

# Annual Report

2012

**FOR THE  
HOUSING AUTHORITY  
OF THE  
TOWN OF VERNON**



# VERNON HOUSING AUTHORITY

## Annual Report 2012

21 Court Street, Vernon, CT 06066

On behalf of the Board of Commissioners, I am pleased to present the Annual Report for the Housing Authority of the Town of Vernon for Fiscal Year Ending December 31, 2012. This past year has been a success due to the hard work and commitment by the commissioners and staff of the Housing Authority of the Town of Vernon (VHA).

Over the course of the past twelve months the VHA commissioners and staff have focused efforts toward completing our goal of maximizing the leasing of our housing stock and assisting additional Housing Choice Voucher Program clients.

The VHA was also successful in leasing up to 99% of our housing portfolio and increased our HCV program families served from 275 to 308. In addition we have increased the number of families served in our State of Connecticut DSS Program from 790 to 822. All of this was completed with diminished operating and administrative funding coming from the Department of Housing and Urban Development. These funding shortfalls necessitated the use of some program reserves to meet operating and administrative costs of the program. However, the additional rental income and voucher numbers helped to offset these funding cuts.

In 2012 the VHA also began major renovations to five apartments and a Community Room at Franklin Park East and Windermere. These renovations to allow wheelchair access to these areas were part of the federalization agreement with HUD for these properties.

The VHA Board of Commissioners and staff remain committed to providing quality affordable housing opportunities despite the challenges that lay ahead. The Vernon Housing Authority will continue to work in 2013 with a focus on preserving these vital assets.

Respectfully Submitted,

Jeffrey Arn  
Executive Director

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# **ORGANIZATIONAL SUMMARY**

## **Board of Commissioners**

Mr. Peter Olson, Chairman  
Mr. J. Michael O'Neil, Vice Chairman  
Ms. Karen Roy-Guglielmi, Commissioner  
Ms. Nancy Osborn, Commissioner  
Mr. Raymond Powers, Resident Commissioner

## **Housing Authority Staff**

### **Administration**

Jeffrey Arn, Executive Director  
Bobbi Kruglik, Finance Manager  
Thanh Do, Book Keeper / Housing Assistant  
Susan Plefka, Receptionist

### **Housing & Programs**

Linda McComber, Housing & Programs Manager  
Donna Webber, Resident Services Coordinator  
Noreen Keeler, Housing Programs Coordinator  
Lydia Kornas, Section 8 Coordinator  
Victoria Duffy, Section 8 Assistant

### **Francis J. Pitkat Congregate**

Sue Lapierre, Congregate Housing Manager  
Karina Estevez, Resident Service Coordinator  
Kathy McNally, Congregate Desk Attendant  
Steve Marino, Congregate Desk Attendant  
Theresa Newman, Kitchen Manager  
Mary Wheeler, PT Desk Attendant  
Pat Boreyko, PT Desk Attendant  
Marla Houle, PT Housekeeper  
Angela Ahern, PT Housekeeper  
Tom Colturi, PT Kitchen Worker  
Don St. Germain, Weekend Cook  
Gladis DeJesus, PT Kitchen Worker

## **State of CT DSS HCV & Rental Assistance Program**

Dorothy Morin, Program Supervisor  
Betsy Soto, Coordinator  
Charlene Charette, Coordinator

### **Maintenance**

Tommy Do, Supervisor  
Greg Gauthier, Maintenance Aide  
Eric Hurlburt, Maintenance Aide  
Phillip Ortiz, Maintenance Aide  
Cuong Truong, Maintenance Laborer

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## ***MAJOR ACTIVITIES***

### **Franklin Park East and Windermere A.D.A. Renovations**

The Vernon Housing Authority began A.D.A. accessibility renovations to three apartments at Franklin Park East, two apartments and the Community Room at Windermere Court. These renovations include; the installation of accessible ramps; accessible bathrooms with roll-in showers; accessible Kitchens; and accessible parking areas. In addition as part of this project an emergency electrical generator is being installed at Windermere to power the Community Room in case of a power outage this will allow for a place of refuge for our elderly and disabled residents. This \$382,500 project was mandated as part of the conversion of these properties to our federally funded portfolio. The funds for these renovations are coming from our Capital Fund Program and project reserves. The use of project reserves is intended to keep our reserve levels at or below the HUD recommended amounts. Project completion is slated for July 2013.

### **Court Towers Security Camera Installation**

The Vernon Housing Authority began the installation of a new digital 30 camera security surveillance system at Court Towers. This system is being installed in order to improve our capabilities of monitoring our residents' safety and improve our lease enforcement abilities. This has been necessitated by the increased amount of residents generated by our enhanced occupancy numbers. The system includes 30 digital cameras, one server, two monitoring stations and remote viewing capabilities. The funding for this project are coming exclusively from project reserves. The use of project reserves is intended to keep our reserve levels at or below the HUD recommended amounts. Project completion is slated for July 2013.

### **CHFA Capital Plan Pilot**

The Connecticut Housing Finance Authority (CHFA) is developing a capital plan in preparation for distributing funding as part of the State's commitment to reinvest into the state financed housing stock. The VHA was asked to be a part of a pilot group of housing authorities that will test the assessment of the existing developments. The process will include a capital needs assessment, management assessment and market analysis. This program is in process.

### **Appointments to the Board of Commissioners**

**Chairman Peter Olson** was reappointed to an additional five year term by the Vernon Town Council in February 2012. This year Mr. Olson attained 23 years of service on the Board of Commissioners. He has diligently served the residents of Vernon by being actively involved in the VHA's success in providing quality affordable housing opportunities.

## **Housing Advocacy & Associations**

The VHA continues to be committed to advocating for public housing. VHA executive director Jeffrey Arn remains an active Executive Board member for the Connecticut Chapter of the National Association of Housing and Redevelopment Officials (CONN-NAHRO) and serves as Vice President of their Housing and Legislation Committee. This has required Mr. Arn to be involved in advocating for and/or opposing legislation on a State level representing CONN-NAHRO.

## **2012 Resident Services**

The Vernon Housing Authority enhances our ability to provide a positive living environment through a commitment to resident services. This is achieved by dedicating a full time staff member to work directly with our residents and also by organizing events and activities.

This past year, the VHA has assisted more than one hundred and fifty residents with different services that they have needed. The list of services includes; Homemaking Service, Home Health Aides, Transportation Services, Public Assistance Programs, Mental Health Services, Medicare/Health Insurance, Visiting Nurses Service, Protective Services & Community Meals.

We teamed with the Town of Vernon Department of Social Services to sign up our residents for the rental rebate program. Over two hundred of our residents took advantage of this offer allowing them to supplement their limited budgets.

In addition to services we have provided community relations through health clinics, entertainment and community functions. Clinics & functions at all of our senior and disabled housing sites included; Blood Pressure Clinics, Foot Care Clinics, Fire Marshall Safety Presentations, Summer Picnics, Holiday Parties, Ice Cream Socials, Musical Entertainment, Bingo, Pizza Parties, Breakfasts, Dinners and other miscellaneous game playing functions.

At Court Towers we continued the operation of the Gift and Coffee Shops as a service for our residents. These are able to continue operation thanks to our resident volunteers including; Ray Powers, Margaret Finn, Irene Kozlowski, Pat Boreyko, Doris Farr & Linda Arietti.

## **HUD Housing Choice Voucher Management Assessment**

The VHA has maintained the status of being a High Performing Agency with the U.S. Department of Housing and Urban Development in the management of the Section 8 Program. The VHA was assessed for the year ending 2012 and received 93 of 100 possible points.

## **Public Housing Assessment System**

The VHA has maintained the status of being a standard performer for the year ending 2011 and had not yet received our scoring for 2012.

## Payment in Lieu of Taxes (PILOT)

The Housing Authority of Town of Vernon was able to increase the amount of PILOT payment made to the town in 2012 due to the recent federalization of two properties. The conversion of Franklin Park East and Windermere Court from State funded properties to federally funded has allowed us to once again make PILOT payments on these properties. In addition the percentage paid on our other federal properties has increased from 5 to ten percent. This is possible because HUD will fund up to ten percent of our shelter rents less utilities for PILOT payments. Whereas the State did not provide any funding for PILOT payment. The PILOT payments made in 2012 & 2011 are listed below;

| <u>Property Designation</u>                        | <u>2012 Pilot Payment</u> | <u>2011 Pilot Payment</u> |
|--|---------------------------|---------------------------|
| Court Towers, Franklin Park West & Scattered Sites | \$35,634                  | \$15,917                  |
| Franklin Park East                                 | \$ 9,206                  | \$ 1,374                  |
| Windermere Court                                   | \$ 7,975                  | \$ 600                    |
| Francis Pitkat Congregate                          | <u>\$10,537</u>           | <u>\$ 9,419</u>           |
| Total Payment                                      | <b>\$63,352</b>           | <b>\$27,310</b>           |

As demonstrated above the VHA has been able to increase our value to the Town of Vernon by not only providing more affordable housing to our residents but also increasing the amount of money we are able to give the Town in our PILOT payment.

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## ***FACILITIES***

### **Work Orders**

Through December 31, 2012, the VHA maintenance staff completed 1,355 work orders for maintenance services.

### **Unit Turnover**

The VHA maintenance staff renovated 48 apartments in preparation for new and/or transferred residents.

## **FINANCIAL SUMMARY**

| <b>Entity Wide Balance Sheet Summary</b>                          | <b>Federal</b>     | <b>HCV</b>       | <b>State</b>       | <b>Business Activities</b> | <b>Totals</b>      |
|---|--------------------|------------------|--------------------|----------------------------|--------------------|
| Cash - Unrestricted   | \$786,740          | \$88,705         | \$69,502           | \$63,918                   | \$1,008,865        |
| Cash Restricted Modernization & Development                       |                    |                  | \$753,066          |                            | \$753,066          |
| Cash - Other Restricted   |                    | \$260,620        |                    |                            | \$260,620          |
| Cash - Tenant Security Deposits                                   | \$10,182           |                  | \$1,800            |                            | \$11,982           |
| <b>Total Cash</b>   | <b>\$796,922</b>   | <b>\$349,325</b> | <b>\$824,368</b>   | <b>\$63,918</b>            | <b>\$2,034,533</b> |
| Accounts Receivable - Other Government                            |                    |                  | \$10,847           |                            | \$10,847           |
| Accounts Receivable - Miscellaneous                               | \$1,298            | \$135            | \$349              | \$204,600                  | \$206,382          |
| Accounts Receivable - Tenants                                     | \$2,395            |                  | \$726              |                            | \$3,121            |
| Allowance for Doubtful Accounts -Tenants                          | -\$2,294           |                  | -\$726             |                            | -\$3,020           |
| <b>Total Receivables, Net of Allowances for Doubtful Accounts</b> | <b>\$1,399</b>     | <b>\$135</b>     | <b>\$11,196</b>    | <b>\$204,600</b>           | <b>\$217,330</b>   |
| Prepaid Expenses and Other Assets                                 | \$73,305           | \$5,115          | \$21,386           | \$1,080                    | \$100,886          |
| Inventories   |                    |                  | \$3,459            |                            | \$3,459            |
| Inter Program Due From  |                    | \$12,805         |                    | \$2,600                    | \$15,405           |
| <b>Total Current Assets</b>                                       | <b>\$871,626</b>   | <b>\$367,380</b> | <b>\$860,409</b>   | <b>\$272,198</b>           | <b>\$2,371,613</b> |
| Land  | \$364,941          |                  | \$65,076           | \$11,607                   | \$441,624          |
| Buildings   | \$9,779,459        |                  | \$3,953,954        | \$102,742                  | \$13,836,155       |
| Furniture, Equipment & Machinery - Dwellings                      | \$410,214          |                  | \$314,073          |                            | \$724,287          |
| Furniture, Equipment & Machinery - Administration                 | \$453,620          | \$39,066         | \$51,413           | \$1,158                    | \$545,257          |
| Leasehold Improvements  | \$597,614          |                  |                    |                            | \$597,614          |
| Accumulated Depreciation  | -\$8,305,815       | -\$34,487        | -\$2,555,941       | -\$28,268                  | -\$10,924,511      |
| <b>Total Capital Assets, Net of Accumulated Depreciation</b>      | <b>\$3,300,033</b> | <b>\$4,579</b>   | <b>\$1,828,575</b> | <b>\$87,239</b>            | <b>\$5,220,426</b> |
| <b>Total Non-Current Assets</b>                                   | <b>\$3,300,033</b> | <b>\$4,579</b>   | <b>\$1,828,575</b> | <b>\$87,239</b>            | <b>\$5,220,426</b> |
| <b>Total Assets</b>   | <b>\$4,171,659</b> | <b>\$371,959</b> | <b>\$2,688,984</b> | <b>\$359,437</b>           | <b>\$7,592,039</b> |
| Accounts Payable <= 90 Days                                       | \$728              | \$242            | \$25,449           | \$248                      | \$26,667           |
| Accounts Payable - Other Government                               | \$62,067           |                  | \$92,958           |                            | \$155,025          |
| Tenant Security Deposits  | \$10,182           |                  | \$1,800            |                            | \$11,982           |
| Deferred Revenues   |                    |                  | \$34,115           |                            | \$34,115           |
| Accrued Liabilities - Other                                       | \$41,785           |                  |                    |                            | \$41,785           |
| Inter Program - Due To  | \$7,551            |                  | \$7,854            |                            | \$15,405           |
| Loan Liability - Current  |                    |                  |                    |                            |                    |
| <b>Total Current Liabilities</b>                                  | <b>\$122,313</b>   | <b>\$242</b>     | <b>\$162,176</b>   | <b>\$248</b>               | <b>\$284,979</b>   |

| <b>Entity Wide Balance Sheet Summary</b>       | <b>Federal</b>     | <b>HCV</b>       | <b>State</b>       | <b>Business Activities</b> | <b>Totals</b>      |
|--|--------------------|------------------|--------------------|----------------------------|--------------------|
| Invested Capital Assets, Net of Related Debt   | \$3,300,033        | \$4,579          | \$1,828,575        | \$87,239                   | \$5,220,426        |
| Restricted Net Assets                          |                    | \$260,620        | \$753,066          |                            | \$1,013,686        |
| Unrestricted Net Assets                        | \$749,313          | \$106,518        | -\$54,833          | \$271,950                  | \$1,072,948        |
| Total Equity/Net Assets                        | \$4,049,346        | \$371,717        | \$2,526,808        | \$359,189                  | \$7,307,060        |
| <b>Total Liabilities and Equity/Net Assets</b> | <b>\$4,171,659</b> | <b>\$371,959</b> | <b>\$2,688,984</b> | <b>\$359,437</b>           | <b>\$7,592,039</b> |

## **Annual Financial Audit**

The Fiscal Year 2011 Audit Report was completed and filed as required. There were no material findings cited in the report. A full copy of the audited financial statements is available upon request at the VHA Office.

## **Management Plans**

The Congregate Housing Management and Services Plans and also the Elderly and Moderate Rental Plans were submitted and approved as required.

## **Base Rent Structure**

**Elderly** – The VHA Board needed to increase the base (minimum) rents for the upcoming fiscal year. A base rent increase of \$15 went into effect for January 1, 2013. The amount of the increase was related to the size of the apartment. The new base rents are \$275 for an efficiency and \$290 for a one bedroom per month. Some residents who cannot afford the base rent may receive a rent subsidy from the State of Connecticut’s Rental Assistance Payment (RAP) program if funds are available. However continued and/or adequate funding for this program is a major concern due to the ongoing State of CT budget crisis.

**Congregate** – The VHA Board needed to increase the base (minimum) rents for the upcoming fiscal year. A base rent increase of \$35 went into effect for July 1, 2012. The new base rents are \$360 for an efficiency and \$420 for a one bedroom per month.

## **Section 8 Housing Choice Voucher Program**

During 2012, the VHA worked toward maximizing the use of vouchers available. Housing Authorities were not notified of their funding levels until the spring of 2012. Funding was initially short of the amount needed. The VHA responded by expending Net Restricted Assets (NRA) held in reserve. In addition, the VHA applied for and received additional set aside funds from HUD to prevent the VHA from terminating assistance.

The program has become more difficult to manage as the Administrative Fees paid to housing authorities was reduced to an 80% proration. For 2013, the initial fees will be reduced further to a 75% proration as Congress has not yet set funding. The inadequate funding forced the VHA to operate the program at a loss of \$11,400 in 2012. The VHA has adequate reserves to sustain the program at these funding levels for several years. However, if funding is not restored in the coming years we may not be able to maintain regulatory compliance and provide an adequate level of service to the program participants.

## **Annual Agency Plan (HUD required)**

The required Agency Plan for FY2012 has been submitted and approved by the US Department of Housing and Urban Development. A copy of the plan is available for viewing at the Central Office during regular business hours.

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### ***HOUSING PROPERTY & Program SUMMARY***

#### **Federally Funded Elderly and Disabled Developments**

Residents pay rents based on 30% of their adjusted gross income. All utilities except phone and cable are included in the rent at these sites. The flat or maximum rents are based on 80% of the fair market rents as published by HUD annually. In 2012 the flat rents were \$563 for an efficiency and \$703 for a one bedroom.

**Franklin Park West**, 114 Franklin Park West, Built 1964 - 64 Elderly & Disabled Units

**Court Towers**, 21 Court Street, Built 1970 - 72 Elderly Units & Disabled Units

**Franklin Park East**, Franklin Street, Built 1963 - 40 Elderly Units & Disabled Units

**Windermere Court**, 29 Windermere Avenue, Built 1970 - 40 Elderly Units & Disabled Units

## **Federally Funded Low Income Housing Developments**

Residents pay rents based on 30% of their adjusted gross income and they pay all utilities except water at these sites. The flat or maximum rents are based on 80% of the fair market rents as published by HUD annually. In 2012 the flat rents were \$881 for an two bedroom, \$1,097 for a three bedroom and \$1,274 for a four bedroom.

**Scattered Sites**, Seven Properties - 9 Family Units

## **State Funded Developments**

Residents pay rents based on 30% of their adjusted gross income. All utilities except phone and cable are included in the rent at these sites. There are base or minimum rents at these properties. In 2012 the base rents were \$275 for an efficiency and \$290 for a one bedroom per month.

**Grove Court**, 55 Grove Street, Built 1968 - 24 Elderly Units & Disabled Units

**Grove Street Extension**, 55 Grove Street, Built 1977 - 30 Elderly Units & Disabled Units

## **State Funded Congregate Facility**

The Congregate program includes a combination of rent and services in the monthly cost. The base rents in 2012 were \$360 for an efficiency and \$420 for a one bedroom which includes all utilities except phone. There is a monthly service fee of \$732 for an efficiency and \$746 for a one bedroom which covers the cost of the congregate program related assistance. The services include 24 hour front desk attendants, one daily meal, light housekeeping, service coordination and some transportation services. Residents who would be paying in excess of 30% of their adjusted monthly income are eligible to participate in the State of Connecticut's Rental Assistance and Congregate Subsidy Programs if funding is made available.

**Francis J. Pitkat Congregate Center**, 80 Franklin St. - 43 Frail Elderly Units

## **Federal Housing Choice Voucher Program**

Program participants use the voucher in the private rental market. Program participants pay 30% to 40% of their adjusted gross monthly income toward the rent. A Housing Assistance Payment (HAP) is made directly to the owner for the balance of the rent within certain limitations based on Federal guidelines.

As of December 31, 2012 the budget authority utilization rate was over 100%. In 2012 the voucher utilization went from 275 to 308.

## **State of CT Department of Social Services Housing Choice Voucher and Rental Assistance Program**

Program participants use the voucher or RAP certificate in the private rental market. Program participants pay 30% to 40% of their adjusted gross monthly income toward the rent. A Housing Assistance Payment (HAP) is made directly to the owner for the balance of the rent within certain limitations based on Federal guidelines. In 2012 the voucher utilization went from 790 to 822.

## ***Contact & Meeting Information***

***For more information regarding the Housing Authority of the Town of Vernon, please feel free to contact us at:***

Vernon Housing Authority  
21 Court Street  
Suite 114  
Vernon, CT 06066

**Phone:** 860-871-0886 **Fax:** 860-875-9811

[www.vernonhousing.org](http://www.vernonhousing.org)

**The Regular Meeting of VHA Board Commissioner's is held the second Thursday of each month at 1 PM in the Conference Room located at 21 Court Street, Vernon, CT (unless otherwise posted).**

