

**REGULAR MEETING
BOARD OF COMMISSIONERS
PORTSMOUTH HOUSING AUTHORITY
245 MIDDLE STREET
PORTSMOUTH, NH 03801
February 14, 2018
2:00 P.M.**

Chair Griffin called the meeting to order at 2:00 p.m. and requested a call of the roll, and those present and absent was as follows:

I. ROLL CALL

PRESENT

LATE ARRIVAL

ABSENT

Commissioner Ferrini
Commissioner Pickering
Commissioner Leith
Chair Griffin
Commissioner Kennedy

Vice-Chair Schwartz

Also present: Craig Welch, Valerie Labrie, John Bosen, and Mary Mancini.

Guest: Peter Roche, Carla Goodknight and Bill Bartell (CJ Architect), John Chagnon (Ambit Engineering).

Chair Griffin declared a quorum was present.

Mr. Welch introduced, Peter Roche, who is leading the Court Street development project. He also introduced two of the architects for the project, Carla Goodknight and Bill Bartell, CJ Architects and John Chagnon, Ambit Engineering.

Mr. Welch informed the Board their first public hearing for the Court Street development will be tonight with the Historic District Commission.

CJ Architect gave a slide presentation. After the presentation, Commissioner Kennedy asked if there has been communication between Fire Chief Archilles and Mr. Welch regarding the new building's proximity to the firehouse. Mr. Welch replied the leadership is enthusiastic about the project and added there is a concern regarding the access to the parking lot at the rear of the fire station. Mr. Welch added the right of way may need to be addressed in the future and they will be part of the technical advisory. Mr. Welch mentioned that public art should be considered for the project and we may want to include gallery type space to accommodate the antique steam engine that is currently parked inside the fire house. Mr. Chagnon, from Ambit Engineering, reviewed the proposal for the driveway and parking. He recommended adding lighting to the proposed greenspace to address safety concerns. Mr. Chagnon added a pedestrian alley with a sidewalk will be intended as a public pass through and described the grading and levels of the rear of the building which will have handicap access. Ms. Goodknight explained they are proposing to have a planter around the lower level of the building which includes the parking area.

Chair Griffin thanked Ms. Goodknight, Mr. Bartell and Mr. Chagnon for their presentation. Commissioner Kennedy commented it was an excellent start and was impressed with their work. Chair Griffin requested members to attend the presentation for the Historic District Commission if they are able to do so.

A handout was given to the Board detailing Court Street expenses to date and what is anticipated going forward. Mr. Welch informed the Board, per the MOU of authorizing \$50,000 to go towards the development account from PHA. Our fee accountant, Howard Gordon, said it should be paid from PHA's Central Office Cost Center (COCC) to PHA Housing Development, Ltd. and to be expended from PHA Housing Development, Ltd. Mr. Welch added we have not yet applied for a loan from New Hampshire Housing Finance Authority predevelopment loan of \$45,000 and would be paid back at closing. We are asking for deferrals of fees until other fees are paid out at closing. The estimated predevelopment fees are approximately \$700,000. A large amount of it will be expended after the permits are secured. Commissioner Ferrini commented he appreciated the hard work and asked if expenditures will be mostly coming from LTD. Mr. Welch answered yes.

II. READING OF MINUTES

Commissioner Kennedy asked about Page 2 regarding the number of Section 8 vouchers in Rye. Mr. Welch will get this number and report back.

Commissioner Kennedy moved to waive the reading and approve the minutes of January 10, 2018. Commissioner Ferrini seconded the motion. Mr. Welch commented that the Great Bay Services' building is still occupied and One Sky Community Services is helping the residents relocate. Great Bay now has a purchase and sales agreement with Crossroads House and PHA has offered assistance if they need it. Mr. Welch explained our Section 8 Administrative Plan does not authorize us to put our vouchers into this type of property. Mr. Welch is planning to come to the Board requesting to change in the policy in order to use 12 vouchers in Portsmouth and service people in Portsmouth. Our housing quality inspector will inspect the property in advance to make sure the property doesn't need repairs and is appropriate condition. He added the payment standard is currently \$786 to charge for one in a single room occupancy property.

There being no further questions or discussion, all were in favor and the motion carried.

III. EXECUTIVE DIRECTORS REPORT

Mr. Welch pointed out the Internal Control Policy is on the agenda and included as informational only. He added the auditors have more questions this year's because standard accounting practices have changed. One question was how we assure no fraud and how we communicate that to those in charge of governance. The Board had no questions or concerns.

Commissioner Kennedy questioned the statement on Page 2 of the report regarding no additional subsidy being available for people who will live at the Court Street project. Mr. Welch explained the public housing requirement for rent is one-third of a resident's monthly income. Tenants who have no income pay a \$50 minimum. Tax credit properties are full rent with the exception of those who use a Section 8 voucher. Mr. Welch explained for Court Street, most units will be reserved for those who make 60% below the median income and still can afford the rent and that market rate tenants will pay the entire amount of rent. He further added, below 60% is characterized as workforce housing not Section 8 housing. Commissioner Kennedy expressed his concern of the anticipated rent meeting the population of the area. Mr. Roche explained the target population for Court Street is for those who make between \$25,000 and \$40,000 a year. It will not be designed for the extremely low income people. A market analysis will be done soon and the management company will need to verify people's income. Mr. Roche explained tax credit is a well-tested market.

Chair Griffin commented she was glad to see the Resident Advisory Board is having enough people in a meeting consider a President, a Vice President, Secretary and Treasurer. Mr. Welch commented a goal of the strategic plan was to revitalize the Resident Advisory Board.

Commissioner Kennedy moved to accept the Executive Director's Report. Commissioner Leith seconded the motion; there being no questions or comments, all were in favor and the motion carried.

IV. OLD BUSINESS

- Court Street Project. There were no further questions.
- Vote on Nominations to PHA Housing Development, Ltd. Board

Mr. Welch explained there are two vacancies on the PHA Housing Development, Ltd. Board and he has included four candidate's resumes in the Board packet. He added he has met with each candidate in person and he described the candidate's experience and qualifications.

Commissioner Kennedy moved to nominate Adam Ruedig and Katherine Kane. Commissioner Ferrini seconded the motion. After discussion, the following roll was called:

AYES

NAYS

Commissioner Pickering
Commissioner Leith
Commissioner Ferrini
Commissioner Kennedy
Chair Griffin

Mr. Ruedig and Ms. Kane will be invited to the next PHA Board meeting.

V. NEW BUSINESS

- Internal Control Policy

Mr. Welch commented this item was mentioned in his report and he is always willing to answer any questions. He added we have a highly regulated organization and the version in the Board packet is a from 2016 and has been reviewed by our fee accountant.

Ms. Labrie explained the check procedure requires two signatures which are Commissioner Leith's and Chair Griffin's. She added we are in the process of filing paperwork with the bank to replace Commissioner Leith's signature with Commissioner Kennedy's, since he is the new Treasurer. Commissioner Kennedy requested to see some of the checks when his signature is used. Mr. Welch explained there is a weekly check detail that he reviews. Discussion ensued of the credit card procedure. Ms. Labrie explained who has credit cards at PHA and added the auditors look through every statement.

Commissioner Leith moved to approve Items 1-5. Commissioner Kennedy seconded the motion. All were in favor and the motion carried.

Mr. Bosen gave an update on the Landlord/Tenant report. Mr. Welch informed the Board of a current police issue at Feaster Apartments and our strong partnership with the Portsmouth Police Department. He added there was also a staff meeting with leaders of the Portsmouth Middle School and our property management.

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Wait List Report

No questions or comments.

Vacancy Report

No questions or comments.

Financial Report

Commissioner Kennedy commented on the continuance of staying ahead of our budget in terms of expenditures. He questioned Ms. Labrie on the non-routine section showing year-to-date at \$96,000 in AMP 1 and \$105,000 in AMP 2. Ms. Labrie explained the money was used for projects which included an exhaust stack that was replaced at Margeson, paving at Gosling, a purchase of a sander for the Kubota and replacing the intercom system for Feaster and Margeson. Ms. Labrie explained there is a cash report in the Board packet. Commissioner Kennedy noted in Amp 1 \$115,000 net income prior to non-routine and in AMP 2 it is \$187,000. Ms. Labrie will include an excess cash reconciliation for the next month. COCC shows \$50,000 for the advance for the Court Street predevelopment.

Commissioner Ferrini asked how much money will be utilized by the PHA for the purpose of Court Street and to what extent of the mission are they empowered to do that. Mr. Welch replied he doesn't know at what point there is any concern from HUD or something regulatory that prevents us from spending a certain amount of money. He added the funds come from Central Office Cost Center that are not federalized, which comes from revenue from management fees. Commissioner Ferrini asked if a promissory note between the entities should be created.

Commissioner Ferrini also questioned the legal authority on what we should or shouldn't do. Ms. Labrie replied it has to be within HUD guidelines and our mission. Mr. Roche explained all \$700,000 expended will be reimbursed at closing and, if it the intention the \$50,000 is a loan, it should have a promissory note. Commissioner Ferrini also asked if we are not awarded tax credit approval, what will happen to PHA money given that it is neither public housing nor Section 8 property. Ms. Labrie explained she has asked the PHA auditors if PHA expended money is a concern of liability, which is outlined in her memo included in the Board packet and they did not see an audit risk. Mr. Bosen will draft a promissory note. Mr. Roche commented a lease agreement or document will be needed because the PHA owns the land and will outline other points of concern.

Commissioner Kennedy questioned the 21st Century Grant and noticed the actual is \$131,938 income and budget is \$82,000. He questioned why the actual is more. Ms. Labrie explained the City is trying to spend down excess funds from fee income and we are reimbursed for all expenses. Ms. Labrie expanded that the money is used pay for salaries, benefits and training. Commissioner Kennedy pointed out \$43,000 more was spent on salaries than we thought. Ms. Labrie based the budget on the prior year and the City hired more people to spend down the grant and said when she drafted the budget she didn't know they wanted to hire more people. Mr. Welch explained all employees are part time and with low pay rate high turnover. They track hours by filling out a timesheet and there are six or eight staff. He added the students are from New Franklin School and a majority are from Gosling Meadows. Our residents don't pay. Money is coming through the City of Portsmouth. He added we will be getting together to write the grant with the City soon.

Ms. Labrie reviewed the cash report which is reported quarterly.

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Ms. Labrie reviewed the cash report which is reported quarterly.

Commissioner Kennedy moved to accept the financial reports as presented. Commissioner Leith seconded the motion. The Board thanked Ms. Labrie for her work. All were in favor and the motion carried.

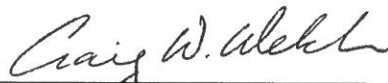
VI. COMMISSIONERS COMMENTS

There were no commissioner comments but Mr. Welch reported out of 380 vouchers, 1 is used in Rye.

VII. ADJOURNMENT

The meeting adjourned at 3:56 p.m.

Respectfully submitted,

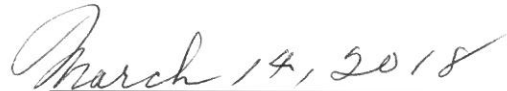


Craig W. Welch
Secretary



Accepted by:

Ruth L. Griffin Amy Schwartz
Chair Vice Chair



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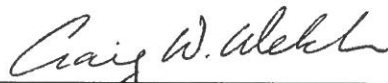
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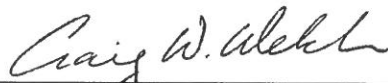
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