

VERNON HOUSING AUTHORITY

21 Court Street, Vernon, CT 06066

Annual Report 2015

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, 2015. 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 96% 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 288 from 283. Additionally, we were able to increase the number of families served in our State of Connecticut DOH - HCV and RAP Program from 1,029 to 1,087. 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 2015 the VHA worked towards completion of 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.

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 2016 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

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
Pat Boreyko, PT Desk Attendant
Marla Houle, PT Housekeeper
Angela Ahern, PT Housekeeper

State of CT DOH HCV & Rental Assistance Program

Betsy Soto, Program Supervisor
Charlene Charette, Coordinator
Michael Gentile, Coordinator
Abby Bellock, Part Time Assistant
Leslie Benoit, Part Time Assistant

Maintenance

Tommy Do, Supervisor
Greg Gauthier, Maintenance Aide
Timothy Carpenter, 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 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. Only a few minor items and the closeout of the project are scheduled for 2016.

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.

Appointments to the Board of Commissioners

Mr. Raymond Powers was reappointed to an additional five year term by the Vernon Town Council in February 2015. This appointment was made after the housing authority notified residents and Housing Choice Voucher Program Participants of their right to hold an election for the tenant commissioner. There were no other interested parties in the election so Commissioner Powers was reappointed.

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.

2015 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 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, Margaret Finn, Irene Kozlowski, Richard Brough & 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 2015 and received 93 of 100 possible points.

Public Housing Assessment System

The VHA was not officially scored on the PHAS system for 2015 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 2015 due to our high occupancy rates. The PILOT payments made in 2013, 2014 & 2015 are listed below;

<u>Property Designation</u>	<u>2015 Pilot Payment</u>	<u>2014 Pilot Payment</u>	<u>2013 Pilot Payment</u>
Court Towers, Franklin Park West & Scattered Sites	\$42,289	\$39,389	\$40,822
Franklin Park East	\$ 9,898	\$10,383	\$10,179
Windermere Court	\$ 9,609	\$ 9,425	\$ 8,800
Francis Pitkat Congregate	<u>\$12,763</u>	<u>\$12,243</u>	<u>\$ 11,686</u>
Total Payment	\$74,559	\$71,440	\$71,487

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.

FACILITIES

Work Orders

Through December 31, 2015, the VHA maintenance staff completed 1,161 work orders for maintenance services.

Unit Turnover

The VHA maintenance staff renovated 81 apartments in preparation for new and/or transferred residents. This was considerably higher than 2015.

FINANCIAL SUMMARY

	Project Total	HCV	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$454,553	\$49,844	\$198,697	\$163,969	\$867,063		\$867,063
112 Cash - Restricted - Modernization and Development	\$357,173				\$357,173		\$357,173
113 Cash - Other Restricted		\$35,291			\$35,291		\$35,291
114 Cash - Tenant Security Deposits	\$12,379				\$12,379		\$12,379
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$824,105	\$85,135	\$198,697	\$163,969	\$1,271,906	\$0	\$1,271,906
122 Accounts Receivable - HUD Other Projects	\$71,129				\$71,129		\$71,129
124 Accounts Receivable - Other Government			\$12,123		\$12,123		\$12,123
125 Accounts Receivable - Miscellaneous				\$42,959	\$42,959		\$42,959
126 Accounts Receivable - Tenants	\$9,663		\$2,110		\$11,773		\$11,773
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,294		-\$589		-\$2,883		-\$2,883
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$78,498	\$0	\$13,644	\$42,959	\$135,101	\$0	\$135,101
131 Investments - Unrestricted	\$468,819		\$760,617		\$1,229,436		\$1,229,436
142 Prepaid Expenses and Other Assets	\$45,971	\$5,084	\$23,208	\$1,134	\$75,397		\$75,397
143 Inventories			\$2,403		\$2,403		\$2,403
143.1 Allowance for Obsolete Inventories			\$0		\$0		\$0
144 Inter Program Due From		\$11,500	\$28,000	\$1,500	\$41,000	-\$41,000	\$0
150 Total Current Assets	\$1,417,393	\$101,719	\$1,026,569	\$209,562	\$2,755,243	-\$41,000	\$2,714,243
161 Land	\$364,941		\$65,076	\$11,607	\$441,624		\$441,624
162 Buildings	\$10,182,027		\$3,953,954	\$102,742	\$14,238,723		\$14,238,723
163 Furniture, Equipment & Machinery - Dwellings	\$436,631		\$320,866		\$757,497		\$757,497
164 Furniture, Equipment & Machinery - Administration	\$583,959	\$39,341	\$51,413	\$7,015	\$681,728		\$681,728
165 Leasehold Improvements	\$1,049,361				\$1,049,361		\$1,049,361
166 Accumulated Depreciation	-\$9,160,576	-\$37,352	-\$2,895,772	-\$37,648	-\$12,131,348		-\$12,131,348
167 Construction in Progress	\$1,444,255		\$193,331		\$1,637,586		\$1,637,586
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,900,598	\$1,989	\$1,688,868	\$83,716	\$6,675,171	\$0	\$6,675,171
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	\$4,934,156	\$1,989	\$1,688,868	\$234,442	\$6,859,455	\$0	\$6,859,455
290 Total Assets and Deferred Outflow of Resources	\$6,351,549	\$103,708	\$2,715,437	\$444,004	\$9,614,698	-\$41,000	\$9,573,698
312 Accounts Payable <= 90 Days		\$1,414	\$3,144		\$4,558		\$4,558
333 Accounts Payable - Other Government	\$61,803		\$35,187		\$96,990		\$96,990
341 Tenant Security Deposits	\$12,379		\$1,800		\$14,179		\$14,179
342 Unearned Revenue			\$21,067		\$21,067		\$21,067
343 Current Portion of Long-term Debt	\$46,062				\$46,062		\$46,062
346 Accrued Liabilities - Other	\$351,206				\$351,206		\$351,206
347 Inter Program - Due To	\$41,000				\$41,000	-\$41,000	\$0
310 Total Current Liabilities	\$512,450	\$1,414	\$61,198	\$0	\$575,062	-\$41,000	\$534,062
351 Long-term Debt, Net of Current	\$1,661,058		\$233,506		\$1,894,564		\$1,894,564
357 Accrued Pension and OPEB Liabilities	\$173,500	\$49,033	\$90,522	\$64,120	\$377,175		\$377,175
350 Total Non-Current Liabilities	\$1,834,558	\$49,033	\$324,028	\$64,120	\$2,271,739	\$0	\$2,271,739
300 Total Liabilities	\$2,347,008	\$50,447	\$385,226	\$64,120	\$2,846,801	-\$41,000	\$2,805,801
400 Deferred Inflow of Resources	\$55,553	\$15,700	\$28,984	\$20,530	\$120,767		\$120,767
508.4 Net Investment in Capital Assets	\$3,233,488	\$1,989	\$1,455,362	\$83,716	\$4,774,555		\$4,774,555
511.4 Restricted Net Position	\$0	\$35,291	\$849,736		\$885,027		\$885,027
512.4 Unrestricted Net Position	\$715,500	\$281	-\$3,871	\$275,638	\$987,548		\$987,548
513 Total Equity - Net Assets / Position	\$3,948,988	\$37,561	\$2,301,227	\$359,354	\$6,647,130	\$0	\$6,647,130
600 Total Liabilities, Deferred Inflows of Resources	\$6,351,549	\$103,708	\$2,715,437	\$444,004	\$9,614,698	-\$41,000	\$9,573,698

Annual Financial Audit

The Fiscal Year 2014 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 – the base rent remained the same in 2015. The base rents are \$280 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 – A base rent increase of \$40 per efficiency and \$50 per one bedroom unit went into effect July 1, 2015. This increased the base rents to \$420 and \$490 respectively.

Section 8 Housing Choice Voucher Program

During 2015, 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 283 to 288 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 FY2015 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 2015 the flat rents were \$606 for an efficiency and \$774 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 2015 the flat rents were \$968 for a two bedroom, \$1,202 for a three bedroom and \$1,377 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 2015 the base rents were \$280 for an efficiency and \$305 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 2015 were \$420 for an efficiency and \$490 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, 2015 the budget authority utilization rate was 96%. In 2015 the voucher utilization went from 283 to 288.

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 2015 the voucher utilization went from 1,029 to

1,087.

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).**

