

October 21, 2015

Mayfair Gardens Community Room

Attending: Chairman Josh Howroyd  
Joseph D'Ascoli, Executive Director  
Judy Taylor – Tenant Commissioner  
Paul Rubin  
Susan Holmes  
Absent: Robert Shanbaum – Vice Chairman

**I. Meeting Called to Order**

Chairman Howroyd called the meeting to order at 6:41 pm.

**II. Adoption of Minutes – Meeting of September 9, 2015 and Special Meeting of September 22, 2015**

Chairman Howroyd asked for a motion to approve the minutes of September 9 and 22, 2015. Ms. Holmes moved to accept the minutes of September 9 and 22, 2015 as presented. Mr. Rubin seconded. Motion passed 4-0.

**III. Correspondence – see below**

**IV. Accounts Payable - September 2015 Payment Summary & Detail Report**

Mr. D'Ascoli reviewed the reports and shared things look good for year end. Some adjustments may have to be made and he will have those numbers at the next meeting.

**V. Executive Director's Report**

**A. Financial Statements – September 2015**

Mr. D'Ascoli reviewed the monthly reports and stated we have a YE surplus of \$173,813. He also commented about a conversation at a recent conference on pro-rations and possible cut backs on HUD funding. Mr. Rubin asked about the HUD Budget. Mr. D'Ascoli explained the HUD budget has been submitted but it must be passed before December 11, 2015 deadline. If it does not pass we may be faced with another sequestration. On the Section 8 side the pro-ration rate may be at 81% up from the 77% but there is a possibility this could go down. We have until the end of October to reconcile our books for year end. We have requested that Cass & Line Associates, fee accountants, take a look at MHA's books to be sure we have reported everything before our yearly audit. Mr. Counihan is talking of retiring in the next 6 months and in all probability we will go with a fee accountant rather than hiring a full time accountant.

Chairman Howroyd asked about the adjustment for the Section 8 loss. Mr. D'Ascoli explained we cannot do any adjustments until we know how much we are getting from HUD. Once HUD gives Housing Authorities funding, the Housing Authorities don't have a lot of time to make the financial adjustments and plans to spend the given monies.

Mr. Rubin asked for an explanation of the Section 8 loss. Mr. D'Ascoli explained that HUD takes a 3 month snap shot of prior year lease ups. Based on that average HA's will get "X"

amount of dollars. It should be what is allocated for the whole year but that is not how HUD does it. Housing authorities get funding from this "snap shot".

Chairman Howroyd asked to suspend the rules and take agenda items 3 Correspondence and 8 – New Business – Resolution 2015-11. Mr. Rubin moved to suspend the rules and take Agenda items 3 – Correspondence and 8-1 Resolution 2015-11. Ms. Taylor seconded. Motion passed 4-0.

Mr. D'Ascoli introduced Mr. David McCarthy from Jonathan Rose & Associates and Attorney Richard Healey from Rome & McGuigan MHA's legal representative. Mr. D'Ascoli reported that Robinson & Cole has submitted to us via Mr. McCarthy the letter of engagement. Once we have gone through it Mr. D'Ascoli explained if the BOC approves he would then have to sign this letter of agreement. Mr. McCarthy explained what has been going on since the last meeting and the documents that were sent to Mr. D'Ascoli. He stated things are moving along with finalization of lender selection. They met with CHFA and made them aware of this project and we will be submitting an application to them to reserve the Tax Credit for the tax exempt bonds. Designs are in process and we will be submitting plans to the Zoning Board.

Mr. McCarthy explained the documents that were sent to Mr. D'Ascoli. Robinson & Cole represents them and they have experience with private placement tax exempt bond issuances. Technically they do represent the Manchester Housing Authority and the cost for their services is part of the project sources and uses. The engagement letter explains the terms of the project and the issuance fees were misquoted at the last meeting. It is 50 basis points which will be about \$250 to \$300 k compensation for MHA depending on the final size of the bonds granted.

Ms. Holmes asked why Robinson & Cole going after bonds. Mr. McCarthy explained the reason they are not going through CHFA is because CHFA's program is very specific to a certain type of deal. The property at Squire Village has a 12 year life, meaning the funds need to be able to sell the property. CHFA's debt has a 30-40 year life, locked out, no pre-payment and that is too long. By going to private lenders we can get a 12 year term loan, the fund life and the financing life mature at the same time.

Ms. Holmes asked about Squire Village being a Section 8 property. Chairman Howroyd explained it is a Section 8 project based voucher which is different from MHA's Section 8. Mr. D'Ascoli added that Squire Village has project based Section 8, a tenant has the Section as long as they reside there. Manchester Housing Voucher issued Section 8 tenants living at property and should they move the voucher goes with them. Mr. McCarthy noted there are 374 units at this property and 328 are project based Section 8 units.

Mr. D'Ascoli remarked that Attorney Healey has reviewed the documents and they all look good. Mr. Healey commented that the fees for Robinson & Cole will be paid by Jonathan & Rose whether or not MHA goes forward with this transaction.

After several discussions, Chairman Howroyd remarked that MHA has never done this kind of deal before and we want to be sure that we proceed with caution but there is a time table associated with this. If MHA were to step aside someone else would step in so we are at the point we need to make a decision. Based on the work that has been done we are comfortable moving forward, there seems to be no downside to entering into this agreement and potential for financial gain.

Mr. McCarthy reported they have to close by the end of February, 2016 as per the purchase and sales agreement. There 2 remaining steps for the housing authority. One is a TEFRA hearing – a public notice needs to go out to allow residents an opportunity to weigh in. After that hearing happens there is a limitation of how much the bond amount can change. This meeting usually happens close to the closing. Also a meeting the Board has to approve a resolution that attaches draft versions of the all documents and gives the Executive Director authority to execute the final version of those documents.

Mr. D'Ascoli asked the BOC to accept Resolution 2015-11 – Resolution of Official Intent to Reimburse Expenditures with the proceeds of Tax-Exempt Bonds (Squire Village). Mr. Healey explained that this resolution equates to a letter of intent stating we are going to do the deal and it is subject to the items outlined in the documents.

Ms. Holmes so moved to adopt Resolution 2015-11. Ms Taylor seconded. Motion passed 4-0.

Mr. McCarthy requested a copy of the minutes of this meeting. Mr. D'Ascoli shared we will not have a copy of the approved minutes until the November 18 meeting of the Board. Mr. McCarthy said he will draft a letter that needs to go to the state Office of Policy Management (OPM) and they are the ones that allocate the bond volumes to MHA. Mr. D'Ascoli needs to sign and send to them. The TEFRA notice is usually done by the issuer but he will send the notice language and MHA needs to be posted in State approved newspaper. The hearing can be at one of MHA's properties and probably won't be until late January.

B. Vacancy Reports – September 2015

Mr. D'Ascoli reviewed the vacancy report and we are in good shape. We have one unit off line and that is with the approval of HUD. We are required to have 10/5 of our unit handicapped accessible. It costs approximately \$40-50k to fully rehab a unit. Maintenance is doing a great job and should have this unit up for occupancy the end of January 2016.

We are working with staff in regards to collections of unpaid rent. The law firm of Barry & Barrell deals with our evictions. We have an issue that a tenant owes us \$8,000, they signed a repayment agreement. The tenant has failed to make the payments and tenant asked for an injunction, got it and the attorney's has asked us what to do. Based on this information we still want toe stay of execution because after entering the repayment agreement the tenants have failed to make any payments. Mr. D'Ascoli shared he will have a meeting next week with Ryan Barry with regard to getting policies and procedures in place for staff. We need to make sure staff issues 14 day notices and what they should be doing with regard to tenants falling behind in their rent and start the court procedures.

C. General Information

1. Circle of Friends – Is a quarterly newsletter that is published and distributed to all the tenants. Mr. D 'Ascoli shared in the latest copy an article reported he has been named the new President of NERC NARO.

Mr. D'Ascoli also commented that again this year the Manchester Police Department in coordination with the Police Explorers will serve a Turkey dinner in the Community Room to the residents of West Hill Gardens on November 24. Residents need to make reservations to attend this wonderful event.

Mr. D'Ascoli reported an issue with one of the units on North Elm Street. A tenant called and reported mold in her closet. Maintenance went and inspected the unit along with Gary Sweet our MOD Coordinator and it was found the unit is not structurally sound due to water damage that came from a leak in the roof. The Town of Manchester was called as owners of this property. This tenant has Section 8 and she was immediately moved to a motel. The Town said they will not be making any decisions as to what to do until after the Town Elections. Mr. Rubin asked about the delay in making any decisions. Chairman Howroyd commented the Town has been discussing this for quite some time because they have not decided what they want to do with the property.

2. Modernization Report – Mr. D'Ascoli  
Mr. D'Ascoli reviewed the projects MHA is working on and their status.
3. Health Insurance – The cost of health insurance has increased about 17%. Currently MHA has 16 employees using our health insurance. Currently for a single person MHA is covering 88% and for families 83%. This increase will impact our budget. We are currently looking at three different plans and we need to look at the numbers. We will have that information available at the next meeting.
4. Assistant Executive Director – Mr. D'Ascoli posted this position and we have received 3 applications from internal candidates for this position. Interviews will be scheduled with three Executive Directors from other Housing Authorities. Mr. D'Ascoli said once he received their findings he will be making his decision on who to hire.

#### **VI. Chairman's Report**

Chairman Howroyd shared that he and Ms. Taylor will chair the next Tenant Public Comment session will take place Wednesday, October 28 at Mayfair Gardens Community room.

#### **VII. Old Business**

- A. **Attorney RFP** – Mr. D'Ascoli is asking the BOC for permission to re-issue an RFP for attorney service. Time has lapsed and we need to break down the services into 4 categories; evictions, employee issues, collections and general nuts and bolts of legal issues. Any law office can bid on one or all of the services we are looking for. Mr. Rubin shared that usually evictions are flat rate costs while others depending on the service are hourly billed. Mr. Rubin shared he will write up a draft RFP and send it to Mr. D'Ascoli.

#### **VIII. New Business**

- A. Resolution 2015-11 – Resolution of Official Intent to Reimburse Expenditures with the Proceeds of Tax-Exempt Bonds (Squire Village) – see above
- B. Resolution 2015-12 – New ACOP for Public Housing  
Mr. D'Ascoli asked the BOC to approve the new Public Housing ACOP. He shared he wrote the new plan based on Nan-MackKay who are experts in federal regulations.

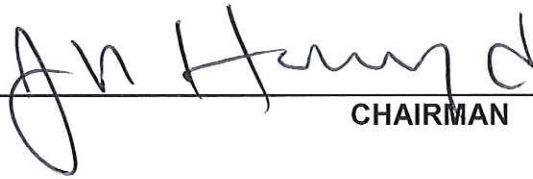
Mr. Rubin moved to accept Resolution 2015-12 – New ACOP for Public Housing. Ms. Holmes seconded. Motion passed 4-0.

**IX. Items for Future Agenda - None**

**X. Executive Session – None**

**XI. Adjournment**

Chairman Howroyd called for a motion to adjourn the meeting. Ms. Taylor moved to adjourn the meeting. Ms. Holmes seconded. Motion passed 4-0. The meeting adjourned at 8:22 pm.



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CHAIRMAN



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ATTEST