

VERNON HOUSING AUTHORITY

21 Court Street, Vernon, CT 06066

Annual Report 2014

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, 2014. 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 maintaining our high standards in the leasing of our housing stock and assisting additional Housing Choice Voucher Program clients.

The VHA was successful in averaging a 99% occupancy rate throughout the year. Our Local Housing Choice Voucher Program continued to assist as many families as possible considering the continued underfunding of the program the number of families served rose to 283 from 276. Additionally, we were able to increase the number of families served in our State of Connecticut DOH - HCV and RAP Program from 935 to 1,029. 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.

In 2014 the VHA undertook a major energy conservation contract at all of our federal properties. This contract will allow the VHA to become more energy efficient and provide more cost effective utilities to our residents.

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 2015 with a focus on preserving these vital assets.

Respectfully Submitted,

Jeffrey Arn
Executive Director

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
Susan Plefka, Book Keeper / 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
Tawny Pho, Housing Specialist

Francis J. Pitkat Congregate

Judy Hyde, Congregate Housing Manager
Mary Wheeler, Resident Service Coordinator
Tony Seibert, Congregate Desk Attendant
Steve Marino, Congregate Desk Attendant
Laurie Mangun, PT Desk Attendant
Theresa Newman, Kitchen Manager
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
Nicole Kornas, PT Desk Attendant

State of CT DOH HCV & Rental Assistance Program

Betsy Soto, Program Supervisor
Charlene Charette, Coordinator
Karina Estevez, Coordinator
Abby Bellock, Part Time Assistant

Maintenance

Tommy Do, Supervisor
Greg Gauthier, Maintenance Aide
Nick Campolongo, Maintenance Aide
Cuong Truong, Maintenance Laborer

MAJOR ACTIVITIES

Energy Performance Contract at Franklin Park East, West, Windermere Court, Court Towers and Scattered Sites

The Vernon Housing Authority completed procured the services of a qualified energy performance contractor. The most qualified contractor CTI Energy was hired to perform these services and began the process in 2014. An investment grade energy audit was performed and several qualified energy savings measures were found. These measures include; the replacement of all lights with new energy efficient L.E.D. lighting, Installation of electric heat pumps at Franklin Park and Windermere, new low flow toilets, shower heads and aerators and solar panels at the Franklin Park Laundry Room. A contract in the amount of \$1,633,768 was approved by HUD and executed. A reduced interest rate loan was applied for and received from CHFA to pay for the improvements. The loan will be paid off using the cost savings received on the energy reduction measures. All energy savings measures are scheduled to be completed in 2015.

CHFA Capital Plan

In order to comply with the recommendations of the CHFA Capital Plan the VHA began to assemble a development team to design the redevelopment of the Francis J. Pitkat Congregate Living Center. We contracted with John D'Amelia as our Modernization Consultant and Quisenberry Arcari Architects, LLC as our design professional. The design and application for funding to the state is planned for 2015.

Appointments to the Board of Commissioners

Ms. Karen Roy Guglielmi was reappointed to an additional five year term by the Vernon Town Council in February 2014. She 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 continued as Senior Vice President in 2014. As Senior VP Mr. Arn assists the President of the organization on all aspects of oversight of the agency and puts him in line to become President in 2015.

2013 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 two hundred and twenty nine 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 once again 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, 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 & Doris Farr.

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 2014 and received 90 of 100 possible points.

Public Housing Assessment System

The VHA was not officially scored on the PHAS system for 2014 due to our high performing status in the previous year. However, we were informed by HUD that if we had been scored we would have achieved high performance status again.

Payment in Lieu of Taxes (PILOT)

The Housing Authority of Town of Vernon was able to maintain the increased amount of PILOT payment made to the town in 2014 due to our high occupancy rates. The PILOT payments made in 2012, 2013 & 2014 are listed below;

<u>Property Designation</u>	<u>2014 Pilot Payment</u>	<u>2013Pilot Payment</u>	<u>2012 Pilot Payment</u>
Court Towers, Franklin Park West & Scattered Sites	\$39,389	\$40,822	\$35,634
Franklin Park East	\$10,383	\$10,179	\$ 9,206
Windermere Court	\$ 9,425	\$ 8,800	\$ 7,975
Francis Pitkat Congregate	<u>\$12,243</u>	<u>\$ 11,686</u>	<u>\$ 10,537</u>
Total Payment	\$71,440	\$71,487	\$63,352

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

FACILITES

Work Orders

Through December 31, 2014, the VHA maintenance staff completed 1,421 work orders for maintenance services.

Unit Turnover

The VHA maintenance staff renovated 37 apartments in preparation for new and/or transferred residents.

FINANCIAL SUMMARY

			Project Total	Housing Choice Vouchers	2 State/Local	1 Business Activities	Subtotal	Total
111	Cash - Unrestricted		\$733,394	\$66,577	\$80,852	\$74,617	\$955,440	\$955,440
112	Cash - Restricted - Modernization and Development				\$784,857		\$784,857	\$784,857
113	Cash - Other Restricted			\$43,547			\$43,547	\$43,547
114	Cash - Tenant Security Deposits		\$11,328				\$11,328	\$11,328
100	Total Cash		\$744,722	\$110,124	\$865,709	\$74,617	\$1,795,172	\$1,795,172
124	Accounts Receivable - Other Government				\$12,663		\$12,663	\$12,663
125	Accounts Receivable - Miscellaneous			\$443		\$60,712	\$61,155	\$61,155
126	Accounts Receivable - Tenants		\$4,504		\$938		\$5,442	\$5,442
126.1	Allowance for Doubtful Accounts -Tenants		-\$2,294		-\$938		-\$3,232	-\$3,232
120	Total Receivables, for Doubtful Accounts		\$2,210	\$443	\$12,663	\$60,712	\$76,028	\$76,028
142	Prepaid Expenses and Other Assets		\$42,773	\$5,074	\$22,251	\$1,279	\$71,377	\$71,377
143	Inventories				\$3,445		\$3,445	\$3,445
144	Inter Program Due From			\$11,500		\$1,500	\$13,000	\$0
150	Total Current Assets		\$789,705	\$127,141	\$904,068	\$138,108	\$1,959,022	\$1,946,022
161	Land		\$364,941		\$65,076	\$11,607	\$441,624	\$441,624
162	Buildings		\$10,104,258		\$3,953,954	\$102,742	\$14,160,954	\$14,160,954
163	Furniture, Equipment & Machinery - Dwellings		\$421,695		\$320,866		\$742,561	\$742,561
164	Furniture, Equipment & Machinery - Administration		\$511,199	\$39,066	\$51,413	\$3,458	\$605,136	\$605,136
165	Leasehold Improvements		\$597,614				\$597,614	\$597,614
166	Accumulated Depreciation		-\$8,624,018	-\$35,422	-\$2,672,219	-\$31,039	-\$11,362,698	-\$11,362,698
160	Total Capital Assets, Net of Accumulated Depreciation		\$3,375,689	\$3,644	\$1,719,090	\$86,768	\$5,185,191	\$5,185,191
171	Notes, Loans and Mortgages Receivable - Non-Current					\$150,726	\$150,726	\$150,726
174	Other Assets		\$33,558				\$33,558	\$33,558
176	Investments in Joint Ventures							
180	Total Non-Current Assets		\$3,409,247	\$3,644	\$1,719,090	\$237,494	\$5,369,475	\$5,369,475
190	Total Assets		\$4,198,952	\$130,785	\$2,623,158	\$375,602	\$7,328,497	\$7,315,497
290	Total Assets and Deferred Outflow of Resources		\$4,198,952	\$130,785	\$2,623,158	\$375,602	\$7,328,497	\$7,315,497
312	Accounts Payable <= 90 Days		\$1,679	\$1,054	\$5,288	\$128	\$8,149	\$8,149
333	Accounts Payable - Other Government		\$59,801		\$51,096		\$110,897	\$110,897
341	Tenant Security Deposits		\$11,328		\$1,800		\$13,128	\$13,128
342	Unearned Revenue		\$86		\$42,317		\$42,403	\$42,403
346	Accrued Liabilities - Other		\$48,334		\$7,682	\$80	\$56,096	\$56,096
347	Inter Program - Due To		\$4,159		\$8,841		\$13,000	\$0
310	Total Current Liabilities		\$125,387	\$1,054	\$117,024	\$208	\$243,673	\$230,673
300	Total Liabilities		\$125,387	\$1,054	\$117,024	\$208	\$243,673	\$230,673

508.4 Net Investment in Capital Assets	\$3,375,689	\$3,644	\$1,719,090	\$86,768	\$5,185,191	\$5,185,191
511.4 Restricted Net Position		\$43,547	\$784,857		\$828,404	\$828,404
512.4 Unrestricted Net Position	\$697,876	\$82,540	\$2,187	\$288,626	\$1,071,229	\$1,071,229
513 Total Equity - Net Assets / Position	\$4,073,565	\$129,731	\$2,506,134	\$375,394	\$7,084,824	\$7,084,824
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets	\$4,198,952	\$130,785	\$2,623,158	\$375,602	\$7,328,497	\$7,315,497

Annual Financial Audit

The Fiscal Year 2013 Audit Report was completed and filed as required. There was one finding 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

State 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, 2014. The amount of the increase was related to the size of the apartment. The new base rents are \$290 for an efficiency and \$305 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 did not increase base rents at our Congregate facility in 2013. The new base rents are \$360 for an efficiency and \$420 for a one bedroom per month.

Section 8 Housing Choice Voucher Program

During 2013, the VHA suffered funding cuts caused by sequestration. Our Housing Assistance Payment (HAP) funding was funded at 94% the amount needed. The VHA was forced to reduce our number of vouchers and families served through attrition, termination for program violations and by not reissuing vouchers when people left the program. We also were forced to use our Net Restricted Assets (Program Reserves) to make up for the shortage in funding. In addition, the VHA applied for and received small amount of set aside funds from HUD to prevent the VHA from terminating assistance to families. These cuts forced us to drop from 308 vouchers to 276 at the year's end.

The program has become more difficult to manage as the Administrative Fees paid to housing authorities was reduced to a 69% proration in 2013. The inadequate funding forced the VHA to administer the program at a loss of \$28,557 in 2013. 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 FY2013 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.

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 2013 the flat rents were \$706 for an efficiency and \$752 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 2013 the flat rents were \$936 for a two bedroom, \$1,166 for a three bedroom and \$1,355 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 2013 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 2013 were \$360 for an efficiency and \$420 for a one bedroom which includes all utilities except phone. There is a monthly service fee of \$742 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, 2013 the budget authority utilization rate was over 100%. In 2013 the voucher utilization went from 308 to 276.

State of CT Department of Housing 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 2013 the voucher utilization went from to 822 to 935.

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

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).

