

A REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SALEM

February 25, 2021

A regular meeting of the Salem Housing Authority (SHA) Board of Commissioner was held on Thursday, February 25, 2021. The meeting was held virtually through the Go To Meeting Platform. The meeting was convened at 5:04 pm.

Chairwoman Ferguson announced that the Sunshine Law requirement had been met, properly posted, and advertised.

Karen Chiarello proceeded to call the roll at this time. Present were: Chairwoman Rebecca Ferguson, Commissioner Cathy Lanard, Commissioner Robert Lanard, Commissioner James Smith, and Executive Director Paul Dice. Also present were Solicitor Adam Telsey, Accountant Tony Polcari, and SHA staff.

Chairwoman Ferguson asked for a motion to approve the minutes for the January 28, 2021 meeting. Commissioner R. Lanard made a motion and Commissioner C. Lanard seconded. All those present were in favor.

Financials

The SHA posted \$9,484 in positive net income for January 2021. The SHA maintains \$98,619 in positive net income for the fiscal year to date (10/1/20 to 1/31/21). The SHA is in good financial position.

Occupancy

Our occupancy rate is 88%. We are struggling get people in the apartments. We have approved people who have significant housing needs. However, they are not showing up for their interviews. We are continuing to send out eligibility packets. We have been in this position before and will get out of it. It is just taking longer than expected.

Housing Choice Voucher (HCV) Waiting Lists and Website Portal Creation

After reviewing our waiting lists last December, it was determined that we did not have enough people in the queue. To address the problem, the staff worked to create the online applications processes. The SHA had never accepted online HCV applications before this. We have been receiving public housing applications online since May of last year. But the work had never been completed for the HCV program. The work is now complete. All applications must now be submitted electronically. We no longer accept paper HCV applications.

The SHA website has portals connected to our property management operating system – PHA-Web. Once we completed the HCV application portal work, we opened the waiting list from 2/1/21 at 9:00 a.m. through 2/15/21 at 4:00 p.m. In keeping with U.S. Department Housing and Urban Development (HUD) regulations, we advertised the openings in the newspapers.

When we first opened the HCV waiting lists, we received little response. Given the high demand for vouchers, we realized we needed to do more to get the word out than just advertising in newspapers. So, we started advertising at libraries, county offices and social service agencies. We were successful. The number of applications rose dramatically, though still not quite as high as we anticipated. Ultimately, the SHA received 870 applications. We are accepting only 60, though. It is a sad fact that vouchers are in great demand nationwide and hard for people to obtain given program size limitations.

To make the waiting list process fair, we selected the 60 applications via a randomized, electronic lottery process. We have used this approach in the past with good results. The last time we had an HCV lottery, we outsourced the process. This time, we were able to run the lottery ourselves as PHA-Web has the function programmed into their software. We will have letters sent out to all applicants this week advising them whether they were selected.

By way of background, HCV program size is limited by the annual HUD budget. Public Housing Authorities (PHA) must determine how many vouchers they can afford to issue given the funding provided. Additionally, each PHA has a cap on the number of vouchers they can issue regardless of the HUD funding they receive. The SHA's voucher cap is 30, which is also the number of vouchers we have issued for them. That is unusual. Most PHA's do not have the funds to issue their full voucher cap.

The numbers of voucher holders in the programs at any given time is variable. That is due to factors such as attrition, varying rental rates, fluctuating HUD funding, varying payment standards, etc.

While working on the HCV waiting lists, staff worked to complete three other HCV projects that had stalled. We successfully added website portals to the SHA website that will allow:

- HCV landlords to look up the monthly payments made to them by the SHA.
- Other PHA's to review payments made to them by the SHA for port-outs.

NOTE: Housing Choice Vouchers are portable. Tenants can use them anywhere in the United States. If a tenant of ours moves from our area to another location, we call that a "Port Out." The PHA in the new area must then administer the voucher. We, then pay that PHA an administrative fee.

- Prospective tenants to view where they are on either the Public Housing or Housing Choice Voucher waiting list. We hope that this will dramatically cut down the numerous calls we receive for this information.

These technological advances are helping us increase our productivity by reducing the amount of time staff members must spend on each case. We are also working on a process that will permit tenants and prospective tenants to complete their case forms online. We also hope to move to a fully paperless file system. Though that is a longer-term project.

Please be aware that we assist people who lack the hardware to navigate our systems or who have their own devices and are just having difficulty navigating the system.

Physical Needs Assessment of the SHA Housing Stock

Listed below is an update on what the SHA would need to invest over a 15-year period, to modernize and maintain its housing stock. The estimated costs are as follows:

Development	Total
Broadway Tower	\$2,822,774
Andersons Drive	\$5,926,458
West Side Court	\$6,062,943
Total	\$14,812,175

The above amounts represent hard costs only. The soft cost associated with the type of funding that you will ultimately need will add soft costs that could easily add another 30% to the above numbers.

Contracting Out Maintenance Work to a General Contractor

It is important to note that while our buildings are very much in need of capital improvements, we are making great progress via our program with having a General Contractor - Fabbri Builders - under contract. We have been using experienced Fabbri carpenters to address the units that require repair and building skills that exceed those of our maintenance team. Here are some of the units that Fabbri has worked on recently. Many of the jobs were essentially substantial rehabs:

- 18 Anderson Drive (AND) – Significant replacement of drywall, flooring, and installation of new exterior door.
- 22 West Side Court (WSC) – The tenant had a large dog that severely damaged the floor and walls. The animal also defecated in the house so extensively that we needed to

bring in a remediation company to clean the affected areas before the repair work could commence. Ultimately Fabbri was able to repair the floors and walls.

- 72 WSC – There was a leak in the roof that resulted in moldy conditions. The leak was repaired, and the mold was remediated. Fabbri was then able to proceed with the extensive work of repairing floors and walls.
- 114 AND – The entire bathroom was gutted, re-plumbed (by G.E. Mechanical) and then the room was re-built by Fabbri. The floors and walls in the other areas of the apartments were also repaired.
- 117 WSC – Full rehabilitation.
- 54 WSC – Floor replacement

We also had someone destroy the mailboxes at Broadway Tower last December. We immediately ordered new ones, but they did not arrive until Mid-February. Fabbri installed them right away when we received them. We were told that the postmaster would have the units keyed by today. I hope so. This has been a hardship for our tenants. At this point outsourcing the work is the only way to get these issues taken care of.

The cost of outsourcing work to Fabbri is considerable. From January 2020 through February 2021, we have paid them \$123,247 (see attached). However, we would not have gotten the projects completed if we had not outsourced the work. Further, I think its money well spent as we are making faster progress than we would have otherwise. I strongly recommend continuing to outsource this work.

The following are projects scheduled for Fabbri. Many will be extensive repairs:

- 51 WSC – This is a case where the floors are quite bad. Fabbri advised us that it is not safe for the tenant to be in the unit while the work is performed. We offered the tenant other apartments, but she so far has declined to move. Hopefully, she will change her mind soon.
- 94 WSC – Floors need to repaired/replaced.
- 98 WSC – Floors need to repaired/replaced.
- 96 WSC – Floors need to repaired/replaced.
- 71 AND – Needs significant wall repair.

- 116 AND – Bathroom needs to be gutted, re-plumbed and rebuilt.

We will also be installing a new boiler at AND on 2/23/21. That will be a \$9,000 project.

HUD Take Action Letter to Address Substandard Physical Score

HUD has labeled us “Sub-Standard” because of our most recent Real Estate Assessment Center (REAC) inspection score. They issued a letter dated September 15, 2020 but did not distribute it until recently (see attached). Basically, they are asking for confirmation of actions we are already taking, e.g., “Consider contracting maintenance of Public Housing to another entity or public housing agency...Verify that required annual inspections by the public agency are being conducted and that generated work orders are being completed properly...”, etc. We are already doing the vast majority of what they are looking for.

HUD is now asking for a Recovery Plan. Paul has done these in the past for the SHA and will draft one right away.

Loss Control Report

Our insurance company contracts with a loss control company – J.A. Montgomery – to do loss control and security inspections of New Jersey public housing authorities. J.A. Montgomery was on site 2 weeks ago. Attached please find their inspection report. In the back of the report, they list “Open Suggestions for Improvement.” None of the recommendations would be particularly difficult to address. I will work with the staff to begin addressing the suggestions.

Chairwoman Ferguson indicated that there were resolutions to approve.

Resolution #12-21 Resolution Approving the Payment of Bills for February 2021

Roll Call Vote:

Motion: Commissioner Smith

Second: Commissioner R. Lanard

Roll Call: Unanimous

Resolution #13-21 Resolution Approving a Memorandum of Understanding with the Huddle of South Jersey.

Roll Call Vote:

Motion: Commissioner C. Lanard

Second: Commissioner Smith

Roll Call: Unanimous

Chairwoman Ferguson asked if there was any old business. There was none.

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Chairwoman Ferguson asked if there was any public comment. There was none.

At 5:37 pm Chairwoman Ferguson asked for a motion to adjourn the meeting. Commissioner C. Lanard made a motion and Commissioner Smith seconded. All those present were in favor.

Paul Dice - Secretary