

BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL  
THURSDAY, MAY 15, 2014  
CAPE COD COMMISSION OFFICE  
MEETING MINUTES

Members Present: Lee Berger, Carl Brotman, Richard Carroll, Jill Douglass, Lorri Finton, Vicki Goldsmith, Michelle Jarusiewicz, Bernie Kaplan, James Kyrimes, Paul Lagg, Elaine McIlroy, Cindi Maule

Members Not Present: Marlene McCollem

Public Present-Wendy Ohlson

Staff Present: Paul Ruchinskaskas & Michelle Springer

Paul welcomed Paul Lagg as Chatham's new representative and welcomed back Cindi maule who is now Harwich's representative.

**Minutes-**

Vicki made the Motion to approve the Minutes of April 17, 2014. James seconded the motion, 5 in favor, 0 opposed, 5 abstained.

**Updates-**

Paul sent the 2014 Annual Plan to HUD yesterday. HUD has been asking for more detailed information than before. HUD will review the Plan and come back with their comments.

Paul received two comments to be included in the Annual Plan submission, both being from the Town of Yarmouth. The Community Housing Council endorsed our focus on rental housing and the other was to endorse the Regional Ready Renters Program. The Commission has administered the program for the last three years and is currently looking for an entity to take the program over.

The Cooperation Agreement that formed the Consortium is up for renewal. Paul sent the Consortium members a copy of the letter that went out to the Boards of Selectman, Town Managers, and Town Administrators. If the town wants to stay in the HOME Consortium, they do no need to do anything and the agreement will renew for another 3 years. The deadline for Towns to respond is June 2nd.

**Additional Funding Request-**

**Stratford Capital Group-Coady School- Bourne-**

The Coady School Residences will involve the adaptive reuse of the former Coady Middle School into a 58 unit, 100% affordable, age restricted (55+) rental project. All fifty eight (58) units will be rented to individuals or families with incomes at or below sixty percent (60%) of area

medium income (AMI), and 21% of the units (12 units) are proposed to be project-based (8 Section 8's and 4 MRVP's) for individuals or households who earn less than thirty percent (30%) AMI. There will be 1 studio unit; thirty-one (31) one bedroom units, and twenty-six (26) two bedroom apartments. The existing building will be converted into 31 apartments, and the new, attached wing will house 27 units. Due to the fact it's a 55+ development up to 20% of the apartments can be leased to people under the age of 55.

Bernie asked the question when it's an age restricted property does it need to apply to everyone or just the primary occupant?

Paul responded that he believes it's the head of household that needs to meet the age criteria. If the person has a live-in aide, that person's income does not get counted, but if it were a family member then their income will count.

The Consortium originally awarded the project \$175,000 in August 2013 and they are requesting an additional \$75,000 due to significant changes in cost. The plans have not changed but there has been a 10% increase in construction cost including materials, sub-contractors, architecture, and engineering. The construction loan interest also went up. They have requested additional funding from the other funders in the amount of \$1.7 million. This project will have 4 sets of tax credits involved. The major challenge/risk is who the Contractor will end up being. Stratford has successfully completed three similar school renovation projects off Cape using Callahan Construction. The Contractor they used for the Simpkins School project was not Callahan and has not gone as smoothly. Due to issues with the construction of the project the contractor walked off the job. Stratford has hired Callahan Construction to finish the project which is about 85% complete. They will be putting the Coady School project out for bid.

Lee asked for clarification on the Natural Resource Monitoring for the Wampanoag Indian burial grounds and if they do find remains does it stop the project?

Paul responded that yes it will stop the project until someone comes out to access the remains and give direction on how to handle the process.

Jill made a motion to approve the additional funding for the Coady School for \$75,000, Richard seconded the motion, 10 in favor, 0 opposed, 2 abstained.

### **Community Housing Resource-Stable Path-Provincetown-**

Stable Path is a new construction affordable rental development located on an approximately 2.3 acre site at 19 Race Point Road in Provincetown. There will be 23 units in the development, 18 of which will be affordable to households at/below 60% area median income (AMI) for Barnstable County. The project will consist of 10 buildings of 2-4 units each with the following unit mix: 2 efficiency/studio units; 3 one bedroom; 16 two bedroom; and 2 three bedroom. Thirteen (13) units will be leased to families earning less than 60% AMI, five (5) will be leased to families earning less than 30% AMI, and five (5) market rate units will be leased to households at or below 100% AMI. The five 30% AMI units will be assisted with five (5) project based Section 8's and three (3) project-based MRVPs will assist households at or below 50% AMI, all of which are being requested as part of the DHCD application.

There have been some cost increases with the project about 4%, but only minor changes. They are using Williams Building Company who felt confident that the numbers were still solid. There's tight debt service coverage of 1.13. The Management expenses are at about \$1,000 per unit per year less than what we have seen in other recent rental deals. CHR is also trying to incorporate resident services into their developments.

Lee made a motion to approve the additional funding for Stable Path in the amount of \$75,000, Vicki seconded the motion, 10 in favor, 0 opposed, 2 abstained.

### Federal and State Housing Voucher Programs-

Cindi Maule, Director of Leased Housing and Family Services at Housing Assistance Corp.-

Paul began by reviewing the handout from the Center on Budget and Policy Priorities-Fact Sheet-The Housing Choice Voucher Program for MA, which is put out in every state in the US. They did an analysis of the data available to them on the composition of the people that receive Federal Rental Assistance. It also includes the number of vouchers lost due to sequestration, which is over 1,400 throughout the state from 2012.

Cindi Maule works as the Director of Leased Housing and Family Services, at the Housing Assistance Corp. in Hyannis. HUD contracts with housing authorities to administer the Section 8 housing choice vouchers. Some H.A.'s elect to offer project based Section 8 housing vouchers but not all do this. The difference on the Cape is the not every H.A. administers a Section 8 program. HAC is a local non-profit that administers the Section 8 vouchers on behalf of DHCD. DHCD has about 19,000 vouchers state wide and they contract with other non-profit agencies across the state/region to administer their vouchers on their behalf. A housing authority that administers Section 8 vouchers would have a contract with HUD, and they administer their own vouchers. Each Section 8 program must have an administrative plan, which could differ depending on the entity that administers the vouchers, which is where some of the confusion comes from. There are some gray areas that are defined within each housing authority's administrative plan. An example of a gray area might be if a client's income increases, HAC does not increase their tenant share until they recertify their annual income, but a housing authority might make the change immediately.

Paul asked if there could difference in preference in respect to the waiting list.

Cindi responded yes, there could be, but that the waitlist is in chronological order. The exception would be if it's a special program that is still Section 8. An example of one of these special programs would be the Department of Children & Family Services refers their clients to HAC for the Family Unification Program (FUP) vouchers. So when pulling from the wait list they make sure to pull clients within the FUP program first.

With sequestration both the administrative fee (which is how HAC gets paid to administer the program) was cut and the amount of subsidy that goes towards HAP (housing assistance payments) was cut. In order for DHCD to continue on with these cuts HAC is at a 98% (950 vouchers) leasing and cannot utilize all of their vouchers. In other agencies nationwide some

have altered their payment standard and some have pulled vouchers which means people have lost their assistance. A Section 8 program is expensive to run administratively and that is why a number of H.A.'s on the Cape do not administer a Section 8 voucher program due to the cost and size of a H.A. Chatham and Harwich H.A share an executive director who works part-time for each due to the H.A.'s size.

Paul Lagg asked what makes it expensive to run.

Cindi responded that it's the various tasks that HUD requires in order to administer the program such as inspections, database functions, reporting and the staff needs to administer a strong program. The administrative fee is based on a unit month leased, which means for every household that is utilizing a voucher that's under lease for the 1st of the month, HAC receives payment for a unit rate of \$60 a month. DHCD pays HAC their administrative fee from HUD. HUD produces a chart on an annual basis on the administrative fee. Because HAC's contract is with DHCD, they dictate how much HAC will receive (a housing authority would have an agreement with HUD directly). At one time you could make a profit administering a Section 8 program for HUD, but due to all the funding cuts over the past few years DHCD has had to tap into their reserves. HUD allows a certain amount of savings for a housing authority, and DHCD has slowly been depleting their reserve to keep its regional non-profits whole. This is the first year that HAC and all the non-profits administering a Section 8 program have seen a 15% administrative fee cut, which equates to a \$120,000 loss. Due to the cuts HAC is not able to serve 100% of their vouchers like they would like to. In order to make up for some of that loss DHCD has opted to change the utility allowance (UA) schedule. DHCD is a Moving to Work Agency (MTW) which means there is some flexibility in how it administers its program vs. a non-MTW agency and it has benefited the state to be a MTW agency. HAC has pretty much discarded the UA schedules that they have used in the past. They are going to a tenant paid heat which is a flat allowance across the state regardless of the fuel type. This has certainly impacted the participants in the program as their tenant share portion of the rent has gone up and anyone receiving a payment for their utilities has been reduced significantly. What that means for a small agency like HAC is about \$20,000 a month not being paid out in subsidy, which is a significant savings for DHCD. This was done to avoid pulling more vouchers. The only people not losing out is the landlord as the contract rent stays the same.

Paul asked when a voucher is turned in and it's given to the next person how long do they have to find an apartment and are they having a hard time finding something within the Section 8 allowable rent range?

Cindi responded that when they issue a voucher it's a set 60 days issuance, but DHCD does allow an automatic 30 day extension if requested. They can also make exceptions depending on the circumstance. They recently pulled 50 names off the list, but where they struggle is that DHCD does not close the wait list so the households they are pulling applied in 2006. There is a good chance that they are no longer in need, have moved, etc. which is a big administrative burden. They will send out 50 letters and may only be able to process 20 vouchers out of that 50 household pull. The summer is a difficult time to find rental housing, so HAC will extend that time to find a rental because of that.

HAC surveys the rents on Cape on an annual basis to make sure that their Section 8 rents are not too high or low.

Cindi went on to explain that she also oversees the Family Housing Services Department which is primarily the family shelter programs. They are aware that the state is under a lot of pressure due to the number of homeless families not only in shelters but in hotels across the state. There are not currently any families in motels or hotels on the Cape funded by the state as a result of a collaboration of all the agencies working to prevent homelessness on the Cape and utilizing the funds necessary.

DHCD has been focusing a number of MRVP's (Mass. Rental Voucher Program) which are mobile vouchers, for homeless families. As recently as a year ago, DHCD issued 500 MRVP's across the State for "longest stayers" in shelters. The MRVP program doesn't have as much funding behind it as a Federal program, but certainly meets the needs of many households on the Cape. The MRVP only applies to Massachusetts where the Section 8 program is a federally funded program.

Paul asked what percentage of their income does the MRVP household pay.

Cindi responded that they pay up to 40% and utilities are not factored into that amount.

Jill made the comment that she thinks the MRVP is the most effective program the state has and it should receive more funding.

Cindi went on to say that there are currently 5,000 households on DHCD's waiting list, which does not represent other housing authorities in the region. When people call for information they are told that it's about a 10 year wait.

For Section 8 project based vouchers the household does not pay more than 30% of their adjusted monthly income. It works very well for elderly and disabled households as they are going to stay in that unit for a while. The make-up of the households in the program are the "working poor" and the little bit of subsidy they receive makes a world of difference.

Lorri explained that BHA has 314 Section 8 vouchers and have had to cap them at leasing only 300 because of the continual budget cuts. With different programs that BHA has created or participated in, BHA has well over 500 vouchers.

Cindi explained that you really need to have about 1,000 vouchers to have a program that can sustain itself. DHCD supplements HAC and gives them more funds to administer the program than a bigger area such as Boston & Springfield.

HAC's Section 8 program offers the Family Self Sufficiency program (FSS) which is a DHCD funded program across the state. A family can elect to join the FSS program, which is a five year program. If they do elect to be part of the program, they work with a case manager and if their earned income increases, their tenant share increases but HAC matches the income increase in an escrow account and after 5 years if the households has met all of the goals that they have established with their case manager and are no longer utilizing any public assistance (other than

the voucher), that escrow is paid out. Hopefully, they will be able to purchase a home at some point so that the voucher can be issued to another family, but when the family graduates, they do not have to give up their voucher. FSS is expensive program to run and not many H.A.'s choose to run the program. HAC has had a hard time getting people to participate in the program.

An IDA (Individual Development Account) program is a matched savings program that has certain rules. For example, a successful IDA participant typically can use the savings to buy a home, get further education, or start a business. The agency that wants to administer an IDA program needs to come up with the match, which is hard to do. IDA programs are very staff intensive

Paul Lagg asked who would administer an IDA program?

Paul responded typically they are administered by non-profit organizations that look to foundations, other grant sources, and sometimes public sources for the match.

Meeting adjourned 9:56 a.m.

Enclosures:

1. Minutes of May 15, 2014
2. Funding Request for Stratford Capital Group-Coady School
3. Funding Request for Community Housing Resource-Stable Path
4. Center on Budget and Policy Priorities-Fact Sheet-The Housing Choice Voucher Program