



**FRANKLIN COUNTY REGIONAL HOUSING &  
REDEVELOPMENT AUTHORITY**

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**ANNUAL REPORT  
October 1, 2016 – September 30, 2017**

The Franklin County Regional Housing and Redevelopment Authority is a public body politic and corporate, created by the Massachusetts legislature in 1973 to serve the residents and communities of Franklin County. HRA has all of the powers and responsibilities of a local housing authority and a redevelopment authority in all 26 communities of Franklin County. Our services include housing education; development, ownership and management of affordable rental housing; administration of housing subsidies; programs for homeless families; homeownership and foreclosure prevention education and services; and Community Development Block Grant application and administration for Franklin County towns.

**Housing Consumer Education Center**

HRA is part of a statewide network of nine regional Housing Consumer Education Centers of the Regional Housing Network (RHN) that provide information, education, counseling, and referrals to individuals and families regardless of income with housing-related questions or problems. HCEC staff work closely with social and human services providers, schools and banks to coordinate assistance to individuals and families in need to provide information and referral on housing-related resources.

HCEC assisted a total of 1,890 clients in FY 2017. Clients by type included:

Tenants	56%
Other agencies and client advocates	22%
Homeless households	15%
Homebuyers	4%
Homeowners	2%
Landlords	1%

The HCEC staff saw an 11% increase in Homeless households seeking assistance in Fiscal Year 2017. The most dramatic increase was a 17% increase in our work with other agencies and advocates.

The Housing Counselor offered more workshop opportunities to service providers like the Franklin County probation officers. This group received training on how to educate their pre-release inmates on housing search tactics. The RAFT Administrator also held trainings for service providers like The Family Center staff of Community Action. Our entire HCEC staff participated in a service provider fair in Greenfield spending a morning answering questions about our programs and making inquiries as to other available resources. The Executive Director, the HCEC Director and two staff members also participated in RHN's Legislative Day and visited the staff of our 5 state legislators and provided them with details about services HRA's HCEC provides in Franklin County. HRA also hosted a fair housing workshop with presenters from the Massachusetts Fair Housing Center for housing providers at the end of June.

Rental Assistance • Housing Development • Housing Management • Community Development  
Municipal Assistance • Rehab Financing • Homeownership • Public Infrastructure

Equal Housing Opportunity

Here's a synopsis of all of the workshops for FY2017:

<b>ACTIVITIES</b>	Fair Housing	Housing Search	Tenant & LL Rights & Resp.	Financial Education	Homebuying Pre & Post
Workshops Year-to-Date	1	8	2	6	5

HRA manages the Massachusetts HomeBASE program for Franklin County, which helps families avoid homelessness and provides re-housing services for families in the state's family shelter program. HomeBASE is available to families that are eligible for the state's Emergency Assistance shelter program. HRA provides a year of housing stabilization services to these families. The number has fluctuated during the year and currently our staff provides stabilization to 24 clients. 10 of these clients are New Lease families that HRA moved into Leyden Woods for June 1<sup>st</sup> 2017. HRA provides a second layer of housing stabilization services to these families under a separate contract with DHCD paying for the service.

The Residential Assistance for Families in Transition (RAFT) Program also provides homelessness prevention and re-housing assistance to families with very low incomes. In October, the RAFT program was able to expand services to households that met the expanded definition of family and in Franklin County that population consisted of elders and families that had custody of their children less than 50% of the time. HRA assisted 88 families and 6 expanded definition of families through the RAFT program in FY2017. A total of approximately \$197,025 in RAFT funding was used to pay rent, utility and mortgage arrears, security deposits, assistance with rent, and transportation-related expenses. Average assistance per family was \$2,096. The funds were spent as follows:

Rental arrears	46%
First/last month's rent	15%
Utilities	11%
Security deposits	11%
Mortgage arrears	8%
Furniture	3%
Other	2%
Monthly rental stipend	1%

In reviewing the previous year's data, we assisted 15% more clients with rental arrears and 10% fewer clients with move-in costs. And we saw a 3% increase in mortgage arrears assistance.

HCEC continues to offer foreclosure prevention services to Franklin County homeowners through a partnership with the Western Massachusetts Foreclosure Prevention Center run by HAP Housing. This fiscal year, 9 homeowners at risk of foreclosure were referred to HAP for foreclosure prevention services. This is a decrease of 17 households from the previous fiscal year. These services are most

successful when homeowners seek assistance as soon as they know they are having difficulty making mortgage payments. We were able to assist 2 families using RAFT funds to cure foreclosures.

Sources of funding for the Housing Consumer Education Center in FY 2017 included:

- Massachusetts Department of Housing and Community Development
- Massachusetts Housing Partnership
- CHAPA/HUD
- Division of Banks, through HAP, Inc.

### **Property Management**

In FY 2017, HRA managed 264 units of affordable rental housing, including:

- 117 units of state-assisted public housing for elders and persons with disabilities located in the towns of Bernardston, Gill, Montague, Northfield, and Shelburne.
- 27 units of state-assisted public housing for families located in the towns of Bernardston, Buckland, Charlemont, Northfield, and Orange.
- 48 units at the Crocker and Cutlery Block buildings in Montague.
- 26 single-room occupancy units for individuals in recovery from substance abuse at the Moltenbrey Building in Montague.
- 18 units at the Ashfield House in Ashfield.
- 8 double-occupancy units for men in recovery from substance abuse at the Orange Recovery House in Orange.
- 6 units at Prospect and Grove Apartments in Orange.
- 2 units for elders at the Smikes House in Whately.
- 2 fully-accessible units for people with disabilities at the Wisdom Way Solar Village in Greenfield.
- 10 units studio units at Orange Teen House in Orange for at risk youths.

Sources of revenue for property management include rent, subsidies, and laundry income. Rent at public housing properties is set as a percentage of tenant income. At these properties, The Commonwealth of Massachusetts pays the difference between the resident rent portion and a maximum level of subsidy set by the Commonwealth each year. Unfortunately, the combination of resident rent and state subsidies is not sufficient to cover the costs of managing HRA's public housing properties, which results in strains on the agency's budget.

HRA's 98 public housing units had a lease-up rate of almost 98 percent in FY 2017. Current tenant accounts receivable at the end of the year was less than three percent of total rent.

HRA spent \$252,447.00 on capital improvements to its public housing properties in 2017. Projects included:

#### ***Family public housing units***

- New roof for the Northfield family property
- Window Replacement at 705-3 Oaklawn Avenue in Orange
- New building envelope and exterior components for the West River St. property in Orange
- Interior fixture and component replacement at Whitney Street.

- Architectural design for Fence replacement at Congress street in Orange, MA.

***Public housing units for elders and persons with disabilities***

- Trombe Wall removal Phase II at Stratton Manor
- Architectural design for Driveway replacement at Squakeag Village

**Leased Housing**

In FY 2017, HRA assisted a total of 694 households with federal and state subsidies that allowed individuals and families with low incomes to rent privately-owned housing or purchase their own homes.

HRA served 43 families through the Massachusetts Rental Voucher Program (MRVP) in FY 2017. Fifteen of those vouchers were project-based, which means that they are connected to a particular property. These vouchers subsidize rent for clients of a program run by Franklin County DIAL/SELF, Inc., which assists young adults to become self-sufficient, the Positive Parenting Program run by the United ARC, which helps stabilize at-risk families as well as 3 vouchers at the Ashfield House and 2 at Orange Teen Housing. HRA is currently administering 22 mobile state vouchers, which can be used in any property statewide that meets health and safety standards. Five of these vouchers are currently located in Greenfield, one in Florence, four in Turners Falls, one in Erving, two in Shelburne Falls, one in Orange, two in Sunderland, one in Fall River, three in Athol, one in Worcester and one in Williamsburg.

HRA also administers 579 federal Section 8 Housing Choice Vouchers. This program served 649 families in 2017 which represents a turn-over of 70 households over the course of the year. Of these vouchers:

- 419 were held by families where the head of household or the spouse is disabled
- 153 were held by families with an elderly head of household
- 165 were held by families with children.

Of the agency’s 579 vouchers, 445 are mobile and 134 are project-based, which means that they are attached to specific buildings. Mobile vouchers may be used anywhere in the U.S.

The majority of HRA’s Section 8 vouchers are used in Franklin County, as shown in the chart below:

Franklin County 489	86.5%
Hampshire County 45	7.9%
Hampden County 14	2.4%
Worcester County 12	2.1 %
Suffolk County 2	0.3%
Berkshire County 1	0.1%
Essex County 1	0.1%
Out of state 1	0.1%

As of February 1, 2017 we joined the Centralized Section 8 waiting. HUD regulations give priority for

mobile vouchers to families who complete a year of successful tenancy in project-based units. HRA also gives priority for available Section 8 mobile vouchers to eligible veterans and to tenants residing within Franklin County excluding Greenfield but including Athol. When we first began pulling names off the centralized waitlist we were pulling veterans that had been waiting 8-10 years.

In January 2017, HRA was notified that it received a score of 100 percent on the HUD Section 8 Management Assessment Program (SEMAP) for 2017. This is a remarkable accomplishment that entitles the agency to receive the highest level of administrative payments possible for the Section 8 program.

HRA collaborates with Greenfield Housing Authority in offering a family self-sufficiency (FSS) program for Section 8 voucher holders. Holders of Section 8 vouchers are required to pay 30 percent of their income in rent. In general, when income rises, program participants are required to pay more rent. The FSS program allows participants to save increased earnings to achieve specific goals, such as earning a higher education degree, starting a small business, or purchasing a home.

In FY 2017, 29 of HRA's Section 8 voucher holders were enrolled in the Family Self-Sufficiency (FSS) program. Of the 29 voucher holders, HRA contributed to escrows for 18 on a monthly basis. This means that those 18 families increased their income from employment above their income when they joined the FSS Program. Two participants graduated in FY 2017 due to goal completion, and one will be leaving the Section 8 program to purchase a home using the escrow funds for a down payment. There are currently 11 families participating in HRA's homeownership program, using their vouchers to assist with the mortgage payments.

There have been no significant policy changes in administration of the Section 8 program during the past fiscal year. Regulations are updated when they are received from HUD none of which have been significant enough to cause any hardship to HRA's voucher holders. HUD has temporarily reduced reporting requirements for participants for annual re-certifications, which also reduces the administrative burden on the agency.

### **Community Development**

The HRA Community Development Department provides application preparation, program implementation, and administrative services to Franklin County towns in connection with Community Development Block Grants (CDBG). CDBG is a federal funding source designed to benefit people with low and moderate incomes, defined as less than 80% of Area Median Income (AMI). Cities and large municipalities receive CDBG funds on an entitlement basis directly from the U.S. Department of Housing and Urban Development. Smaller communities may submit competitive applications to the Commonwealth. Typically, HRA submits an application on behalf of a group of smaller communities in the County. Eligible activities for CDBG funds include public infrastructure improvements, housing rehabilitation, social services, architectural/engineering design, architectural barrier removal, and planning projects.

In FY 2017, HRA administered six Community Development Block Grants for twelve Franklin County towns:

- FY 2015, FY 2016 grants to the Town of Montague
- FY 2015 regional grant to the Town of Erving, including the towns of New Salem, Northfield, Wendell and Warwick
- FY 2016 regional grant to the Town of Bernardston, including the towns of Gill and Rowe
- FY 2017 grants were awarded this Summer to the Town of Montague and to the Town of Leverett (lead) for a regional grant with Leverett, Conway, Deerfield and Sunderland

All six grants included a major housing rehabilitation component, and in three towns, the grants also funded a Supplemental Fuel Assistance program. In Montague, CBDG funds were/will also (be) used for infrastructure improvements, planning projects, design projects, and four social service programs.

HRA administered the Housing Rehabilitation Loan Program for all six grants. Income-eligible participants may borrow up to \$35,000 (\$40,000 for FY17) at zero percent interest to make health and safety improvements to their homes, including but not limited to repair or replacement of septic systems, wells, heating systems, plumbing and roofing, and abatement of lead paint. In most communities, fifty percent of each loan is forgiven gradually over a 15-year period as long as the property owner owns the home. The remainder is due and payable upon sale or transfer of the property.<sup>[1]</sup> All of the rehabilitation work is done by local, qualified contractors selected by the property owners.

HRA also provided Housing Rehabilitation Loan Program services to the towns of Buckland, Shelburne, and Colrain as a subcontractor on FY 2015 and FY16 grants awarded to these communities. On an ongoing basis, HRA also administers a Housing Rehabilitation Revolving Loan Fund (HRRLF) for many communities in Franklin County. When loans from previous CDBG housing rehabilitation programs are repaid, the proceeds are deposited into the HRRLF and those funds are made available to income-eligible residents of the same town. Seven homeowners in seven Franklin County towns took advantage of this program in FY 2017.

In FY 2017, HRA-administered housing rehabilitation programs loaned approximately \$1,144,215.86 to help Franklin County households. The average loan was \$22,884.32. In total, HRA completed fifty projects in sixteen Franklin County towns using CDBG-funded housing rehabilitation loan programs, and a total of forty-six additional projects have been identified and are in various stages of construction.

<b>CDBG-funded Housing Rehabilitation Projects, HRA FY 2017</b>		
<b>Town</b>	<b># units committed in FY 17</b>	<b>Funds committed in FY 17</b>
Bernardston	2	\$86,181.00
Buckland	3	\$62,480.00
Colrain	1	\$37,939.50
Erving	8	\$245,757.00
Gill	1	24,183.00
Heath	1	\$27,175.00
Leyden	1	\$ 26,374.30
Monroe	1	\$4,825.00

<sup>[1]</sup> The Town of Colrain has opted to require full repayment of housing rehabilitation loans upon sale or transfer of the property.

Montague	10	\$256,548.26
Northfield	2	\$ 47,124.00
Orange	1	\$ 5,479.38
Rowe	2	\$ 47,300.22
Shelburne	2	\$ 16,615.00
Shutesbury	1	\$ 13,165.00
Warwick	3	\$69,725.00
Wendell	7	\$ 173,344.20
<b>Total</b>	<b>50</b>	<b>\$ 1,144,215.86</b>

\* some projects include additional funds committed to projects in progress from prior fiscal year

\* the chart also reflects the projects committed through the Revolving Loan Program described above

Along with administering the Housing Rehabilitation Loan programs, HRA oversees the administration of CDBG-funded public social service activities by area non-profits. In FY17, these programs included:

- “Keeping Franklin County Warm” administered by Community Action
  - A fuel assistance program serving low and moderate households in Northfield, Erving, New Salem, Wendell and Warwick, Bernardston, Gill and Rowe. Over 300 households have been served during FY17 in this program.
- “Early Literacy Education & Care” administered by Montague Catholic Social Ministries
  - The program provides low and moderate income Montague residents with limited English Proficiency an opportunity to attend classes for English and also provides childcare services while the parents are attending the classes.
  - The FY17 Program with MCSM, to begin October 2017, will be “Our Women’s Network of Western Mass, a new activity which will provide support for business development and trainings for women who face barriers to working in a normative workplace.
- “Home Delivered Meals” administered by LifePath
  - Provides home-delivered meals to homebound, low income elders throughout Montague.
- “Montague Youth Leadership Skills Program” administered by The Brick House
  - Serves at-risk low and moderate income Montague youth through two structured youth groups. This intent is to provide leadership skills, job readiness, mentoring, and healthy living.

“The Western Massachusetts Recovery Learning Community Program – Montague Expansion” is a new program for FY17. The program will establish a new resource center to offer peer-to-peer support and at least two groups for residents in recovery.

In the Town of Montague, HRA oversaw the installation of new pedestrian street lighting in downtown Turners Falls. An amendment was made to this grant to reprogram uncommitted construction funds to develop a design for Avenue A Streetscape Improvement Phase III Project. With FY16 CDBG funds, additional park and infrastructure improvement design work will be completed as well as design and planning for work for demolition of unsafe structures within the Mill district.

Looking ahead, there are some modifications at the state level that will require our close attention. Most importantly, repayment of home rehabilitation loans will change dramatically and impact our program income budget line items. Further direction and conversation with DHCD will help us understand and plan for these changes. It is clear that a more forward-thinking approach will include greater revenue diversification to weather changes at the federal level that are impacting our state

funding. We are confident that we are well positioned to secure new financial opportunities and operational changes to become even stronger in the years ahead.

### **Development**

HRA's non-profit affiliate, Rural Development, Inc. (RDI), develops new affordable housing and provides housing development consulting services. In FY 17, RDI was selected by the Town of Sunderland to develop 34 units of senior housing. The project is in the pre-development phase and we expect to submit a funding application in FY 18.

RDI has a July 1 to June 30th fiscal year, so as of July 1, 2017, it has been operating in FY 2018. At the start of FY 2018, RDI now has its own operating budget separate from HRA's. RDI is now reimbursing HRA for the cost of staff time to work on its projects and operations.

### **Administration and Finance**

HRA commissions an independent annual audit. HRA's audited financial statements include revenue and expenses that are passed through the agency to other parties, such as the revenue that the agency receives from the federal government for the Section 8 Housing Choice Voucher Program, which is paid to landlords on behalf of voucher holders. Capital assets and depreciation are also included in the audited statements. ***Because HRA has an October 1 fiscal year, the most recent audited financial statements are for the FY 16 fiscal year, which ended September 30, 2016, so the figures reported below are from the previous fiscal year.***

The FY 2016 HRA audit reported 3 findings or deficiencies. The first and the third findings relate to the turnover of staff in the finance department during FY 2016. The staff has developed procedures to ensure that these findings do not happen in the future. Finding 2016-002- Compliance – GASB 68: Accounting and Financial Reporting for Pensions is due to the Franklin Regional Retirement System's the timing of the actuarial valuation as it relates to the Authority's fiscal year end of September 30<sup>th</sup>. HRA has reached out to the FRRS for assistance with this issue. Copies of HRA's audited financial statements are available upon request.

For FY 2016, the agency's net position totaled \$2,171,087, a decrease of \$552,265 from the previous year. The reduction includes a decrease in capital assets of \$170,739, a decrease in unrestricted net positions of \$467,410 and a decrease in restricted net position of \$85,884 (representing Section 8 HAP funds).

Revenues for FY 2016 totaled \$8,502,320 a decrease of \$505,435 or 5% over the prior year. FY 2016 expenses totaled \$9,023,421, which represents an increase of \$31,164 over the prior year.

In October 2016, the HRA Board of Commissioners approved a FY 2017 annual operating budget showing anticipated total revenue of \$3,368,253 and total expenses of \$3,346,941, with an overall deficit of \$978 to be funded through use of reserves. In FY 2017, HRA made changes its operations and funding for some of these services. RDI now funds a staff accountant position and one-third of the bookkeeper position in the Finance Department. HRA continues to seek alternate sources of funding and alternative funding strategies are being researched to deal with the consistent lack of adequate funding to support affordable housing in Franklin County.



Many thanks are due to HRA's hard-working staff. The agency has approximately 30 full time equivalent employees, most of who live in Franklin County. Our employees are deeply dedicated to achieving the mission of the housing authority and do a great job of assisting clients with limited resources.

### **Board of Commissioners**

HRA has an 11-member Board of Commissioners. All commissioners reside in Franklin County. Nine members are appointed by the Franklin Regional Council of Governments for five year terms; none of these appointees may be from the same community. Two commissioners are appointed by the Governor and serve until they are replaced. The Board of Commissioners meets once a month, generally on the first Monday of the month at 6:00 p.m. at Greenfield Savings Bank in Turners Falls. All meetings are open to the public and are posted on HRA's website [www.fcrhra.org](http://www.fcrhra.org).

### **HRA Board of Commissioners**

Jessica Atwood, Greenfield (Vice-Chair, Governor's appointee)  
Jane Banks, Greenfield (Chair)\*  
Leslie Brown, Erving (Treasurer)  
Sharon Cottrell, Montague  
Sonya Hamdan, Charlemont  
Bruce Parkin, Shutesbury  
Deana Prest, Northfield  
Jonathan Tuttle, Shutesbury (Governor's appointee)  
Michael Slowinski, Colrain

\*The Housing Authority expresses its heartfelt gratitude to Board Chair, Commissioner Jane Banks, who left the Board in 2017.

### **Current HRA Staff**

Glen Ohlund, Director of Community Development  
Brian McHugh, Assistant Director of Community Development  
Michael Browsky, Housing Rehabilitation Specialist  
Bruce Hunter, Infrastructure Coordinator  
Jen Morrow, Community Development Administrative Assistant  
Sharon Pleasant, Community Development Program Manager

Jenna Day, Housing Consumer Education Center Director  
Amanda Watson, Housing Consumer Education Center Assistant

Tim Dowd, Director of Property Management and Redevelopment  
Gizelle Gagne, Property Manager  
Jeanine Rodriguez, Property Manager  
Wayne Jackman, Maintenance Mechanic/Laborer  
Rick Mason, Maintenance Mechanic/Laborer  
Anthony Ortega, Maintenance Mechanic/Laborer

Katelyn Reardon, Director of Leased Housing

Kim Mosio, Leased Housing Representative  
Amanda White, Leased Housing Representative  
Katelyn Hoad, Leased Housing Assistant

Frances Pheeny, Executive Director  
Lisa Cornish, Director of Finance  
Kelly Burke, Staff Accountant  
Denice Gray, Bookkeeper  
Lawrence Knowlton, IT Specialist  
Jill Carey, Executive Administrative Assistant  
Hugh Mackay, HR and Fiscal Coordinator  
Patricia Holloway, Receptionist