



FRANKLIN COUNTY REGIONAL HOUSING & REDEVELOPMENT AUTHORITY

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**ANNUAL REPORT
October 1, 2018 – September 30, 2019**

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 2,484 clients in FY 2019. Clients by type included:

Tenants	61%
Other	2%
Homeless households	19%
Homebuyers	5%
Homeowners	3%
Rental Property Owner	1%
Advocate/Agency	9%

The Residential Assistance for Families in Transition (RAFT) Program provides homelessness prevention and re-housing assistance to families with very low incomes. Due to changes in the regulations, the RAFT program was able to expand services to households that met the expanded definition of family which consisted of elders and singles who do not have dependent children, and meet the income limits. HRA assisted 61 traditional households and 59 under the expanded definition in FY2019. A total of approximately \$341,884.79 in RAFT funding was used to pay rent, utility and mortgage arrears, security deposits, assistance with rent, and transportation-related expenses. Average assistance was \$2,849.03.

RAFT funds were used as follows:

Rental arrears	41%
First/last month's rent	10%
Utilities	20%

Rental Assistance • Housing Development • Housing Management • Community Development
Municipal Assistance • Rehab Financing • Housing Counseling and Education • Public Infrastructure

Equal Housing Opportunity

Security deposits	7%
Mortgage arrears	7%
Furniture	4%
Miscellaneous	6%
Monthly rental stipend	5%

HRA also manages the 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. HRA served 36 families through the HomeBASE program in FY 19. The main goals of stabilization are:

- * Program and lease compliance
- * Progress toward financial responsibility
- * Job training & employment
- * Educational goals
- * Children’s well being

In addition, we connect families to as many local resources as they may need and works with helping the family to achieve the desired goals.

Housing Counseling is provided through the HCEC program as well. The Housing Counselor offered one-on-one counseling to clients with a variety of situations, such as budget counseling, loan refinance counseling, property tax issues, rehab loan referrals and plans for future housing needs.

FTHB Online Education/in-person counseling

9 online graduates (also received individual counseling)

In-Person Counseling

Pre-purchase/homebuyer:	14 (includes the 9 who took the online course)
Mortgage delinquency/foreclosure:	9
Non-delinquency homeowner counseling:	8

Here is an overview of workshops offered in FY19

- * 5 First Time Homebuyer Workshops with 56 households or 81 individuals attending
- * 4 Budgeting Workshops 26 attendees
- * 5 Housing Search Workshops with 18 attendees

Total number of people educated: 134

HCEC continues to offer foreclosure prevention services to Franklin County homeowners through a partnership with the Western Massachusetts Foreclosure Prevention Center run by Way Finders. 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 6 families using RAFT funds to cure foreclosures.

Sources of funding for the Housing Consumer Education Center in FY 2019 included:

- * Massachusetts Department of Housing and Community Development
- * CHAPA/HUD
- * Division of Banks, through Way Finders

Property Management

In FY 2019, HRA managed 264 units of affordable rental housing, including 146 public housing units and 118 privately owned units. This includes the 46 units at Highland Village, owned by the Shelburne Housing Authority.

State aided public housing includes:

- * 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.
- * 2 units for elders at the Smikes House in Whately
- * Privately funded units include:
 - * 48 units at the Crocker and Cutlery Block buildings in Turners Falls
 - * 26 single-room occupancy units for individuals in recovery from substance abuse at the Moltenbrey Building in Turners Falls
 - * 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 fully-accessible units Community Based Housing units at the Wisdom Way Solar Village in Greenfield
 - * 10 studio units at Orange Teen House in Orange for at risk youths

With the assistance of tablets and a new software feature, maintenance staff is now processing all work orders online. We are working hard to ensure that tenants are communicating work orders through to HRA staff at the office, so that the orders are input and routed appropriately, and also counted appropriately. Our feeling is that the amount of work orders has been historically undercounted because the maintenance staff is often approached onsite and are performing work without logging it in HAB. As

of September, maintenance had completed 94% of works orders for public units and 96% for the privately owned units.

HRA completed a number of capital projects in FY 2019:

- The Shelburne Housing Authority through CDBG grant funding completed 46 bathroom renovations. Our staff worked closely with the tenants as well as the construction crew to relocate tenants to other onsite units as temporary housing. The construction process required two week move out time and then a move back in. Our staff was relocating up to 8 tenants every other week from January to August completing the rehabilitation project ahead of the timeline. Shelburne also completed phase one of a three part roof replacement which was completed this summer. There will be a next round of bidding for phase two in 2020.
- The Bernardston, 705 Family housing had a ceiling replacement completed early in the year. The two family units were relocated to a local hotel during the renovations. The older ceilings were removed and replaced with a new floating style drywall ceiling, removing the old drop ceilings. This location is also utilizing formula funding to replace the windows at the property.
- Squakheag Village, 705 Family housing in Northfield and Orange received a full repaving of the parking lots and spaces. This project took approximately two months because there were multiple locations. The total project for all locations exceeded \$200,000 in formula funding.
- Charlemont Family Housing, in the fall of 2019 the 3 unit home will have a full roof replacement and an additional project is underway for all the windows to be replaced. The project should conclude in the spring of 2020 as asbestos testing. Architect work is now underway.

The department is working with DHCD for budget exemptions in order to replace one vehicle which has now been deemed unrepairable as those costs exceed its value. We will be seeking a replacement by the end of the year.

Leased Housing

In FY 2019, HRA assisted a total of 658 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 37 families through the Massachusetts Rental Voucher Program (MRVP) in FY 2019. Seventeen of those vouchers were project-based, which means that they are connected to a particular property. Twelve of these vouchers subsidize rent for clients of a program run by Franklin County DIAL/SELF, Inc., which assists young adults to become self-sufficient, and the Positive Parenting Program run by the United ARC, which helps stabilize at-risk families. HRA is currently administering 19 mobile state vouchers, which can be used in any property statewide that meets health and safety standards. Seven of these vouchers are currently located in Greenfield, two in Turners Falls, two in Northampton, one in Sunderland, one in Orange, one in Athol, one in Fall River, one in Hyde Park, one in Northfield, one in Millers Falls and one in Webster. Two families issued MRVP's through HRA have moved to another location in the Commonwealth, resulting in the transfer of administration of these subsidies to other agencies.

HRA also administers 579 federal Section 8 Housing Choice Vouchers. This program served 620 families in 2019 with a turn-over of 63 households over the course of the year. Of these vouchers:

- * 400 were held by families where the head of household or the spouse is disabled
- * 166 were held by families with an elderly head of household or the spouse is elderly
- * 152 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	84.3%
Hampshire County	8.2%
Hampden County	3%
Worcester County	3.3%
Berkshire County	0.1%
Out of state	1.1%

During FY19 HRA pulled 306 applicants off the Section 8 waitlist to determine their eligibility for a Section 8 voucher. Of those 306 applicants, 68 responded to the request for paperwork and 48 were eligible to receive a voucher. 9 of the applicants that were pulled off the waitlist were local veterans. 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 in project-based MRVP apartments when landlords choose to opt out of the MRVP program.

In February 2019, HRA was notified that it received a score of 100 percent on the HUD Section 8 Management Assessment Program (SEMAP) for 2018. 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 with the Family Self-Sufficiency Program (FSS) 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 2019, 28 of HRA's Section 8 voucher holders were enrolled in the Family Self-Sufficiency (FSS) Program. Of the 28 voucher holders, HRA on average contributed to escrows for 14 on a monthly basis. This means that those 14 families increased their income from employment above their income when they joined the FSS Program. One participant graduated in FY 2019 due to goal completion, and left the Section 8 program to purchase a home. There are currently 10 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 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 primarily provides application preparation, program implementation, and administrative services to Franklin County towns in connection with Community Development Block Grants (CDBG). The CDBG Program is a federal funding source designed to benefit people with low and moderate incomes, defined as less than 80% of Area Median Income (AMI) or to help with the elimination of slums or blighted areas. Cities and larger 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 applications on behalf of a group of smaller communities in the County and single applications for larger towns. Eligible activities for CDBG funds include public infrastructure improvements, public facilities improvements, housing rehabilitation, social services, architectural/engineering design, architectural barrier removal, and planning projects. In FY19, HRA submitted three applications to the Massachusetts Department of Housing & Community Development. All three grant applications were fully funded. In Orange, the town was awarded \$550,000 to complete 8 units of housing rehabilitation and to provide supplemental funding for 5 social service programs. In Montague, the town was awarded \$612,065 for the restoration of Spinner Park in downtown Turners Falls and to support 4 social service agencies working with Low and Moderate Income (LMI) Clients. In Wendell and Shutesbury, the towns were awarded \$985,000 to complete 18 units of housing rehabilitation. HRA will administer all FY19 grant activities on behalf of these towns.

In FY 2019, HRA administered five Community Development Block Grants for nine Franklin County towns:

- * FY 2016 regional grant to the Town of Bernardston, including the towns of Gill and Rowe
- * FY 2017 and FY 2018 grants to the Town of Montague
- * FY 2017 regional grant to the Town of Leverett, including the towns of Conway, Deerfield and Sunderland
- * FY2018 grant to the Town of Orange

HRA administered the Housing Rehabilitation Loan Program for all five grants as well as projects through the Housing Rehabilitation Revolving Loan Fund. The Program is designed to meet one of the Department of Housing & Urban Development's national objectives by providing safe, decent, sanitary housing to persons of low or moderate income through the elimination of building, plumbing, electrical and sanitary code violations. The Program is also designed to increase the energy efficiency of homes by making general weatherization improvements, insulating homes, and replacing outdated heating systems and hot water tanks with Energy Star rated boilers, furnaces, and domestic hot water systems. Income-eligible participants can borrow up to \$40,000 at zero percent interest to make health, safety, and energy improvements to their homes. In most communities, fifty percent of each loan will be forgiven gradually over a 15-year period as long as the property owner owns and remains in the

rehabilitated home. The remainder is due and payable upon sale or transfer of the property.^[1] All of the rehabilitation work is done by local, qualified contractors selected by the property owners. Of note, DHCD has put special conditions on all newly awarded grants that require full forgiveness of all housing rehabilitation loans after fifteen years.

On an ongoing basis, HRA 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.

In FY 2019, HRA-administered housing rehabilitation programs loaned approximately \$1,480,000 to help Franklin County residents. The average project loan was \$25,486. In total, HRA completed fifty-eight projects in seventeen Franklin County towns using CDBG-funded housing rehabilitation loan programs.

CDBG-funded Housing Rehabilitation Projects, HRA FY 2019		
Town	# units committed in FY 18	Funds committed in FY 18
Ashfield	1	\$ 1,025.00
Bernardston	6	\$193,678.50
Buckland	1	\$ 24,175.00
Colrain	1	\$ 1,734.63
Conway	7	\$167,623.46
Deerfield	4	\$125,783.98
Erving	3	\$105,785.00
Gill	1	\$ 23,975.00
Heath	1	\$ 2,960.00
Leverett	3	\$ 88,812.00
Montague	10	\$201,343.60
Northfield	1	\$ 39,609.00
Orange	11	\$332,990.60
Rowe	4	\$106,298.00
Shutesbury	1	\$ 3,550.00
Sunderland	2	\$ 54,163.00
Wendell	1	\$ 4,711.56
Total	58	\$1,478,218.33

Along with administering the Housing Rehabilitation Loan programs, HRA oversees the administration of CDBG-funded public social service activities by area non-profits. In FY19, in the Town of Montague these programs included:

- * “Our Women’s Network of Western Mass” administered by Montague Social Catholic Ministries
 - Provides support for business development and trainings for women who face barriers to working in a normative workplace.

^[1] The Towns of Ashfield, Buckland, and Colrain have opted to require full repayment of housing rehabilitation loans upon sale or transfer of the property.

- * “Home Delivered Meals” administered by LifePath
 - Provides home-delivered meals to homebound residents or 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.
- * “Western MA Recovery Learning Center”
 - The program established a new resource center to offer peer-to-peer support and at two groups for residents in recovery.

In the Town of Montague, HRA oversaw the construction of Rutter’s Park Playground in the Village of Lake Pleasant. This project was funded through the FY18 Montague block grant. The total project cost was approximately \$370,000. The park is near completion and will be open to the public in early November. A ribbon cutting ceremony is planned for the spring of 2020.

The Community Development Department also provided construction monitoring services on a periodic basis for CEDAC’s Home Modification Loan Program and MassHousing’s Get the Lead Out Program.

Development: HRA’s non-profit affiliate, Rural Development, Inc. (RDI), develops new affordable housing and provides housing development consulting services. RDI has a July 1 to June 30th fiscal year.

- In FY 19 and in the first quarter of FY20, RDI has proceeded with a plan to develop 33 units of senior housing on a site owned by the Town of Sunderland. Issues concerning surrounding wetland conservation have been successfully resolved. We anticipate submitting a funding application for the project in the state’s next funding round in early 2020.
- The first two resales of homes at Wisdom Way Solar Village took place in FY19. New, income eligible homebuyers purchased each of the units.

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 18 fiscal year, which ended September 30, 2018, so the figures reported below are from the previous fiscal year.*

Financial Highlights:

The Authority's net position decreased by \$242,243 during 2018 due to the results from operations. Investment in Capital Assets of \$805,954 is mainly due to the purchase of the new office at 241 Millers Falls Rd Turners Fall, Ma. There was a decrease in unrestricted net position of \$433,171 and an increase in restricted net position (Sec 8 HAP Funds) of \$18,718. Since the Authority engages only in business-type activities, the decreases are all in the category of business-type net position. Beginning unrestricted net position of (\$2,591,563) has been restated to account for the adoption of GASB 75. Prior to the restatement, unrestricted net position was (\$905,436) Total net position after the restatement was \$11,669 and (\$230,574) for 2017 and 2018 respectively

Total Revenues increased by \$185,839 or 2.27% during 2018, and were \$8,199,522 and \$8,385,361 for 2017 and 2018 respectively.

Total expenses of all Authority programs decreased by \$45,209. Total expenses were \$8,672,813 and \$8,627,604 for 2017 and 2018 respectively.

The Finance Team had two new hires during 2018. While there has been and continues to be some learning curve with the new team, there are several improvements to report.

- The audit for 2018 was an unqualified opinion with a finding relating to internal controls over financial reporting.
- The audit firm recommended a closer scrutiny of financial statements produced by our Fee Accountant to make sure they are in line to our trial balance. We have contracted with our Fee Accountant to provide a tied out trial balance to FDS reporting which will be reviewed by the Director of Finance prior to submission.
- Changes to the Chart of Accounts have been made to facilitate this endeavor. Implementation will start with the 9/30/19 closing.
- The agency's human resources are now managed by the Finance Department, reducing costs and streamlining many functions. The Personnel Coordinator duties being absorbed by a Staff Accountant, and the remainder of the HR duties to the Director of Finance and Management Team at large.
- The budgeting process has moved from the Executive Director's duties to the Director of Finance, and includes department heads during the review phase. This has allowed for a clearer understanding of the budget intentions and assumptions, and for Finance to better monitor the actual costs against budget. It will also allow the Executive Director to have more time to investigate areas of growth for the agency or tackle problems that might crop up.

In 2019 we will be attempting to focus on the following project/actions:

- Complete Asset and Liability reconciliations-to include fixed asset listing.
- Chart of Accounts-migrate private entities to same database as HRA using same chart of accounts, Close 2018 on old database and update beginning balances on new database.
- Cash Management-research, implement procedures, and implement a cash management system will give a daily picture of cash and project needs.

-Continue to further detail finance procedures.

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 5:30 p.m. at the Franklin County Regional Housing and Redevelopment Authority, Kulik Meeting Room, 241 Millers Falls Road, Turners Falls, MA 01376. All meetings are open to the public and are posted on HRA's website www.fcrhra.org.

HRA Board of Commissioners:

Sharon Cottrell, Montague (Chair)

Jessica Atwood, Greenfield (Vice-Chair, Governor's appointee)

Leslie Brown, Erving (Treasurer)

Sonya Hamdan, Charlemont

Deana Prest, Northfield

Michael Slowinski, Colrain

Faith Williams, Shelburne