

MINUTES OF A REGULAR MEETING  
- OPEN SESSION -  
OF THE SPRINGFIELD HOUSING AUTHORITY  
HELD ON JANUARY 17, 2017

The members of the Springfield Housing Authority met in Open Session at the Conference Room of the Springfield Housing Authority at 60 Congress St., Springfield, Massachusetts at 4:30 PM on January 17, 2017.

A copy of the Notice of Meeting, pursuant to Section 23B of Chapter 39 of the Massachusetts General Laws, as amended, with the Certificate as to Service of the Notice, was ordered spread upon the minutes of the meeting and filed for records.

NOTICE OF MEETING

Notice is hereby given in accordance with Section 23B of Chapter 39 of the Massachusetts Laws, as amended, that a regular Meeting of the Board of Commissioners of the Springfield Housing Authority will be held at 4:30 PM on Tuesday, January 17, 2017 in the Conference Room of the Springfield Housing Authority at 60 Congress Street, Springfield, MA 01104.

SPRINGFIELD HOUSING AUTHORITY  
/s/William H. Abrashkin, Executive Director  
January 12, 2017

CERTIFICATE AS TO SERVICE OF THE NOTICE OF MEETING

I, William H. Abrashkin, the duly appointed and qualified Secretary of the Springfield Housing Authority, do hereby certify that on January 12, 2017 I filed in the manner provided by Section 23B, Chapter 39 of the Massachusetts General Laws, as amended, with the Clerk of the City of Springfield, Massachusetts, a Notice of Meeting of which the foregoing is a true and correct copy.

Attest:



William H. Abrashkin/Executive Director/  
Secretary to the Board

Chairman Thomas called the meeting to order at 4:32 PM, and those present upon roll call were as follows:

PRESENT

Thomas Labonte  
Jessica Quinonez  
Angela Robles  
Willie Thomas  
Raymond Warren

ABSENT

ALSO PRESENT

William Abrashkin  
Michelle Booth  
Nicole Contois

Fidan Gousseynoff  
Michael Guyder, Guyder Hurley PC  
JoAnn White

The Board reviewed the Minutes of December 20, 2016. Upon a motion made by Commissioner Labonte, seconded by Commissioner Robles, it was unanimously

VOTED: to approve the Minutes of December 20, 2016.

Executive Director Abrashkin introduced Michael Guyder from Guyder Hurley PC who presented a brief overview of the audit. Mr. Guyder explained that in accordance with new regulations GAS-B 68 [Government Accounting Standards Board's Statement #68], the SHA is required to recognize its unfunded pension liability in its financial statements. He reminded that the liability have existed from the very first days the Authority started offering those benefits but had not been reflected in the books. Recognizing the liability (\$36 million) in the statements has caused the overall net position to drop to negative \$30 million. Mr. Guyder stated that such a number can be interpreted as the Authority is in bankruptcy because its liability exceeds the assets, however it is not the case. He explained that apart from the pension liability, the OPEB [Other Than Pension Postemployment Benefits] liability will add another \$6 million to the net position, and recognizing the full OPEB liability as required by GASB-75, going into effect next year, will increase this number to over \$50 million.

Mr. Guyder stated there is no immediate impact from the new requirements to all other housing authorities however the SHA's cash flow will be affected significantly because it is a part of the lowest funded pension system (funded at 25,7% only) in the state. Answering Commissioner Warren's question Mike Guyder informed that the SHA's annual contribution to the Springfield Retirement system is \$2 million and \$500,000 is being paid for the retiree health insurance (there are currently 87 retirees).

Mr. Guyder informed the Board about overall improvement of the agency, especially its internal control mechanisms however there were still some issues that needed to be adjusted and corrected. Another findings discovered by the auditors were some issues with eligibility and rent calculation caused by the Section 8 staff not obtaining third party verifications or being late with recertification or miscalculating the utility allowance. Mr. Guyder informed the Board that the issues have been discussed with the Director of the Section 8 and are expected to get corrected in 2017.

Chairman Thomas inquired if there any mechanisms available for the SHA to compensate at least some of the increasing expenses due to higher pension contributions. Executive Director Abrashkin added that apart from the pension contribution increase the agency also has to deal with decrease in funding. JoAnn White responded that DHCD offers some tools to help with this situation however the aid will only cover the state programs and will not be significant. In response to Commissioner Warren's question Mr. Guyder confirmed that the old computer software which is being used by the Springfield Housing Authority (except for its Section 8

program) is inefficient and does not meet the agency's needs. He stated that upgrading the system is costly however will bring some long-term savings to the Authority. Judge Abrashkin indicated that the agency is considering using part of the proceeds from the sale of Marble Street Apartments to upgrade the software system. In response to Commissioner Warren's question Mr. Guyder provided information about a finding from the last audit concerning lack of electronic monitoring system in the warehouse. Ms. Contois indicated that the monitoring has been installed after the audit.

Michael Guyder expressed his gratitude to the SHA staff for all the assistance provided during the audit.

Michael Guyder left the Conference Room at 5:05 pm.

The Board reviewed materials regarding Disposition of Eastern Avenue and Melrose Street properties damaged by tornado in 2011. Judge Abrashkin informed the Board that the SHA has received a preliminary approval from DHCD to dispose of the Eastern Avenue units through a special RFP process, with priority given to proposals that offer a "feasible plan to provide housing on the site that is permanently affordable". If such a proposal is submitted, the properties must be sold for a nominal price (\$1), if no proposals are received the properties may be sold to the highest bidder and the proceeds will be devoted to capital improvements on existing public housing units (project 705 - state housing with Section 8 subsidy). Judge Abrashkin indicated that the project must be yet officially approved by HUD's Multifamily office for which DHCD is a contractor. He praised the work of Paul McPartland from the DHCD office who has been handling this project. Judge Abrashkin shared his opinion that it will be hard to find an affordable housing developer who has the resources to invest into these four scattered units which will be hard to manage. Answering Chairman Thomas's question Judge Abrashkin stated that no feedback has been received from HUD yet.

Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

RESOLVED that the Board Of Commissioners hereby makes the following findings: (1) each of the units located at 418-420 and 426-428 Eastern Avenue and 57-59 Melrose Street, Springfield, is currently assisted by the commonwealth pursuant to chapter 705 of the acts of 1966; (2) the Department Of Housing And Community Development and the Springfield Housing Authority have determined that it is not financially feasible to bring the units up to a reasonable program standard for occupancy or permissible to convert the units to another low-rent housing program; (3) the inventory of available housing units remaining in the surrounding community will not be substantially diminished as a result of such disposition and/or demolition; and (4) the units subject to this resolution were vacant as of November 1, 2012. Therefore the Executive Director is hereby authorized and directed, subject to approval of the Massachusetts Department Of Housing And Community Development and the U.S. Department Of Housing And Urban Development, to take any and all steps needed to dispose of

the above properties in conformity with the requirements of Mass. General laws c. 121b, § 26(p), and to deposit the net proceeds of such disposition, including but not limited to insurance and sale proceeds, in an expendable trust controlled by the department of housing and community development, and to use the proceeds to fund capital improvements that the department determines are necessary and appropriate at existing housing developments that serve households that would have been eligible for occupancy of the units that had been sited on the above properties.

The Board reviewed materials and a recommendation to close the waiting list for family and elderly housing. Michelle Booth informed the Board that after recent update of the waiting list it was determined that there are over 1700 applicants so the waiting time is between 3 and 5 years. The Applications office will be updating its waiting list again later and monitoring the lists and if it is determined that there is not sufficient number of applicants, the Board will be requested to authorize re-opening the lists. Ms. Booth stated that apart from the Board's approval to close the waiting lists, the SHA also must receive an approval from HUD and DHCD.

Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

VOTED 1) subject to DHCD and HUD approval to close public housing waiting lists, effective 3/1/17 until 10/1/17 with the exception of the waiting lists for: state family 3 and 4 bedrooms; 2 bedroom state elderly, and federal family 4 bedrooms; 2) to close the 1 bedroom family waiting list, effective 4/1/17 until 10/1/17 (subject to DHCD approval).

William Abrashkin started his Executive Director's report by informing the Board that he will be meeting with his team to discuss current situation caused by expected cuts of the administration fees (\$300,000 on the Section 8 side and \$597,000 on the Public Housing side). He stated that HUD is predicting that PHAs have to collect 8% more in rent resulting in less subsidy. Nicole Contois explained that this number was based on HUD's assumption that people's income over the county increased by 8%, however, the majority of SHA tenants do not have any earned income and only get public benefits. Ms. Contois added that apart from estimated proration of 85% in subsidy it is also expected that, for the 1<sup>st</sup> time, HUD will be decreasing its utility allowance (up to 92.9%). She indicated that the good news for the SHA is that most AMPs are performing better than anticipated.

Judge Abrashkin stated that PHADA is now advocating for increasing tenants' share in rent so that PHAs could share the burden of decreasing financing with its tenants.

Judge Abrashkin continued his report by presenting to the Board a simple version of the Elogic model for Talk/Read/Succeed Program. He emphasized the importance of having this model as an important tool in seeking potential funding sources as well as to assess success of the program's work. He informed the Board that the agency has finished its Contract

with the Institute for Community Work. Judge Abrashkin also informed about upcoming meeting with the TRS partners - Davis Foundation and Strategies for Children. He expressed his satisfaction with working with such great partners like the Regional Employment Board, Behavioral Network and the Superintendent of School Dan Warwick. Answering Chairman Thomas's question Judge Abrashkin confirmed that the targeted age of the program is birth to 3 years and stressed the significance of starting providing educational services to children as early as possible.

Executive Director Abrashkin informed that in two weeks it will be known whether the legislature enacts the supplementary budget that would reverse the 9c cuts including \$75,000 to TRS Program.

Judge Abrashkin continued his report by informing the Board that DHCD published new regulations regarding Executive Directors' compensation. He expressed his hope that the new regulations will become a tool for providing better bureaucratic control to prevent abuse of authority from local PHA directors.

The next item on the Executive Director's report - update on Marble Street - was presented by Michelle Booth. She told the Board about the work being done by the Relocation Advisory Counsellor from Housing Counselling Opportunities who, together with the Section 8 Participant Services Department staff has been meeting with the residents, discussing their needs and expectations. Translation services to Spanish and Somalian languages were provided. The Relocation Plan which is being finalized now will be soon submitted to DHCD for approval. Once the plan is approved the tenants will start getting vouchers. Ms. Booth stated that it is expected that everybody is relocated by 5/15/17 though it might take longer for those tenants who need special accommodation due to disability. Commissioner Warren asked to share information about tenants' expectations and Michelle Booth said that to many Marble Street tenants it will be their 1<sup>st</sup> experience with choosing a place to live. Many of the tenants are anxious about leaving Springfield or even their neighborhood. Ms. Booth stated that Julia Ortiz who is trained in providing relocation services has been working actively with the tenants to enlighten them on financial literacy, fair housing, landlord-tenant relationship, even stress management. Ms. Booth stated that after the relocation the SHA staff will continue its work with the tenants, meeting with them quarterly to make sure their adjustment goes smoothly and, if necessary, will be providing assistance for those who face problems like eviction. She explained that the vouchers can be used not only in Massachusetts but in other states as well, and one of the tenants has already informed about relocating to CT to live closer to her family. Answering Commissioner Warren's question Ms. Booth and Judge Abrashkin stated that the purchase price has been agreed with the City, HUD has approved it and the only subject that the agency may need to negotiate additionally is whether the City will be providing free Police services to cover part of the purchase price. In response to Commissioner Labonte's question Judge Abrashkin stated that the demolition costs will be paid by the City.

Judge Abrashkin completed his report by informing the Board that Gregory Russ, the Executive Director of Cambridge Housing Authority, which has been very cooperative and collegial to the SHA, is retiring from his

position at CHA and relocating to Minnesota where his family lives and he will be working as the ED of the Minneapolis Housing Authority. Michelle Booth suggested presenting him a plaque.

The Board reviewed and accepted the Accounts Payable report and Financial Statements for the month of November 2016. Commissioner Labonte inquired about a high amount (\$705) paid for commercial grade oven cleaner and the Finance Director JoAnn White explained that oven cleaner was only one product among many others paid through that purchase order for cleaning supplies and due to the old software only the 1<sup>st</sup> line from purchase orders is being displayed in Accounts Payable report.

In response to Commissioner Warren's question Nicole Contois and Judge Abrashkin explained that Lyon & Fitzpatrick bills the Authority by hour and the amount being paid monthly to them only covers monthly retainer and expenses. If the total cost of services rendered by the law firm for 12 months exceeds the total amount paid, they issue a separate bill once a year and if the amount is less they issue a credit. Answering Chairman Thomas's question Judge Abrashkin explained that L&F also submits bills on behalf of Sullivan, Hayes and Quinn whose services are used for union negotiations, contracts, employee discipline, arbitration etc. Nicole Contois explained that when the RFP was issued by the agency, it required both general counsel and labor counsel services and since L&F do not provide labor related services they subcontracted SHQ. She confirmed that the amount being paid to L&F each month does not include the cost of SHQ services.

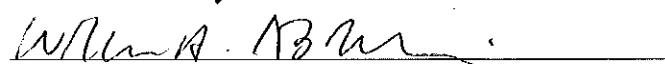
JoAnn White provided brief overview of the Financial Statements, stating that most Districts have been spending less than expected and their finances are in a good shape. She explained that one of the reasons for such positive trend is that the managers have been trying to save more money for their AMPs, paying more attention to the numbers, and working more closely with the Accounting Department to understand the budget better.

There being no further business to come before the members of the Springfield Housing Authority Board, upon a motion made by Commissioner Labonte, seconded by Commissioner Robles, it was unanimously

VOTED: To adjourn the Open Session of a Regular Meeting of the Springfield Housing Authority at 6:00 PM.

ATTEST:

  
Willie Thomas, Chairman

  
William H. Abrashkin, Executive Director