could really quickly so we could at least have the opportunity to apply for it. Commissioner Yamin asks that we now have a whole survey of these needs now? Ms. Sistrunks states that it is not in the format that we ultimately need, so we are going out and do a comprehensive needs assessment but we do have by unit for each property everything that we do need to repair. Our challenge is to take those work items by unit and group them and come up with a plan.

FINANCIALS:

Our November 2009 financials are deceptive because it states that we have a million dollar cash flow and we don't. It is showing that we budgeted 1.2million through November we are at 1.3 million about \$98,000 over budget. That is primarily because of the lower rent and the higher Shelter Plus Care receipts and utilization of our Housing Choice Voucher. There is no question that we are kind of trotting along this year but as we do our recertifications and get our property income identified for next year of where we are going to be. We can expect cuts from the State with the expected under and unemployed increase we really will have a very tight year next year. We will talk more about that in January of 2010 and what that means in terms of ongoing property and personnel.

RESOLUTIONS AND INFORMATIONAL ITEMS

A. Resolution 818 authorizes the Executive Director to transmit Fiscal year 2008 Financial Statement to the State of Connecticut and The Housing and Urban Development. Upon motion by Jim Zeh and second by Ray Yamin the Resolution was adopted and approved.



- B. Resolution 823** authorizes the Executive Director to continue to proceed with the process of the proposed rent increase and implement the increase once approved by CHFA. Upon motion by Mary Teichola and second by Ray Yamin the Resolution was adopted and approved.
- C. Resolution 824** authorizes the Executive Director to execute a contract with Stanley Construction LLC in the amount of Thirty-Two Thousand Five Hundred Dollars (\$32,500.00) for the rehabilitation work at our Scattered Site property specifically known as 52 Clearview Avenue, Danbury, Connecticut. Upon motion by Dom Chieffalo and second by Mary Teicholz the Resolution was adopted and approved.
- D. Resolution 825** authorizes the Executive Director to develop and submit to the Connecticut Financing Housing Authority (CFHA) the Agency's Fiscal Year 2010 for the State Moderate Rental. Upon motion by Dom Chieffalo and second by Jim Zeh the Resolution was adopted and approved.
- E. Resolution 826** authorizes the Executive Director to develop and submit to the Connecticut Financing Housing Authority (CFHA) the Agency's Fiscal Year 2010 for the State Elderly Program. Upon motion by Dom Chieffalo and second by Jim Zeh the Resolution was adopted and approved.
- F. Resolution 827** authorizes the Executive Director to develop and submit to the Connecticut Financing Housing Authority (CFHA) the Agency's Fiscal Year 2010 for the Fairfield Ridge/Mill Ridge. Upon motion by Dom Chieffalo and second by Jim Zeh the Resolution was adopted and approved.
- G. Resolution 828** authorizes the Executive Director to develop and submit to the Connecticut Financing Housing Authority (CFHA) the Agency's Fiscal Year 2010 for the Fairfield Ridge Rehab. Upon motion Dom Chieffalo and second by Jim Zeh the Resolution was adopted and approved.
- H. Resolution 829** authorizes the Executive Director to establish a Security Deposit Account at the Union Savings Bank for use on its State Elderly program. Upon motion by Mary Teicholz and second by Ray Yamin the Resolution was adopted and approved.
- I. Resolution 830** authorizes the Executive Director to make payment in an amount not to exceed Forty Thousand Dollars (\$40,000.00), pending the inspection of the property and invoices related to the rehabilitation work completed at 29 Liberty Street, Danbury, Connecticut. A follow-up report will be submitted to the Board of Commissioners by January 31, 2010. Upon motion by Mary Teicholz and second by Jim Zeh the Resolution was adopted and approved

REPORT FROM THE CHAIRMAN OF THE BOARD OF COMMISSIONERS: NONE

NEW BUSINESS: NONE

ADJOURNMENT:

Upon motion by Jim Zeh and second by Mary Teicholz, it was approved to adjourn the meeting at 6:15 p.m.