

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

March 25, 2021

A regular meeting of the Salem Housing Authority (SHA) Board of Commissioners was held on Thursday, March 25, 2021. The meeting was held via the Go To Meeting Platform. The meeting was convened at 5:05 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, Executive Director Paul Dice, and Executive Director Samantha Silvers. Also present were Solicitor Adam Telsey, Accountants Tony & Ralph Polcari, and SHA staff.

Chairwoman Ferguson asked for a motion to approve the mints for the February 25, 2021 meeting. Commissioner C. Lanard made a motion and Commissioner R. Lanard seconded. All those present were in favor.

New Executive Director Samantha Silvers introduced herself to the staff and gave an overview of her education and background.

Financials

The SHA posted \$16,769 in negative net income for February 2021. The SHA maintains \$66,851 in positive net income for the fiscal year-to-date. Our accountant reports the following significant expenditures for February 2021.

- Electric utility expense is \$23,405, or \$2,155 worse than budget. The cold winter months caused increased usage.
- Water/sewer utility expense is \$20,639, or \$5,639 above budget, as the most recent invoice received was much higher than anticipated.
- Maintenance materials and contract expenses are \$67,664, or \$30,164 higher than budget. This is mostly due to plumbing and electrical repairs.
- Insurance expense is \$15,056, or \$2,056 above budget. The annual Joint Insurance Fund invoice is approximately \$14,000 higher than the previous year's invoice that was used for the budget.

Given the amount of work that has gone into repairing and turning units lately, the monthly loss is not a surprise. It should not be a problem given our healthy and positive year-to-date net income.

Occupancy

Our occupancy rate is 89%. Although this is only up 1% since last month, we should see a continuous increase the percentage now that we have completed the work on some of the more serious units that were impeding progress. Paul showed everyone pictures of the new flooring. Yolanda Mendibles reported that she has received several packets back from prospective tenants. She will be checking them for completeness and moving ahead with those that are complete. The occupancy should be much better in the next few months.

Tenant Accounts Receivable

The COVID 19 pandemic has significantly hindered collection of tenant rents. As of 2/28/21, 10.9% of tenant rents remains uncollected. That is more than double the receivable percentage as of 9/30/20. We remain under federal and state eviction moratoriums, so legal avenues to address the delinquencies are currently unavailable.

There is some good news, however. The staff report that some tenants have begun paying their back rent. This seems to coincide with receipt of stimulus payments. Hopefully, the trend will continue.

Substandard Physical Score – HUD’s Request for a Recovery Plan

As reported last month, HUD requested a Recovery Plan to explain how we are going to address our substandard score. Paul has completed the report and submitted it to HUD. Our plan of action has since been accepted.

It has been explained to HUD many times that the best option would be for West Side Court (WSC) and Anderson Drive to undergo substantial rehabilitation. However, given our lack of access to the necessary Low Income Housing Tax Credits, this is not an option. The next best option would be to provide tenants with Section 8 vouchers, let them seek suitable housing elsewhere, and then tear down the buildings. This is the option for which we have authorization from HUD and the City of Salem to address WSC. The City did not approve similar action for Anderson Drive, so HUD approval was never sought for that development. Even so, we do not have the funds necessary to execute that plan for WSC alone given tenant relocation expenses could easily reach, and very possibly exceed, \$250,000.

We are left with one viable option for addressing the capital needs of our housing stock – outsourcing the most difficult work to professional contractors on a unit-by-unit basis. This is

what we have been doing for the last 14 months. The quality of the contractors' work far exceeds that which we could produce with in-house personnel. For example, Fabbri Builders recently completed what amounts to substantial rehabilitation of WSC units 54 and 117. The units look tremendous and set the standard for future work. Pictures do not do justice to the completed work. All of you are invited for a tour of these units. We think you will be pleased with what you see.

We are making progress with the outsourcing of the maintenance/modernization work. But it is a slow process. This fact has been stressed to HUD repeatedly.

Executive Director Transition

The transition to Samantha Silvers is coming along nicely. Paul and staff are continuing to brief her on the operations and are making sure she has an in depth understanding of the SHA. She has spent time at each property so that she could see our progress firsthand. We will continue with efforts to ensure a smooth transition.

Thank you from Paul Dice

Given my retirement at the end of the month, this will be my final Executive Director's report. I am extremely grateful for the opportunity to have served all of you and the City of Salem since December 2012. It has been an honor to have worked for you. I am also most grateful for your unwavering support, without which we would not have achieved our current level of success. Thank you. I wish you continued success, good health, and happiness.

Chairwoman Ferguson thanked Paul for his time and effort to put the SHA in a secure position.

Chairwoman Ferguson indicated that there were resolutions to approve.

Resolution #14-21 Resolution Approving the Payment of Bills for March 2021

Roll Call Vote:

Motion: Commissioner C. Lanard

Second: Commissioner R. Lanard

Roll Call: Unanimous

Resolution #15-21 Resolution Approving a Slate of Officers for 2021 Effective April 1st

Roll Call Vote:

Motion: Commissioner C. Lanard

Second: Commissioner R. Lanard

Roll Call: Unanimous

Resolution #16-21 Resolution Approving a Fund Commissioner for 2021 Effective April 1st

Roll Call Vote:

Motion: Commissioner C. Lanard

Second: Commissioner R. Lanard

Roll Call: Unanimous

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

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

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

At 5:42 pm Chairwoman Ferguson asked for a motion to adjourn the meeting. Commissioner C. Lanard made a motion and Commissioner R. Lanard seconded. All those present were in favor.

Samantha Silvers – Secretary

Date