

CUMBERLAND HOUSING AUTHORITY
May 21, 2019 Meeting Minutes

I. Call to Order: Vice Chairman Bill Hansen called the meeting to order at 6:30 pm.

II. Roll Call: Present: Bill Hansen - Vice Chairman, Connie Bingham, James Clifford, Janene Gorham, Norman Maze & Sally Pierce. Town Council Liaisons: Tom Gruber & Bill Stiles. Staff: Bill Shane - Town Manager & Christina Silberman - Administrative Assistant. **Absent:** Carla Nixon - Executive Director.

III. Elect Chairman & Vice Chairman:

Vice Chairman Bill Hansen asked for nominations for Chairman of the Cumberland Housing Authority. Mr. Clifford nominated Bill Hansen as Chairman of the Cumberland Housing Authority, seconded by Ms. Bingham. There were no other nominations. The election of Bill Hansen as Chairman of the Cumberland Housing Authority was moved by Mr. Clifford, seconded by Ms. Bingham and **VOTED, 6 years – unanimous, motion carries.**

Chairman Hansen asked for nominations for Vice Chairman of the Cumberland Housing Authority. Mr. Maze nominated James Clifford for Vice Chairman of the Cumberland Housing Authority seconded by Chairman Hansen. There were no other nominations. The election of James Clifford for Vice Chairman of the Cumberland Housing Authority was moved by Chairman Hansen, seconded by Ms. Pierce and **VOTED, 6 years – unanimous, motion carries.**

IV. Executive Director's Report: Town Manager Bill Shane noted that Executive Director Carla Nixon is ill and he and Ms. Silberman will provide reports.

Mr. Shane noted a water line repair project that occurred after the Christmas holidays and recognized Jonathan Carpenter for his work on this.

Ms. Silberman noted that she doesn't have the waiting list numbers with her tonight but she will provide them through email to the Authority members. Ms. Silberman explained the waiting list confirmation that was done during the last year. A notice was sent to everyone on the list requesting a reply. A phone call was made to anyone that did not reply. The people that could not be found were searched for online before being removed from the waiting list. All documentation was saved. Mr. Shane said that there are still over one hundred people on the list.

Mr. Gruber said one area of concern he has is if the tenants are all Cumberland residents. Mr. Gruber referred to a tenant that had moved in and then went to Florida. Ms. Silberman said that she does not believe this tenant changed their residency and they are still a Cumberland resident. The senior housing rules now require that tenants remain legal residents of Cumberland.

Mr. Stiles inquired about the two and one bedroom lists. Ms. Silberman said that some people are on both the one bedroom and the two bedroom waiting list. The waiting list

application has a place to check off interest for a one bedroom or a two bedroom unit and applicants can check either type of unit or both. Ms. Silberman noted that there are some people that have accepted a one bedroom unit but have kept their name on the two bedroom unit waiting list. It doesn't move them up any faster on the waiting list if they have become a resident. There are special exceptions. A one bedroom tenant who requires a live in caretaker can bypass the waiting list for a two bedroom unit and a two bedroom tenant who is having financial issues may bypass the waiting list to downsize to a one bedroom unit. Current one bedroom tenants have preference for a subsidized unit when one becomes available if they qualify.

Mr. Shane reported further on the water line that broke in one of the units. Mr. Shane explained how the water line comes in and connects to each unit. In this case, the center unit was the receiving area for the water line and then split from there. The broken line was on the end unit. They had to do a temporary repair by running a new line across the ceiling of one unit to get to the end unit. This spring/summer a new line will have to be run from the outside.

Mr. Shane said that the problem is that these buildings are on slabs and there is no access to the plumbing below. They will need to core down through the floor and then dig down five feet.

Mr. Shane said that there was a lesson learned for Town staff. Town staff thought that the man who's unit was most affected would not be back until spring. What the Town staff didn't know is that his daughter was visiting and needed to find someplace else to stay. The Town has refunded two months' rent to the tenant because the Town didn't make it a priority to do the repair. It took time to fix. The Town had to develop a long term plan on how to do it. Mr. Shane said that next time the Town will make sure to make repairs within two weeks.

Mr. Shane noted that this was not an easy repair. Mr. Shane further explained what needed to be done and what needs to be done in the future. Mr. Shane answered questions from the Housing Authority members. Mr. Shane noted that other buildings in the senior housing complex could potentially have this same issue. The Town will be proactive in making some of these repairs when units are vacant or if a tenant will be away from their unit for an extended time.

V. New Business:

#019-01 Overview of Present & Future Finances: Chairman Hansen introduced the item.

Mr. Shane noted that he and Ms. Nixon agree that there should not be a rental rate increase this year. Starting in August of this year, tenants will be absorbing 100% of the cost of the natural gas for heat. Tenants pay 80% of the bill right now.

Mr. Shane reviewed the three charts he provided that show budget forecast information through FY25. The first chart shows projections for a 0% rent increase now with a 2% increase each year after. The next chart is for a 0% increase now with a 1% increase

each year after. The last chart is for a 0% increase now with a 0% increase each year after.

Mr. Shane noted that the senior residents are not getting any wealthier and their living expenses are going up. Mr. Shane does not want to be at market rate housing. This development was never intended to be market rate housing.

Mr. Shane said that looking forward, apartment rehabs will be between five and seven thousand dollars more expensive. There is a need for new vanities in the bathrooms and new kitchen cabinets and counter tops. These units are pushing 30 years in age. Mr. Shane said that about half of the surplus over the next five years will be used for apartment rehabs.

Mr. Shane said that the surplus will continue to grow to around three quarters of a million dollars over the next twenty years. Mr. Shane said to remember that there will be a need for new roofs, new heating systems and rehabs.

Mr. Shane said that revenues will exceed expenses within the next three years.

Authority members provided feedback on the budget projections and asked questions.

Chairman Hansen would like to have a discussion, maybe not tonight, regarding who belongs in these buildings. Mr. Hansen said that he has a problem with people with means being in this housing because it was not the design.

Chairman Hansen said he would like to see some projections on dates for major capital expenses that are known like the boilers. Mr. Shane said he can put together graphs that will incorporate these things where the Town thinks they will occur.

Ms. Pierce asked if there is any way to look at income for these apartments. Mr. Shane replied only for the subsidized units because it was not set up this way. The target market for these is middle class. There are low income apartments at the Drowne Rd. School. Mr. Shane said that technically there do not have to be any subsidized units now because there are no longer any MSHA funds being used.

#019-02 To set rental rates for fiscal year 2019-2020: Ms. Bingham moved to set the rental rates to equivalent amounts as the current year with a 0% increase and that the Town communicate to the tenants that the 0% increase is a one-time event that is not guaranteed going forward, seconded by Mr. Clifford and **VOTED, 6 yeas – unanimous.**

#019-03 To consider and act upon adoption of the proposed 2019-2020 fiscal year budget: Mr. Shane referred to the proposed budget that he provided tonight and answered questions of the Housing Authority members.

Mr. Clifford moved to accept the budget as proposed, seconded by Mr. Maze and **VOTED, 6 yeas – unanimous.**

VI. Correspondence: None.

Ms. Bingham noted that two or three years ago there was a meeting with the residents that was very interesting and she asked if there were any thoughts of doing this again. Mr. Gruber said that with a zero increase, the residents won't have any complaints. Ms. Bingham said that it was valuable to hear the residents' concerns. Mr. Stiles noted that any meeting is open to the public and anyone can attend.

Mr. Shane suggested a meeting in October or November to review budget predictions for a 25-30 year cycle and bond target info. Chairman Hansen said he would also like to talk about candidates that would be appropriate to be in this site. Mr. Shane noted that the affordable annual income for Cumberland, using HUD numbers, is high.

Ms. Bingham recalled viewing a vacant unit a long time ago and said that this would be helpful to do again. Mr. Shane agreed. Housing Authority members will be invited to view a unit with the next vacancy.

Mr. Shane noted that the Town ordinance allows for accessory dwelling units to build an in-law apartment, even on smaller lots. This could be a cost effective alternative for families.

Chairman Hansen said that he would like to view a vacant unit before and after rehab.

Chairman Hansen referred to the potential meeting in October or November and noted that the Authority talked about looking at a financial long term forecast, discussing how to look at qualifying people for the facility and discussing having a meeting with the residents.

VII. Adjourn: Ms. Pierce moved to adjourn the meeting at 7:37 pm, seconded by Mr. Maze and **VOTED, 6 yeas – unanimous, motion carries.**

Respectfully submitted,

Christina Silberman, Administrative Assistant