

Resolution # 13 -2013

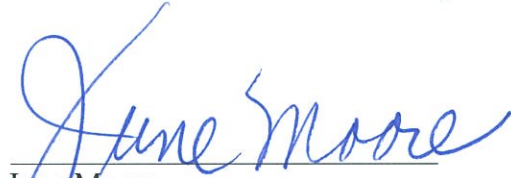
Authorizing the Executive Director to Submit a Recovery Plan and Agreement
For the Salem Housing Authority To HUD

WHEREAS, THE Salem Housing Authority, a public body created and organized pursuant to and in accordance with the provisions of the Laws of the State of New Jersey has been labeled a troubled agency by HUD;

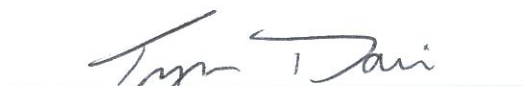
AND WHEREAS, HUD has mandated that the Salem Housing Authority submit a Recovery Plan and Agreement;

AND WHEREAS, the Salem Housing Authority seeks to comply with HUD regulations;

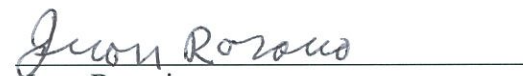
NOW THEREFORE, BE IT RESOLVED BY THE Board of Commissioners of the Salem Housing Authority that the Executive Director is authorized to submit the attached report on their behalf.

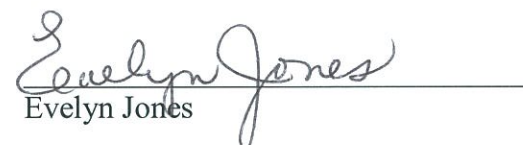

June Moore


Rev. Dr. Holland Fields


Tyrus Davis

Rev. Elmer Brown


Juan Rosario


Evelyn Jones

Date: 3/27/2013

Attest: 
Paul F. Dice, Secretary

Salem Housing Authority Proposed Recovery Plan

Item Number	Recovery Plan Area Components	Desired Outcome	Statutory Measurement		Target Completion Date	Actual Completion Date	Action Plans	Comments
			Baseline Data and PHAS Score as of 8/20/12	Required PHAS Score				
AREA: Governance								
G001	Board Oversight	Create working knowledge of agency policies	N/A	N/A	10/1/13		<ul style="list-style-type: none">Establish sub-committeesReview and revise agency policies	
G002	Board Training	Further programmatic and operational knowledge	N/A	N/A	<u>Rutgers</u> – 7/31/13; <u>HUD Field Office</u> – TBD; <u>NAHRO</u> – ongoing; <u>MHA</u> – 6/30/13		<ul style="list-style-type: none">Mandatory HUD Field office trainingNAHRO and/or training seminars and conventionsCompletion of Rutgers Commissioners coursesIn-house programmatic training via shared services agreement with MHA	
AREA: Resolution of Former Executive Director's Contractual Relationship with the Agency								
ED001	Salem County Prosecutor's Office Criminal Investigation	Agency cooperation	N/A	N/A	To Be Determined (TBD) by Prosecutor's Office		<ul style="list-style-type: none">Continue providing all requested assistance, information and documentation	
ED002	Office of the Inspector General's Criminal Investigation	Agency cooperation	N/A	N/A	TBD by OIG		<ul style="list-style-type: none">Continue providing all requested assistance, information and documentationProvide office space for detectives in keeping with request for same	
ED003	Unemployment Benefits	Maintain position of denial with NJ Department of Labor	N/A	N/A	5/1/2013			

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ED004	ED's Employment Benefits	Maintain termination of benefits and issuance of COBRA and policy conversion options	N/A	N/A	3/12/13	3/12/13	COBRA and policy conversion notices have been issued with 5/1/13 as the effective date of coverage termination.	
AREA: Organization and Staffing								
OS001	Right size agency	Sustainable employment levels Asset Management and Sequestration parameters	N/A	N/A	3/11/13	3/11/13	<ul style="list-style-type: none"> • Reduce front office from 3 to 2 from F/T employees (EE's) – Absorb Section 8 via Shared Services Agreement • Reduce maintenance from 5 F/T EE's to 2 F/T and 2 P/T • Eliminate P/T security position • Eliminate P/T bookkeeper and absorb via Shared Services Agreement 	
OS002	Maintenance Wage Rates (benefits notwithstanding)	Compliance with Federal Wage Regulations (SHA is in compliance with State)	N/A	N/A	Federal - TBD – But not likely until after sequester State – not at issue		<ul style="list-style-type: none"> • Bring maintenance salaries into compliance as soon as the budget will allow • HUD has been advised of the SHA's current and historical lack of compliance. 	

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OS003	Employee Benefits	Compliance with State and Federal Regulations	N/A	N/A	3/11/13	3/11/13	<ul style="list-style-type: none"> • Reduce the hours of 2 maintenance workers to 24 hrs./wk. from 40 hrs./wk. to maintain compliance with NJ State law • Another maintenance worker was dismissed for cause, thereby alleviating the need to take action • Offer benefit package to the one maintenance worker who remained F/T. 	
OS004	Regionalization of work with the Millville Housing Authority	Integration and formalization of reporting relationship of SHA staff into MHA regional personnel	N/A	N/A	5/1/13		<ul style="list-style-type: none"> • Prepare work flow charts • Establish reporting and communication channels 	
OS005	Organization Chart	Chart to Reflect Integration with MHA	N/A	N/A	4/30/13		<ul style="list-style-type: none"> • Prepare organization chart for integration of the agencies 	
AREA: Property Management								
PM001	Establishment of Mission	Agency wide understanding that SHA's mission is to fill units and collect rents	N/A	N/A	3/5/13	3/5/13 but will remain ongoing	Daily reinforcement	

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PM002	Zero Tolerance Policy Agency Wide	Quality of life for residents and financial stability	N/A	N/A	2/1/13	2/1/13	<ul style="list-style-type: none"> Announcement of plan at public board meeting Constant reinforcement with staff and residents 	
PM003	Cessation of Rent re-payment plans	Full collection of rents	N/A	N/A	2/1/13	2/1/13	<ul style="list-style-type: none"> Hiring of experienced and aggressive landlord/tenant counsel No deals on rent payments 	
PM004	Occupancy	Sustained occupancy greater than 98%	0 out of 16 points	Goal is 16	4/1/13 to have filled initial 14 vacancies		<ul style="list-style-type: none"> Re-align maintenance priorities Provide management and maintenance oversight and training with MHA regional and executive teams 	
PM005	Property Manager Position	Create the position	N/A	N/A	1/2/13	3/11/13	Office person moved into PM position	
PM006	Court proceedings	Instill understanding that we are not easy marks and are not housing of last resolution	N/A	N/A	1/2/13	1/2/13	<ul style="list-style-type: none"> No deals with clients once case is filed in court. Our position is full payment or eviction. No acceptance of partial rent payments 	
PM007	Tenant Accounts Receivable	Increased cash flow and financial scores	0 out of 5	Goal is 5	5/22/13		<ul style="list-style-type: none"> Write off resolution to be presented at 5/22/13 meeting Maintain at less than 1.5% 	
PM008	Neighborhood Environment Adjustments	Determine why SHA did not receive the additional point	0 out of 1	Goal is 1	6/1/13		Review point award guidelines and compare to SHA's situation	

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PM009	Unit Turnaround	Less than 3 days	N/A	N/A	6/1/13		<ul style="list-style-type: none"> Ongoing oversight via MHA regional property management and maintenance team Daily reinforcement of urgency to fill units 	
PM010	REAC Training	Property manager and full time maintenance staff to know HUD's guidelines	N/A	N/A	3/26/13 but training will remain ongoing		Training has been schedule for SHA's property manager and F/T maintenance staff for 3/25/13 and 3/26/13.	
PM011	Property Management Staff Training	Increased understanding of the role of the professional property manager	N/A	N/A	10/31/13 subject to class availability - will remain an ongoing process		Property manager and assistant will start with NAHRO's Public Housing Manger (PHM) classes and then proceed to the Institute of Real Estate Management's Accredited Residential Manager classes.	
PM012	Agency Brand	Move the SHA in the direction of being known as a property management concern rather than a social work organization	N/A	N/A	3/31/14		<ul style="list-style-type: none"> Continue reinforcement that the SHA is now a mngt. Concern, not an entity serving as the housing of last resort. Pursue options of partnering with the City of Salem and other entities regarding neighborhood preservation and affordable housing projects. 	

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PM0013	Property Management Software	Move to YARDI for efficiencies	N/A	N/A	5/1/13		Conversion to YARDI has been approved by the board and is underway	
AREA: Finance								
F001	Months Expendable Net Asset Ratio (MENAR)	Obtain full points in FASS	0 out of 11	Goal is 11	9/1/13 for all components, though some are already complete		<ul style="list-style-type: none"> Reduced payroll and benefits expenses for staff and former executive director by \$209,000 annually to reduced Avg. Monthly Operating and other Expenses We'll soon be marketing the utility accounts to confirm we have the best prices. New independent fee accountant advises us that Total Current Liabilities is overstated. We are in the process of reviewing. We're going to be marketing office space and roof top space in an attempt to boost the Cash position 	
F002	Centralize payables, bookkeeping and payroll with MHA	Reduced cost due to economies of scale achieved through Shared Services Agreement	N/A	N/A	3/11/13	3/11/13	Consolidation has already taken place.	
F003	Hire new fee accountant	New, uninvolved professional opinion	N/A	N/A	2/1/13	2/1/13	A public RFP was advertised and a new accounting firm was selected.	

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F004	Budgets	Revise budgets to reflect cost savings and sequestration	N/A	N/A	3/25/13		Budgets were revised for the first round sequestration numbers, but now must be revised.	
F005	Bank accounts	Secure assets	N/A	N/A	1/7/13	1/7/13	Signatories changed	
F006	Procurement	Streamlined and cost effective policy and approach	N/A	N/A	6/30/13		<ul style="list-style-type: none"> Procurement policy to be revised Combine with the buying power of Millville and Wildwood Housing Authorities 	
AREA: Section 8								
S8001	Administrative Operations	Continue operating program without interruption	High Performer	Goal: Maintain status	3/11/13	3/11/13	Given the SHA's deficit position, a situation dramatically worsened by the sequester, the SHA could no longer afford to employ a S8 employee. Millville assumed the line operations under the Shared Services Agreement.	