

# VERNON HOUSING AUTHORITY

21 Court Street, Vernon, CT 06066

## Annual Report 2016

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, 2016. 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 97% occupancy rate at our properties 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 291 from 288. Additionally, we were able to increase the number of families served in our State of Connecticut DOH - HCV and RAP Program from 1,087 to 1,128. 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 2016 the VHA worked completed 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 while updating our lighting and heating systems. We also completed a major site improvement project at our Franklin Park properties and installed automatic door openers at our Community and Laundry Rooms.

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 2017 with a focus on preserving these vital assets.

Respectfully Submitted,

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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  
Mr. Glenn Tarro, Commissioner  
Mr. Raymond Powers, Resident Commissioner

### **Housing Authority Staff**

#### **Administration**

Jeffrey Arn, Executive Director  
Bobbi Kruglik, Finance Manager  
Susan Plefka, Receptionist

#### **Housing & Programs**

Linda McComber, Housing & Programs Manager  
Donna Webber, Resident Services Coordinator  
Judy Hyde, Property Manager  
Lydia Kornas, Section 8 Coordinator  
Victoria Duffy, Section 8 Assistant  
McKenzie Gardner, Leasing Coordinator

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

Mary Wheeler, Congregate Assistant Housing Manager  
Laurie Mangun, Resident Service Coordinator

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

Betsy Soto, Program Supervisor  
Charlene Charette, Coordinator  
Michael Gentile, Coordinator  
Ashley Baird, Coordinator  
Abby Bellock, Part Time Assistant

#### **Maintenance**

Tommy Do, Supervisor  
Greg Gauthier, Maintenance Aide  
Timothy Carpenter, Maintenance Aide  
Cuong Truong, Maintenance Laborer

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## ***MAJOR ACTIVITIES***

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

The Vernon Housing Authority procured the services of a qualified energy performance contractor and 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. A contract in the amount of \$1,633,768 was approved by HUD and executed. A reduced interest rate loan was received from CHFA to pay for the improvements. In addition we are receiving more than \$650,000 in rebates from Eversource to complete the work. The loan will be paid off using the cost savings received on the energy reduction measures. Construction began and was largely completed in 2015. The measures included; new low flow toilets and aerators, new LED lighting was installed replacing all existing incandescent and fluorescent bulbs and fixtures, new limiting thermostats and refrigerators at for all apartments at Franklin Park East, West, Windermere, Court Towers and the Scattered Sites. In addition new heating and air-conditioning units were installed at Franklin Park East, West and Windermere. These new heat pumps provide a 25% reduction in electrical use and eliminate the need for window air-conditioning units. Also the gas fired boiler at the Franklin Park Community Building was replaced and the fresh air roof top unit at Court Towers was replaced. As part of this project in 2016 Attic Insulation was added at all apartment buildings at Franklin Park and solar power was added to the Laundry Room.

### **CHFA Capital Plan**

In order to comply with the recommendations of the CHFA Capital Plan the VHA began to assemble a development team to begin the process of redeveloping the Francis J. Pitkat Congregate Living Center. We contracted with John D'Amelia and Associates as our Modernization Consultant and Quisenberry Arcari Architects, LLC as our design professional. The design and application for funding to the state was submitted to the State in April 2015. We were notified in August that we had a successful application and that we will be receiving \$3.9 million in funding from the state to renovate the property. The extensive closing process for the grant including bidding of the project was executed in 2016. This included bidding the project twice with the contract being awarded to BRD Builders, LLC. The project is scheduled to begin in spring 2017.

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

**Mr. Glenn Tarro** was appointed to a five year term by the Vernon Town Council in March 2016.

## **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). In September of 2015 Mr. Arn was elected the President of the organization to serve a two year term.

## **2016 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 approximately 195 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, 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, Mike Koval, Evelyn Robbins, Mary Gignac & 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 2016 and received 93 of 100 possible points.

## **Public Housing Assessment System**

The VHA was scored on the PHAS system for 2016 including a physical inspection of our properties. We were informed by HUD that we achieved high performance status again with a score of 94.

## Payment in Lieu of Taxes (PILOT)

The Housing Authority of Town of Vernon was able to increase amount of PILOT payment made to the town in 2016 due to our high occupancy rates. The PILOT payments made in 2014, 2015 & 2016 are listed below;

<u>Property Designation</u>	<u>2016 Pilot Payment</u>	<u>2015 Pilot Payment</u>	<u>2014 Pilot Payment</u>
Court Towers, Franklin Park West & Scattered Sites	\$44,558	\$42,289	\$39,389
Franklin Park East	\$10,589	\$ 9,898	\$10,383
Windermere Court	\$10,229	\$ 9,609	\$ 9,425
Francis Pitkat Congregate	<u>\$14,718</u>	<u>\$12,763</u>	<u>\$12,243</u>
Total Payment	<b>\$80,094</b>	\$74,559	\$71,440

As demonstrated above the VHA was able to increase 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.

## ***FACILITIES***

### **Work Orders**

Through December 31, 2016, the VHA maintenance staff completed 1,061 work orders for maintenance services.

### **Unit Turnover**

The VHA maintenance staff renovated 60 apartments in preparation for new and/or transferred residents.

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## ***FINANCIAL SUMMARY***

	Project Total	14,871 Housing Choice Vouchers	2 State/Local	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	\$619,196	\$61,248	\$172,727	\$170,774	\$1,023,945	\$1,023,945
112 Cash - Restricted - Modernization and Development	\$322,692		\$874,272		\$1,196,964	\$1,196,964
113 Cash - Other Restricted		\$280,473			\$280,473	\$280,473
114 Cash - Tenant Security Deposits	\$11,777				\$11,777	\$11,777
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$953,665	\$341,721	\$1,046,999	\$170,774	\$2,513,159	\$2,513,159
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$25,104				\$25,104	\$25,104
124 Accounts Receivable - Other Government			\$11,554		\$11,554	\$11,554
125 Accounts Receivable - Miscellaneous				\$46,118	\$46,118	\$46,118
126 Accounts Receivable - Tenants	\$4,285				\$4,285	\$4,285
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,294				-\$2,294	-\$2,294
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$27,095	\$0	\$11,554	\$46,118	\$84,767	\$84,767
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$52,362	\$5,145	\$25,871	\$1,678	\$85,056	\$85,056
143 Inventories			\$2,745		\$2,745	\$2,745
150 Total Current Assets	\$1,033,122	\$346,866	\$1,087,169	\$218,570	\$2,685,727	\$2,685,727
161 Land	\$364,941		\$65,076	\$11,608	\$441,625	\$441,625
162 Buildings	\$10,228,180		\$3,953,954	\$102,742	\$14,284,876	\$14,284,876
163 Furniture, Equipment & Machinery - Dwellings	\$436,631		\$320,866		\$757,497	\$757,497
164 Furniture, Equipment & Machinery - Administration	\$593,418	\$44,478	\$56,736	\$7,015	\$701,647	\$701,647
165 Leasehold Improvements	\$1,049,361				\$1,049,361	\$1,049,361
166 Accumulated Depreciation	-\$9,434,012	-\$38,485	-\$3,001,812	-\$41,392	-\$12,515,701	-\$12,515,701
167 Construction in Progress	\$2,070,188		\$220,482		\$2,290,670	\$2,290,670
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,308,707	\$5,993	\$1,615,302	\$79,973	\$7,009,975	\$7,009,975
171 Notes, Loans and Mortgages Receivable - Non-Current				\$150,726	\$150,726	\$150,726
174 Other Assets	\$33,558				\$33,558	\$33,558
180 Total Non-Current Assets	\$5,342,265	\$5,993	\$1,615,302	\$230,699	\$7,194,259	\$7,194,259
200 Deferred Outflow of Resources	\$41,159	\$11,632	\$21,474	\$15,211	\$89,476	\$89,476
290 Total Assets and Deferred Outflow of Resources	\$6,416,546	\$364,491	\$2,723,945	\$464,480	\$9,969,462	\$9,969,462
312 Accounts Payable <= 90 Days	\$20	\$3,730			\$3,750	\$3,750
333 Accounts Payable - Other Government	\$65,376		\$75,519		\$140,895	\$140,895
341 Tenant Security Deposits	\$11,777		\$1,500		\$13,277	\$13,277
342 Unearned Revenue		\$20,062	\$40,756		\$60,818	\$60,818
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$49,887		\$233,506		\$283,393	\$283,393
346 Accrued Liabilities - Other	\$99,395				\$99,395	\$99,395
348 Loan Liability - Current	\$0				\$0	\$0
310 Total Current Liabilities	\$226,455	\$23,792	\$351,281	\$0	\$601,528	\$601,528
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$1,614,631				\$1,614,631	\$1,614,631
357 Accrued Pension and OPEB Liabilities	\$235,399	\$66,526	\$122,817	\$86,995	\$511,737	\$511,737
350 Total Non-Current Liabilities	\$1,850,030	\$66,526	\$122,817	\$86,995	\$2,126,368	\$2,126,368
300 Total Liabilities	\$2,076,485	\$90,318	\$474,098	\$86,995	\$2,727,896	\$2,727,896
400 Deferred Inflow of Resources		\$232,859			\$232,859	\$232,859
508.4 Net Investment in Capital Assets	\$3,644,189	\$5,993	\$1,381,796	\$79,973	\$5,111,951	\$5,111,951
511.4 Restricted Net Position		\$27,552	\$874,272		\$901,824	\$901,824
512.4 Unrestricted Net Position	\$695,872	\$7,769	-\$6,221	\$297,512	\$994,932	\$994,932
513 Total Equity - Net Assets / Position	\$4,340,061	\$41,314	\$2,249,847	\$377,485	\$7,008,707	\$7,008,707
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$6,416,546	\$364,491	\$2,723,945	\$464,480	\$9,969,462	\$9,969,462

## Annual Financial Audit

The Fiscal Year 2015 Audit Report was completed and filed as required. There were no 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 Rental Plan was submitted and approved as required.

## **Base Rent Structure**

**State Elderly & Disabled** – the base rent increased in 2016. The base rents went from \$280 for an efficiency and \$305 for a one bedroom to \$300 and \$330 respectively 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** – A base rent increase of \$10 per efficiency and \$10 per one bedroom unit went into effect July 1, 2016. This increased the base rents to \$430 and \$500 respectively.

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

During 2016, the VHA continued to work with diminished funding while maintaining a high level of services for our clients. We were able to slightly increase from 288 to 291 vouchers at the year’s end.

This department continues to work off our waiting list to provide rental assistance to families in need.

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

The required Agency Plan for FY 2016 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 2016 the flat rents were \$626 for an efficiency and \$777 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 2016 the flat rents were \$970 for a two bedroom, \$1,213 for a three bedroom and \$1,366 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 2016 the base rents were \$305 for an efficiency and \$330 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 2016 were \$430 for an efficiency and \$500 for a one bedroom which includes all

utilities except phone. There is a monthly service fee of \$798 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, entertainment 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, 2016 the budget authority utilization rate was 107% in 2016 the voucher utilization went from 288 to 291.

### **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 2016 the voucher utilization went from 1,087 to 1,128.

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## ***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).**

