

MINUTES OF A REGULAR MEETING  
- OPEN SESSION -  
OF THE SPRINGFIELD HOUSING AUTHORITY  
HELD ON OCTOBER 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 October 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

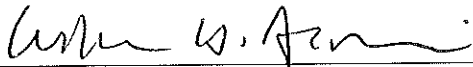
Notice is hereby given in accordance with Section 23B of Chapter 39 of the Massachusetts Laws, as amended, that a regular Meeting of the Board of Commissioners of the Springfield Housing Authority will be held at 4:30 PM on Tuesday, October 17, 2017 in the Conference Room of the Springfield Housing Authority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

SPRINGFIELD HOUSING AUTHORITY  
/s/William H. Abrashkin, Executive Director  
October 13, 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 October 13, 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 4:30 PM, and those present upon roll call were as follows:

PRESENT

Thomas Labonte  
Jessica Quinonez  
Angela Robles  
Willie Thomas  
Raymond Warren

ABSENT

ALSO PRESENT

Michelle Booth  
Priscilla Chesky, Lyon & Fitzpatrick  
Nicole Contois  
Martin J. Dunn, Dunn & Wilson  
Fidan Gousseynoff  
Kathy Hardy  
Emily Mann, Citizens Energy Corporation

Keith McBrien, GDS Associates  
JoAnn White

Chairman Thomas suggested to start the meeting by moving right to item E-1 - a presentation on energy conservation and utility purchase. Nicole Contois introduced Keith McBrien from GDS Associates and reminded that GDS was hired several years ago to evaluate all SHA utility needs and assist with reviewing many proposals the agency had been receiving from different vendors. Ms. Contois explained that Judge Abrashkin suggested making the presentation to provide the Board with an update on everything GDS Associates and SHA have accomplished.

Keith McBrien started his presentation by explaining that net metering credits is a system that allows customers to offset their energy use and transfer energy back to their electric companies in exchange for a credit. Referring to a graphic slide included to the presentation he explained that a solar farm (located not on the SHA property), will be generating energy to be sent to the power grid, creating a dollar value based on the electricity provided, and the value of that electricity in the form of a credit will be transferred to other utility customers. The credits that the SHA will be able to get will be deposited into SHA's account and used towards reducing its electric bills. He stated that in order to fully understand how net metering works, it is important to know that utility bills consist of different parts (power supply side, transmission and delivery cost). Net metering system will allow to offset the cost of power supply and a small portion of delivery costs. Mr. McBrien also explained that net metering system would allow the SHA to retain 25% of the utility savings for its state properties and 50% of its savings for the federal properties. He indicated that it is important not to sign up for more credits than needed because they expire and it is too much burden for the staff to find utility customers who would be interested in purchasing those extra credits. He stated that the Net metering proposal received from Citizens Energy Corporation would allow the SHA to save \$25,000 however it must be taken into account that it's a 20 years contract.

In response to Attorney Martin Dunn's request to clarify the protocol of the meeting Chairman Thomas suggested that Mr. McBrien would complete his updates on the utility savings and other work that is being done by GDS before the Board could move to the presentation from Citizens Energy Corporation.

Mr. McBrien provided information about other aspects of the work his company has been doing together with the SHA. He stated that GDS had assisted the SHA to procure electric and gas supply thus helping to save \$60,000. He explained that electrical supply which is currently locked in 8 cents is expected to go up a cent or cent and a quarter next year while gas is purchased at the market rate (60 c per therm) which is expected to go down thus saving even more for the agency. He explained that savings also depend if the Authority locks-in a one year or two year contract. Mr. McBrien reported that by GDS's recommendation the SHA stopped using one particular software with very expensive annual fee thus generating \$12,000 in savings. Apart from that GDS helped the SHA to get over \$50,000 in rebates for installing 20 boilers and Moxon in 2016, and 17 more boilers are expected to be installed this year. Kevin McBrien reported that GDS has completed reviewing proposals from different vendors for Energy Performance Contract, conducted interviews and is currently in the process of preparing a full package for EPC to be presented to the Board in near future.

Martin Dunn provided brief summary about Citizens Energy Corporation, a company that for many years has been providing fuel assistance to low income families. The company is now actively involved in solar projects throughout the state (including Chicopee, Whately, Westfield, Holyoke) and the nation. Attorney Dunn told that Citizens is currently developing two solar farm projects in Springfield on Oak Street and Pineville Street. He explained that entering into a net metering agreement with Springfield Housing Authority would give Citizens more benefits, would provide better financing options and would make their project more feasible. He characterized the potential net metering credit agreement between the Springfield Housing Authority and Citizens Enterprises Corporation as a win-win venture that would allow the SHA to get long-term savings through a clean energy project while CEC will be spending part of the profit generated by these projects to support the low-income community in the area.

Mr. Dunn expressed his hope for a continued dialogue. He explained that for the state portfolio the SHA does not have to go through the procurement process.

Emily Mann indicated that she has done some analysis of the SHA utility bills and will be able to provide more current data on the savings to the Board since the data used by Mr. McBrien was for earlier years. She explained that entering into a net metering credit agreement would allow the SHA over the years to turn from a deficit agency to a surplus agency. She stated that in the 1<sup>st</sup> five years the SHA will only be receiving 25% of the savings (about \$6,000) and 75% will go to the state however after 5 years there is a potential to switch the numbers with 75% of savings to go to the agency and 25% to the state as some of the savings will be used towards reducing the deficit to the state.

In response to Commissioner Warren's question Nicole Contois stated that no formal vote from the Board is required at this time. She explained that Judge Abrashkin had received a correspondence from the Mayor recommending to review the proposal and it was decided to bring it to the Board's attention as well as to provide a brief update on the work of GDS.

Answering Commissioner Warren and Chairman Thomas's questions Ms. Mann explained that Citizens Enterprises Corporation has obtained the land for development and it is expected that the Springfield projects will be operational next summer.

Nicole Contois and John Healy explained that entering into a net metering credit agreement for federal properties can only be done through RFP since HUD requires that all contracts for over five years are to be procured. Referring to the most recent Accounts Payable report that shows \$92,000 bill for electrical utilities, Commissioner Warren commented that the agency is moving into right direction with reviewing options for saving money, lowering expenses and measuring tools to reduce utilities consumption.

Emily Mann distributed some handouts to the Board.

Keith McBrien, Emily Mann and Marin Quinn left the Conference Room at 5:11 pm.

The Board reviewed materials and a recommendation to award a three year contract for independent audit services. John Healy indicated that the contract must be procured annually, IFB was sent out to 8 vendors and Guyder &

Hurley was the only one to respond. He stated that the SHA has been using their services for the last several years and is very satisfied with the quality of their work. Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

VOTED: to award a three year contract for independent public audit services in the amount of \$44,000 per year pending availability of funding for years 2 and 3 to Guyder & Hurley of Braintree, MA; appoint Executive Director, William H. Abrashkin as the contracting officer authorizing him to execute the contract.

The Board reviewed materials and a recommendation to award a contract to Inglewood Development Corporation in the amount of \$418,227 for unit renovation and roof replacement at Ashley Gerrish. John Healy explained that it will be the last ADA unit to be added to the portfolio and the project includes renovating the unit to make it handicap accessible, repairing the roof for the entire building and building a ramp. Mr. Healy stated that the project initially included replacing metal porch but the bid on this item came out very high and will be rebid within next two weeks so the scope of work had to be adjusted. Commissioner Labonte requested to provide a breakdown for this project as well as for the Shadybrook Lane project.

Mr. Healy responded that as per DHCD, SHA will not be moving forward with the project for Shadybrook Lane at this time and this contract has to be re-bid next spring.

Commissioner Warren commented that even though he does realize there are high labor fees and administrative costs and many codes and regulations to comply with, he still was astonished by the high cost of the project. He supported Commissioner Labonte's request to provide a breakdown of expenses and more detailed information about the project. He stated that he is not faulting the work of the Procurement Department but questioned if more work has to be done with the architects. Answering Chairman Thomas's question John Healy explained that the SHA is required to make one more unit handicap accessible in order to comply with HUD's regulations. Answering Chairman Thomas's question about the deadline Mr. Healy explained that the budget has to be expended before 3/31/18 and he can re-bid this item or can bring the architect to the next meeting to discuss this issue. Michelle Booth expressed her concern about the condition of the roof at Ashley Gerrish and inquired if the Board could vote only on the roof part of the contract but Mr. Healy indicated that voting must be on the entire contract only. It was decided to table the item until next meeting.

Michelle Booth introduced Maryann Hale, a long time SHA employee, who provided an update on the status of the Housing Choice Voucher program utilization. Ms. Hale explained that the voucher program operates on a calendar year budget, not fiscal year budget and usually the SHA gets the budget in March, after a few months have passed. This year in March HUD issued a letter that HAP payments to landlord will be at 94% which was expected to be unprecedented cut, but fortunately, there was only 3% cut instead of 6% which allowed the agency to stay in a good shape. Ms. Hale explained the difference between leasing based upon units and leasing based upon financing with the latter being at over 100% for SHA which is a good indicator for SEMAP.

Maryann Hale told that the SHA team meets on a monthly basis to review financial situation and vouchers utilization and the staff also works with the HUD's Boston field office and HUD's Financial management center in case any

guidance is needed. Ms. Hale reported that this month the SHA absorbed 15 portable vouchers for which the agency is billing other housing authorities. Ms. Hale indicated that currently one of the most important issues is providing assistance to the victims of federally declared major disasters. She said that [in 2005] HUD awarded additional funding for the victims of hurricane Katrina that allowed the Springfield Housing Authority to assist some families who moved to Massachusetts at that time, however as per today, no notification on issuing additional funds for victims of recent hurricanes has been received. As of October 6<sup>th</sup> all public housing authorities in Puerto Rico and Virgin Islands were deemed non-operational per HUD that stated that voucher issued by those housing authorities can be absorbed and billed directly to the government. Ms. Hale informed that the office has had 23 inquiries from those voucher holders.

Answering Chairman Thomas's question about how it will affect the current waiting list Michelle Booth stated that it is not clear yet and the agency is still waiting for HUD's guidance on that. She expressed her hope that HUD will issue disaster vouchers so that the agency would be able to assist victims of recent hurricanes.

Answering Commissioner Warren's question Maryann Hale clarified that there are two types of reserves: administrative reserves (with over one 1 million) and HAP reserves (around \$900,000 in it) which is very restricted and can only be used to pay to the landlords.

The Board entered into discussion regarding approving new Fair Market Rents and Payment Standards. Michelle Booth reminded that new FMR are issued by HUD every year in fall - she advised to check the materials handed out to the Board to see what methodology is being used to determine FMRs. Housing Authorities have to accept the HUD payment standards and establish a payment standard schedule that determines payment standards amounts for each FMR area within its jurisdiction. This year there was a slight increase in payment standards set by HUD and the SHA is seeking the Board's approval to increase its FMRs to be more competitive to other local housing authorities and WayFinders. Ms. Booth explained that a number of Section 8 participants continue to report that they are having difficulty in funding units at SHA's current payment standard level and some even had to turn their vouchers back. Ms. Booth indicated that accepting higher payment standards does not mean that the staff does not negotiate rent increase with landlords. Even with the payment standards set at a certain level, the staff conducts rent reasonableness review and rent comparison before approving any rent increase. In response to Commissioner Warren's question Ms. Booth confirmed that increasing payment standards can potentially eat up the reserves and it is hard to estimate how fast. She added that the agency will have to make a decision whether it wants to continue drawing the reserves - so far it was going over 100% reserves anticipating that HUD will be providing more funding for that. Maryann Hale added that she has calculated approximate amounts on how much money will be drawn from the reserves and came to the amounts of \$7,000 for the 1<sup>st</sup> month, \$14,000 for the 2<sup>nd</sup> month and up to \$160,000 for 6 months though more accurate projection can only be made after the budget is issued by HUD in March. Answering Commissioner Robles's question she confirmed that the increase will be slow because rents are revised not at once but at the time of annual recertification. Ms. Hale and Ms. Booth indicated that the payment standards might be reviewed with the Board in 6 months and if it is determined that the spending is too high, the standards can be changed. Upon

a motion made by Commissioner Labonte, seconded by Commissioner Robles, it was unanimously

VOTED: to adopt Resolution # 9701 to:

**1. Adopt HUD's new Fair Market Rents Schedule for FY 2018 as follows:**

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
FY 2018	\$739	\$884	\$1,117	\$1,400	\$1,627	\$1,871	\$2,115

**2. Approve new SHA Housing Choice Voucher Payment Standards, effective for October 1, 2017 - September 30, 2018, at 100% of the FY 2018 HUD FMR as follows:**

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
FY 2018	\$739	\$884	\$1,117	\$1,400	\$1,627	\$1,871	\$2,115

Michelle Booth presented to the Board the next item in New Business - joining the City of Springfield's consolidated waiting list. She reminded the Board about a partnership the SHA has been having with the City of Springfield to operate the project-based vouchers for the Chronically Homeless. Currently the SHA maintains its own wait list for its program but is considering joining the Springfield-Hampden County Continuum of Care's centralized waiting list for chronically homeless. This would simplify and expedite the process of processing applications, collecting verifications and would allow to better evaluate the needs of those on the waiting list. HUD has encouraged housing authorities with programs for the chronically homeless to join the centralized waiting list developed by CoCs, rather than maintaining its own waiting list for this program. Ms. Booth indicated that the SHA will still be conducting its own CORI check to make sure the applicant is eligible for the HCVP. Upon a motion made by Commissioner Warren, seconded by Commissioner Quinonez it was unanimously

- VOTED TO:
1. Subscribe to the Springfield-Hampden County Continuum of Care Consolidated Waiting List For Housing Programs For The Chronically Homeless and to cease using the separate SHA waiting list for the Project-based Voucher Program for the Chronically Homeless; and
  2. Revise the administrative plan for the Housing Choice Voucher Program to reflect the change in how applicants are placed on a waiting list and selected for participation in the program.

The Board reviewed materials and a recommendation to approve restriction to disposal of Eastern Avenue lots. John Healy provided brief information about SHA plans to dispose the lots where two SHA duplexes were destroyed by tornado in 2011. Mr. Healy explained that the SHA had been approached by Educare interested in acquiring the Eastern Avenue sites. Educare is planning to open a school that would be located adjacent to the new Brookings School. Mr. Healy explained that under provisions of [G.L] chapter 30B, the SHA is permitted to specify the restrictions for use of the property for specific purposes. Answering Commissioner Warren's question whether it would be a deed restriction Mr. Healy stated that the restriction is only for the RFP. Upon a motion made by Commissioner Warren, seconded by Commissioner Labonte it was unanimously

VOTED: that the Springfield Housing Authority and its Executive Director are authorized to issue a Request For Proposals for the disposition of its

lots on Eastern Avenue, and to include in that request a provision specifying that in the absence of a bid by a qualified affordable housing provider, subsequent use of the property shall be restricted to educational uses in support of low-income children and families in Springfield and the surrounding region.

John Healy left the Conference Room at 6:08 pm.

The Board entered into a discussion regarding developing provisions to support victims of federally declared major disasters. Ms. Booth indicated that so far HUD has not issued any guidance on how to provide assistance to the victims of hurricanes [Irma, Harvey and Maria] but the City of Springfield and a collaboration of organizations have undertaken initiatives to support those victims relocating to the area temporarily or permanently. The Springfield Housing Authority is considering different suggestions to support the victims. Ms. Booth indicated that currently the SHA Guest policy allows SHA public housing tenants and Section 8 participants to have overnight guests in their units for 14 consequent or 21 cumulative days. Expecting that there will be many relatives coming to stay with the SHA tenants (mostly children, the elderly and persons with disability), the SHA is considering extending this period to 60 days with the provision that the tenants get an approval from the management (and from the landlord for Section 8 participants), the guests can provide a proof of being displaced by the disaster and the unit is in compliance with the state sanitary code. Ms. Booth explained that state application already has a preference for displacement by a disaster and DHCD regulations allow extending the guest policy in special circumstances. Ms. Booth stated that the SHA could consider revising its ACOP by adopting a preference in admissions (for HCVP) for persons displaced due to a federally-declared major disaster. In response to Chairman Thomas's questions Ms. Booth provided information on how adopting such a revision would affect the interests of those people who have been on the waiting list for a long time. Commissioner Warren inquired about how widespread is this initiative and if other housing authorities or other organizations are planning to revise their policy to support the victims. Ms. Booth responded that she does not know but promised to address this issue at the meeting of the Western Massachusetts Housing Authority Executive Directors Association scheduled for the next day as well to contact MassNAHRO. Answering Commissioner Labonte's question Ms. Booth and Attorney Chesky told about steps the district management offices will have to undertake once 60 days expire. Answering Commissioner Robles's question Ms. Chesky confirmed that tenants applying for a 60 day exception to the limits of SHA's Guest Policy, will have to sign a license agreement with their District. Commissioner Warren stated that he is supportive to the ideas of providing assistance to victims of disasters, however, taking into consideration all the extra pressure that will be put upon applicants and staff and all potential legal issues, a proper detailed plan must be developed. Upon a motion made by Commissioner Labonte, seconded by Commissioner Quinonez, it was unanimously

VOTED: to authorize the staff to develop provisions to provide support for the victims of federally declared disasters.

The Board reviewed and accepted the Accounts Payable reports for July 2017 and August 2017 and Finance report for the month of August 2017. In response to Commissioner Warren's inquiry Finance Director JoAnn White informed that new audit report will be available soon. Ms. White reported that after 5 months of the new fiscal year all the projects are doing better than anticipated though

more expenses usually are expected towards the end of the year. In response to Commissioner Warren's question about a couple of millions of dollars in investment income, Ms. White explained that it is cash in savings account that bears some interest and vast of the money are restricted assets that belong to the Section 8. Answering Chairman Thomas's question Maryann Hale confirmed that it's the same money that the agency had been concerned that HUD could take away. Ms. Hale and Ms. White explained that since subsidy payments from HUD come after the 1<sup>st</sup> of each month, the Accounting has to use this money to pay the landlords and then deposits it back.

In response to Commissioner Warren's question JoAnn White confirmed that the balance of over \$1,7 million on the account for state program 400 C represent the agency's debt to DHCD after the federalization.

The Board accepted the Communications and Community Relations report.

The Board reviewed the Minutes of October 10, 2017. Upon a motion made by Commissioner Labonte, seconded by Commissioner Quinonez it was by a majority vote (Commissioner Robles abstained)

VOTED: to accept the Minutes of October 10, 2017.

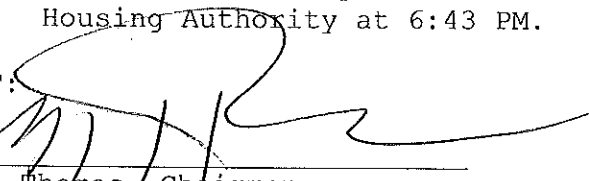
Michelle Booth, Maryann Hale and Nicole Contois left the Conference Room at 6:33 pm.

The Board entered into a discussion regarding the process of hiring new Executive Director. Chairman Thomas expressed his appreciation to Attorney Chesky and HR Manager Kathy Hardy for their work in drafting a letter to consultants. It was decided that all the letters will be finalized and mailed out to prospective consultants on the list discussed by the Board earlier plus to the consultant that is being used by Mass NAHRO to hire its new Executive Director. It was decided not to attach a copy of the Executive Director's report and the last Audit Report to the letter but to refer consultants to the SHA web-site where both documents will be posted. Commissioner Robles questioned whether there would be enough time for those who are interested to submit their proposal and it was decided that the deadline will be changed from October 30<sup>th</sup> to November 10<sup>th</sup>.

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 6:43 PM.

ATTEST:

  
\_\_\_\_\_  
Willie Thomas, Chairman

  
\_\_\_\_\_  
Jessica Quinonez, Assistant Secretary