



**FRANKLIN COUNTY REGIONAL HOUSING &
REDEVELOPMENT AUTHORITY**

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**ANNUAL REPORT
October 1, 2015 – September 30, 2016**

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 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 2,035 clients in FY 2016. Clients by type included:

Tenants	64%
Homeowners	16%
Homeless households	6%
Homebuyers	7%
Other agencies and client advocates	5%
Landlords	1%
Other	1%

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 47 clients.

The Residential Assistance for Families in Transition (RAFT) Program also provides homelessness prevention and re-housing assistance to families with very low incomes. HRA assisted 118 families through the RAFT program in FY2016. A total of approximately \$238,601 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 \$2,130. The funds were spent as follows:

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

Rental arrears	31%
First/last month's rent	25%
Utilities	13%
Security deposits	15%
Monthly rental stipend	5%
Mortgage arrears	5%
Furniture	4%
Other	2%

In reviewing the previous year's data, we assisted 22% fewer clients with rental arrears and 17% more clients with move-in costs. And we saw a 2% 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, 26 homeowners at risk of foreclosure were referred to HAP for foreclosure prevention services. These services are most successful when homeowners seek assistance as soon as they know they are having difficulty making mortgage payments.

HRA's non-profit affiliate, Rural Development, Inc., received \$8,298 in funding from the United Way of Franklin County; 100% of the United Way funds are used for direct assistance to homeless households. We used these dollars to assist clients that did not qualify for assistance with other funding sources. Uses included: YMCA summer camp, rental arrears, auto repairs and food and gas cards for fire victims.

Sources of funding for the Housing Consumer Education Center in FY 2016 included:

- Massachusetts Department of Housing and Community Development
- Massachusetts Housing Partnership
- United Way of Franklin County
- CHAPA/HUD
- TD Bank
- Division of Banks, through HAP, Inc.

Finally, HRA became a HUD-certified counseling agency through the Citizens Housing and Planning Association in FY 2016. We will be eligible for funds to provide one-on-one counseling for clients. HUD required and we implemented a new data management system to track these clients. It allows us to track the hours we spend with clients.

Asset Management

In FY 2016, 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 state pays the difference between what tenants can afford and a maximum level of subsidy set by the Commonwealth each year. Unfortunately, the combination of 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 2016. Current tenant accounts receivable at the end of the year was less than three percent of total rent.

HRA spent \$377,082 on capital improvements to its public housing properties in 2016. 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 for the West River St. property in Orange
- Driveway replacement for 30 and 50 Oaklawn in Orange

Public housing units for elders and persons with disabilities

- Stove replacements for Stratton Manor and Squakheag Village
- Paving project at Stoughton Place
- Trombe wall removal at Stratton Manor

Leased Housing

In FY 2016, HRA assisted a total of 688 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 39 families through the Massachusetts Rental Voucher Program (MRVP) in FY 2016. Seventeen 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, 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. Five of these vouchers are currently located in Greenfield, one in Montague, one in Florence, two in Turners Falls, one in Erving, two in Shelburne Falls, two in Orange, two in Sunderland, one in Easthampton, one in Athol and one in Worcester. Two families issued MRVPs through HRA have moved to other locations in the Commonwealth, resulting in transfer of administration of these subsidies to other

agencies.

HRA also administers 579 federal Section 8 Housing Choice Vouchers. This program served 647 families in 2016 which represents a turn-over of 75 households over the course of the year. Of these vouchers:

- 438 were held by families where the head of household or the spouse is disabled
- 147 were held by families with an elderly head of household
- 171 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	88.3%
Hampshire County	6.8%
Hampden County	1.9%
Worcester County	2 %
Berkshire County	0.3%
Out of state	0.7%

As of September 30, 2016, there were approximately 109 households on the HRA waiting list for Section 8 mobile vouchers and the housing authority are issuing new vouchers to families on its waiting list. The waiting list is currently closed. 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 January 2016, HRA was notified that it received a score of 100 percent on the HUD Section 8 Management Assessment Program (SEMAP) for 2015. 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 2016, 35 of HRA's Section 8 voucher holders were enrolled in the Family Self-Sufficiency (FSS) program. Of the 35 voucher holders, HRA contributed to escrows for 17 on a monthly basis. This means that those 17 families increased their income from employment above their income when they joined the FSS Program. One participant graduated in FY 2016 due to goal completion, and left 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. 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. Eligible activities for CDBG funds include public infrastructure improvements, housing rehabilitation, social services, architectural/engineering design, architectural barrier removal, and planning projects.

In FY 2016, HRA administered six Community Development Block Grants for thirteen Franklin County towns:

- FY 2014, FY 2015, and FY 2016 grants to the Town of Montague
- FY 2014 regional grant to the Town of Heath, including the towns of Ashfield, Charlemont, and Hawley
- 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

All six grants included a major housing rehabilitation component, and in twelve towns, the grants also funded a Supplemental Fuel Assistance program. In Montague, CDBG funds were also used for infrastructure improvements, planning projects, and three social service programs.

HRA administered the Housing Rehabilitation Loan Program for all six grants. Income-eligible participants may borrow up to \$35,000 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.¹ All of the rehabilitation work is done by local, qualified contractors selected by the private property owners.

HRA also provided Housing Rehabilitation Loan Program services to the towns of Buckland, Shelburne, and Colrain as a subcontractor on FY 2014 and FY 2015 grants awarded to these communities, and will continue to provide services for the FY 2016 grant to the same towns. 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 six towns took advantage of this program in 2016.

¹ The Town of Colrain has opted to require full repayment of housing rehabilitation loans upon sale or transfer of the property.

In FY 2016, HRA-administered housing rehabilitation programs loaned approximately \$1,061,195 to help Franklin County households. The average loan was \$27,136. In total, HRA completed forty-four projects in thirteen Franklin County towns using CDBG-funded housing rehabilitation loan programs, and a total of seventy-eight additional projects have been identified and are in various stages of construction.

CDBG-funded Housing Rehabilitation Projects, FY 2016		
Town	# units committed in FY 16	Funds committed in FY 16
Ashfield	8	\$204,492
Bernardston	1	\$25,085
Buckland	5	\$157,739
Charlemont	3	\$57,642
Colrain	1	\$17,150
Hawley	3	\$48,774
Heath	6	\$159,135
Leyden	1	\$30,175
Montague	4	\$91,019
New Salem	2	\$37,350
Shelburne	3	\$90,079
Shutesbury	1	\$30,000
Warwick	1	\$29,675
Wendell	3	\$82,880
Total	38	\$1,061,195

** 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 FY16, these programs included:

- “Keeping Franklin County Warm” administered by Community Action
 - A fuel assistance program serving low and moderate households in Heath, Charlemont, Hawley, Ashfield, Northfield, Erving, New Salem, Wendell and Warwick. The 2016 grant, which begins startup in October 2016, will also include Bernardston, Gill and Rowe.
 - Over 200 households have been served during FY16 in this program.
- “Early Literacy Education & Care” administered by Montague Catholic Social Ministries
 - The program provides low and moderate 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.
- “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
 - Scheduled to begin October 2016
 - Will serve at-risk low and moderate income Montague youth through two structured youth groups. This intent is to provide leadership skills, job readiness and healthy living.

During FY16 HRA completed a Senior Housing Market study and survey for the Towns of Erving and Wendell. The report includes an analytical synopsis of the communities needs and desires for possible future senior housing development.

In the Town of Montague, HRA oversaw the installation of new pedestrian street lighting in downtown Turners Falls.

Development

HRA's non-profit affiliate, Rural Development, Inc., develops new affordable housing and provides housing development consulting services.

Orange Teen Housing

In October 2015, Orange Teen House opened; it provides ten units of supportive housing for homeless teens and young adults. HRA manages the property, and Franklin County DIAL/SELF, Inc. provides resident support and programming.

RDI provided development consulting services to Westfield-based nonprofit, Domus, for a property in Westfield that provides ten units of supportive housing for homeless teens. RDI also conducted the lottery for tenant selection on behalf of DOMUS.

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 15 fiscal year, which ended September 30, 2015, so the figures reported below are from the previous fiscal year.*** The FY 2015 HRA audit reported no findings or deficiencies. Copies of HRA's audited financial statements are available upon request.

For FY 2015, the agency's net position totaled \$2,723,352, a decrease of \$1,280,796 from the previous year. The reduction includes a decrease in capital assets of \$247,122, a decrease in unrestricted net positions of \$1,003,631 and a decrease in restricted net position of \$30,043 (representing Section 8 HAP funds).

Revenues for FY 2015 totaled \$9,007,755 an increase of \$1,252,097 or 16% over the prior year. FY 2015 expenses totaled \$9,023,421, which represents a 10% increase over the prior year.

In October 2015, the HRA Board of Commissioners approved a FY 2016 annual operating budget showing anticipated total revenue of \$3,391,214 and total expenses of \$3,335,091, with an overall deficit of \$40,487 to be funded through use of \$26,467 from reserves. While operating results are not available for FY 2016, internal financials through August 31, 2016 suggest that the operating deficit will be smaller than the deficit in the approved budget. Many alternate sources of funding are being sought 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 Public Notice blog, www.fcrhra.blogspot.com.

HRA Board of Commissioners

Jessica Atwood, Greenfield (Vice-Chair, Governor's appointee)
Jane Banks, Greenfield (Chair)
Leslie Brown, Erving (Treasurer)
Sharon Cottrell, Montague
Sara Cummings, Deerfield*
Sonya Hamdan, Charlemont
Linda Hoer, Leverett
Bruce Parkin, Shutesbury
Deana Prest, Northfield
Jonathan Tuttle, Shutesbury (Governor's appointee)

*The Housing Authority expresses its heartfelt gratitude to Commissioner Sara Cummings, who left the Board in 2016.

Current HRA Staff

Brian McHugh, Interim 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
Tana Bloom, Housing Placement and Stabilization Worker
Anitra Ford, Housing Counselor
Amanda Watson, Housing Consumer Education Center Assistant

Tracy Miner, Director of Asset Management
Melanie Croteau, Housing Management Assistant
Joan Katz, Affordable Housing Property Manager
Tammy Greene, Housing Administrative Assistant
Mark Fortier, Maintenance Mechanic
Wayne Jackman, Maintenance Mechanic/Laborer

Erik Jernstrom, Maintenance Mechanic/Laborer
Todd Seavey, Maintenance Mechanic/Laborer

Katelyn Reardon, Director of Leased Housing
Kim Mosio, Leased Housing Representative
Amanda White, Leased Housing Representative

Frances Pheeny, Executive Director
Patricia Holloway, Receptionist
Julia Scannell, Staff Accountant
Lawrence Knowlton, IT Specialist
Madelaine Taft-Ferguson, Executive Administrative Assistant
Robert Bashaw, HR and Fiscal Coordinator