



**PROVIDENCE HOUSING AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING: August 30, 2007**

PHA Conference Room

100 Broad Street

Providence, RI 02903

CALL TO ORDER

Chairman Waldman called the meeting to order at 5:01 p.m.

ROLL CALL

The Executive Director called the roll:

Present

Paul Waldman
Dolores Cascella
Nicholas Narducci
Dorothy Waters
Hilary Silver
JT. Taylor
Robert Clarkin
John Iglizzi

Absent

Jaime Castillo (Excused)
Raymond Murphy (Excused)
Barbara Fields (Excused)

Eight members were present, constituting a quorum.

RESIDENTS' COMMENTS

None.

APPROVAL OF MINUTES (June 28, 2007)

Chairman Waldman called for approval of the June 28th meeting minutes. Commissioner Silver moved approval of the minutes. Commissioner Clarkin seconded the motion. A vote was taken. There being no opposition, Chairman Waldman declared the minutes approved.

APPROVAL OF MINUTES (July 19, 2007)

Chairman Waldman called for approval of the July 19th meeting minutes. Commissioner Waters moved approval of the minutes. Commissioner Narducci seconded the motion. A vote was taken. There being no opposition, Chairman Waldman declared the minutes approved.

CHAIRMAN'S REPORT

Executive Director's Performance Evaluation

Chairman Waldman stated that he would compile a report on the results of the Executive Director's Performance Evaluation, and present it to the board during an executive session at the next meeting.

Dates for Board Retreat

The annual Board of Directors Retreat will be held this fall, possibly at the Ocean Edge on Cape Cod. Four sets of dates were presented to the board for consideration, October 19th through 21st, October 26th through 28th, November 2nd through 4th, and November 16th through 18th. The retreat will begin on a Friday afternoon at 3:00 PM and end on Sunday at noon with sessions that last all day Saturday, and Sunday morning. Chairman Waldman asked for input from the board as to which dates they will be available. The Executive Director will meet with Chairman Waldman next week to review the commissioners' availability for the dates, and to select a date and location.

COMMITTEE REPORTS**Budget, Finance & Audit Committee**

Chairman Waldman reported on the transition to project based management, the budget review, the data processing system, and the year end closing. [See the attached report.]

Asset Management/Capital Improvements Committee

Commissioner Narducci reported on the energy savings project, tree trimming by Northeast Tree Service and National Grid, the natural gas leak survey, projects at Carroll Tower, Hartford Park and Sr. Dominica Manor, and some of the scattered sites, the replacement of roof hatches at Dominica, Dexter, and Kilmartin, and the bid specifications for the painting of six scattered sites. [See the attached report.]

Commissioner Iglizzi stated that National Grid often ruins trees when trimming them, and asked if we could get them to remove trees that are obstructing their wires and replace them with new trees in more appropriate locations. Executive Director Stephen O'Rourke said that the PHA maintenance workers identify problematic trees first and have our contractor remedy the problem, in an effort to minimize the amount of trimming that National Grid does. Our own crews and contractor also trim for aesthetic purposes. Marv Carmody, the Director of Facilities Management, explained that National Grid first identifies the trees that need to be trimmed, then checks with the PHA to make sure we are in agreement, before completing the work.

Resident Services Committee

Maria Gianfrancesco, Special Assistant to the Executive Director, reported on the Sherwin-Williams Painter Training Program, tenant opportunities, and the Safety Activities Report. [See the attached report.]

RESIDENT ASSOCIATION REPORT

Maria Gianfrancesco, Special Assistant to the Executive Director, reported on elections at Chad Brown and Carroll Tower, CPR Training at Hartford Park, media events at Dominica Manor and Chad Brown, and Fire Safety activities at all of the developments. [See the attached report.]

Commissioner Cascella mentioned that the PHA maintenance staff working at the Dominica Manor safety presentation media event did an excellent job.

Commissioner Taylor stated that the Mayor will be at the Hot Dog Roast at Hartford Park, but he is on a low-carb diet so he will eat only the hot dog, not the roll.

Commissioner Waters announced that Alexis Brown, one of the girls from our Youth Program at Chad Brown, is on her way to Philadelphia to compete on American Idol. Executive Director O'Rourke stated that she is featured on the City of Providence web site.

EXECUTIVE DIRECTOR'S REPORT**Monthly Management Report Highlights**

The Executive Director explained that the Monthly Management Report for June is included in the board packet, but that the report for July is not included because, although it is complete, the staff is having problems printing it. The July Monthly Management Report will be distributed at the September meeting. The Executive Director invited Commissioners to review the June report and forward any questions to his office.

New Software System

The Executive Director stated that he and the PHA staff met yesterday with President Steve Mitas and other representatives from Mitas Corp. to review their public housing software. We will get the software free for three years because the PHA has been chosen as one of nine housing authorities in the country who will allow other housing authorities to come to their facilities to review the software when Mitas begins marketing it. We are also helping them design the system so that it will be tailored for us, and we will not need to pay extra for modifications. Mitas is a Texas company who provides software for twenty-nine state housing finance agencies in the country including RI Housing, and they are branching out into the public housing field because of the change to asset management.

MIS Director Nancy Mattes added that the software is Windows-based and that employees will be able to log on from home and other locations to check data and reports. The hardware and software will be hosted by Mitas at their location, so if we have a problem at the PHA we can go to another location and be up and running very quickly. It is the latest technology.

The Executive Director mentioned that the system features many types of reports and queries that we need, and that it can automatically distribute reports to an email list as soon as they are generated. We hope to have the software up and running by the beginning of the 2008 calendar year.

Physical Needs Assessment

The Executive Director stated that our internal Physical Needs Assessment was completed a few months ago. Our assessment looked at current conditions and completed a ten-year Capital Improvement Plan. As a follow-up to our assessment, a professional firm that specializes in roof analysis was engaged to conduct a more comprehensive analysis of roofs at Manton Heights. Our initial analysis found we would need to spend a great deal of money replacing a number of roofs. However, the firm conducting the analysis found we will not have to. Instead of the approximately \$2 million that we initially thought we would have to spend, we now know that the expense will only be approximately \$100,000 for repairs instead of replacement.

Capital Funds

The PHA is going to apply to HUD for a Capital Fund advance that will be funded through bonds. Some of the improvements will be site improvements at the three largest family developments, Hartford Park, Chad Brown/Admiral Terrace, and Manton Heights. Improvements will be planned for other sites as well. The emphasis will be on health and safety improvements and "curb appeal."

Attention to Articles in Board Packet

Each month one or more articles related to public housing will be included in each Commissioner's packet in order to provide Commissioners with information on housing issues. This month's packet includes the following:

- NAHRO (National Association of Housing and Redevelopment Officials) FY 2008 HUD Appropriations Comparison. The Executive Director stated that it looks much better than it did last year, although public housing is still not funded at 100% of our operating subsidy. The key areas are Tenant Based Rental Assistance Voucher Renewals, the Public Housing Capital Fund, and the Public Housing Operating Subsidy. NAHRO estimates that we need about \$5 billion to have every housing authority receive 100% of their subsidy.
- CLPHA (Council of Large Public Housing Authorities) Memos Regarding Problems with New Public Housing Operating Fund Rule Implementation.
- Providence Journal Article about Providence Police Receiving a \$200,000 Grant from the U.S. Department of Justice. The Executive Director stated that these funds are for the Weed & Seed program, and that the PHA is getting some of that funding for Security personnel at Hartford, and for the Sports Co-coordinator of our youth activities.
- Providence Business News Article about the 33-Story Condo Tower Proposed for Federal Hill. The Executive Director stated that the building is next to Sr. Dominica Manor, and we don't know if the City counsel has considered it yet. We are starting the disposition process to

transfer ownership of a portion of the Sr. Dominica parking lot, but we have identified some other problems and have asked the developers to set up another meeting with us.

Psychological Centers, Inc.

The Executive Director stated that Psychological Centers, Inc. is an organization that provides on-site behavioral services for children, adolescents, and their families. The PHA has signed an agreement with them to come to our family developments and use our office space to work with referrals from site managers and some of the Social Services staff. We are also working with them to expand their services into the high-rises.

Management Operations Assessment Certification FY 2007 (Resolution required)

The Executive Director explained that the Management Operations Assessment Certification is a self-reporting assessment that we are required to send to HUD each year. It comprises 30% of our aggregate Public Housing Assessment System annual rating. The report consists of various performance indicators.

The first indicator is Vacant Unit Turnaround which includes the time the unit is vacant before it is given to maintenance, the time it takes to repair and get the unit ready for leasing, and the time it takes to lease the unit. Our average is 25.5 days which will probably give us a "C" rating, and we have not broken below 30 in the time the Executive Director has been at the PHA. This is the only indicator that we do not max out every year.

Commissioner Silver questioned why our rating on this indicator is so low. The Executive Director responded by explaining that we turn over 400 plus units a year, and it is very time consuming because we have residents that unexpectedly vacate units, create a lot of damage, and leave their belongings behind. There are times when the kitchen cabinets and tub, etc. need to be replaced. Our costs for this maintenance cannot be recovered because the tenants have usually disappeared, leaving us with only a one month security deposit, which does not cover the repairs. In the past the PHA has used law firms to try to recover more money, but the practice was not cost effective because the ex-tenants could pay so little each month. We try to mitigate this by providing tenant orientation and written information, and at this time a new tenant handbook is being prepared.

The second indicator is Capital Fund, which is allocated each year by HUD and based on a formula. The funds must be obligated within 24 months and expended within 36 months. As the PHA always conforms to this rule we receive an A rating.

The Work Order indicator shows that the PHA abated all emergency work orders within 24 hours, and completed non-emergency work orders in 9.2 days, which gives the PHA an A rating.

For the Annual Inspection of Dwelling Units and Systems, the PHA has just privatized its inspection services by hiring U.S. Inspections Group. Due to the new HUD guidelines we were unable to justify using in-house inspectors because of the cost. USIG costs ¼ of the cost of one in-house inspector and also gives us higher quality reports in a more timely manner. The existing PHA inspectors have been re-assigned to follow the USIG inspectors and complete some of the work generated by these inspections. All of the PHA properties, grounds and HVAC systems are inspected annually.

Indicator number 5 relates to security, including tracking and reporting crime problems. The PHA documented and reported to the police 109 crimes. We have one HUD funded drug program, and 39 goals, all of which have been met.

Commissioner Silver requested an explanation of the total number of applicants that were denied housing by the PHA. The Executive Director explained that they were denied admission because of criminal backgrounds, drug-related activity, poor landlord references, or a failed home inspection.

Commissioner Iglizzi asked how many applications we receive a year, and the Executive Director answered that we received 600 to 700 last year, and that 98 were denied.

Commissioner Narducci asked how we handle a situation such as the one at a Chad Brown apartment where we know there is drug activity going on. The Executive Director stated that all known drug activity is referred to the police department for investigation. He further explained that some drug offences are considered "curable" under RI state law, especially minor offences, and that if the tenant does not use the drug again for a certain amount of days they will not be evicted. For major offences we start the eviction process immediately. The PHA works with the Providence Police Public Housing Unit to compile the needed evidence. If the offender is a live-in boyfriend, who is not on the lease, we can start the process to evict them immediately as a boarder or lodger.

Commissioner Cascella mentioned that there are tenants who take maximum advantage of the boarders and lodgers lease clause by allowing someone to stay for five days and leave for two days. The Executive Director explained that the development managers can and will act to take the tenant to court if they see this type of pattern.

Commissioner Taylor stated that when a person at Hartford Park is suspected of boarding and lodging, they are asked to come to the management office with a lease or some proof of another legal residence, and this causes most of them to leave immediately.

The last section of the certification is Economic Self-sufficiency. The PHA has one HUD funded program, called The Family Self-sufficiency Program, and we have two goals which have been met.

The PHA will probably receive 28 to 30 points out of 30 on the Management Operations Assessment. This report was sent to HUD earlier in the month in order to meet a deadline. This resolution will be an ex post facto approval.

SEMAP (Section 8 Management Assessment Program) Submittal (No resolution required)

The Executive Director explained that the SEMAP submittal is a collection of indicators that include Section 8 occupancy rates and utility allowances.

Commissioner Silver asked how many Section 8 families with children reside in low income census tracts, because we get bonuses if these families move out of those areas. The Executive Director and Donna De La Rosa, the Director of Leased Housing, explained that we have achieved over 100% in this rating over the last several years.

Commissioner Iglizzi suggested a motion to receive the SEMAP Submittal, which was seconded by Commissioner Narducci, and unanimously passed.

Presentation: Resident Characteristics of Public Housing & Section 8

Talitha Vanderburghe, Special Assistant, presented a PowerPoint show detailing the characteristics of the PHA Residents. The report contained information on the PHA's population, income characteristics, heads-of-household, length of stay at the PHA and much more information. [See the attached report.]

Presentation: Energy Performance Management Contract (Resolution Required)

The Executive Director explained that the PHA has been working on an Energy Performance Management Contract for over two years. HUD requires an Energy Audit every five years because of the rising cost of utilities. Our energy costs have risen substantially over the last five years. Last year energy costs were the largest single budget item at \$6 million. The PHA, collaborating with other housing authorities, hired Enlightened Energy to conduct an energy audit and make recommendations to lower costs. They recommended that we enter into an energy service contract. Along with four other housing authorities we advertised a request for proposals for energy service

companies, and Ameresco, of Framingham, MA was selected. They did an analysis and recommended that we:

- eliminate costly ongoing maintenance by replacing systems that are failing or at the end of their lifecycle,
- replace systems or components that have a high incidence of maintenance or are not performing satisfactorily,
- address issues which affect resident safety,
- conserve annual capital improvement funds for other projects.

Without this energy service contract we would have to make these improvements with our limited Capital Funds. With the municipal lease with Ameresco we are able to get \$12 million worth of repairs completed, which will save around 20% annually, or \$1.2 million, on our utility costs. The savings will pay the financing of the lease and Ameresco's fee, with the remainder of the savings coming to the PHA. HUD also freezes our utility costs at this year, which provides more savings. As part of the plan we will install a co-generator at Chad Brown and sell excess electricity back to the electric company.

The submission also includes an Asset Management Life-Cycle Report, which will illustrate to HUD that housing authorities are grossly under funded for capital needs. We have had to get a waiver from HUD to extend beyond the 12 year payback period, and allow a 20 year payback period. This report will be submitted to HUD tomorrow for review. [See the attached report.]

Status of Transition to Asset-Based Management

The Executive Director stated that we did transition to asset-based management as of July 1.

Rehiring of Formerly Terminated Staff

A number of clerks and maintenance staff that were laid off in April have been rehired.

HUD Asset Management Review (August 15th)

The Executive Director stated that HUD visited the PHA on August 15th and did a review, testing new instruments for scoring housing authorities. They chose to use the PHA as a test site because we maintain a large amount of data.

RESOLUTION(S)

Resolution #4149

This resolution authorizes the Executive Director to submit the Management Operations Certification to HUD as partial score toward our annual PHAS rating. Commissioner Iglizzi moved approval with Commissioner Clarkin seconding the motion. After some discussion a vote was taken. There was no opposition by members present. Chairman Waldman declared the resolution passed.

Resolution 4150:

This resolution authorizes the Executive Director to execute the Energy Management Performance Contract with Ameresco. Commissioner Iglizzi moved approval with Commissioner Silver seconding the motion. After some discussion a vote was taken. There was no opposition by members present. Chairman Waldman declared the resolution passed.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

There was no new business to discuss.

ADJOURNMENT

There being no further business, Chairman Waldman accepted a motion to adjourn from Commissioner Narducci, which was seconded by Commissioner Iglizzi, to adjourn the meeting at 6:25 p.m.

Submitted by:

Approved by:

Elizabeth Herosy
Recording Secretary

Stephen J. O'Rourke
Executive Director