MINUTES

The Board of Commissioners of the Dracut Housing Authority met at a regular meeting on February 22, 2016 at 65 Phineas Street, Dracut, MA 01826. Chairman Russ Taylor opened the meeting and upon roll call vote those present were as follows:

**PRESENT:** F. Russell Taylor

 Jesse Forcier

 George M. Nangle

 Debra DeWitt Ahern

 Matthew Sheehan

**IN ATTENDANCE:** Kelley Szymanski

 Mary T. Karabatsos

**MINUTES:**

Commissioner Forcier made a motion to approve the minutes of the January 25, 2016 Board Meeting. Said motion was seconded by Commissioner DeWitt Ahern and upon roll call vote passed unanimously.

**BILLS & COMMUNICATIONS:**

Commissioner DeWitt Ahern made a motion to approve the February 2016 Warrant. Said motion was seconded by Commissioner Sheehan. Under discussion Commissioner Forcier asked about the tractor that was purchased. The Director stated that it was approved on the 2015-2016 budget and it was just delivered in January. Upon roll call vote passed unanimously.

Commissioner Sheehan made a motion to put the January 2016 Financial Reports on file for audit. Said motion was seconded by Commissioner Forcier and upon roll call vote passed unanimously.

**EXECUTIVE DIRECTOR’S REPORT:**

1. **A vote to implement an authority wide “No Smoking Policy”.**

The Director informed the Board that there was a meeting for residents this past week explaining the process of implementing the No Smoking Policy. Each resident will sign a lease addendum. Commissioner DeWitt Ahern asked if residents understand that this is something that we have to implement. The Director explained that the housing authority is being mandated to implement this program. The Director also stated that she told the residents that we would assist in any way we could to help residents through this process. Commissioner Taylor stated that he realizes that this is tough on residents that smoke but this is something that will be mandated and will need to be implemented. Commissioner Taylor stated that this is something that we have been talking about implementing for quite some time. The Director stated that a survey was done a few years back and the majority of residents do not want smoking in apartments and on the grounds. Commissioner Forcier inquired about marking off an area so that residents will know where to smoke. Commissioner DeWitt Ahern said that the housing authority is willing to work with residents and an area will be designated for smoking on each site. Commissioner Nangle suggested that signs should be put up around the pond to designate a smoking area. Commissioner Sheehan made a motion to implement an authority wide No Smoking Policy. Said motion was seconded by Commissioner DeWitt Ahern and upon roll call vote passed unanimously.

1. **A vote to request a waiver on DHCD’s Regional Capital Assistance Team Program.**

The Director explained that there is a regional program that DHCD is implementing. This is part of the new programs being implemented under Chapter 235. This is a regional program that has three housing authorities overseeing the under $25,000 bidding projects. The Director explained that she would like to request a waiver on this program because this is something that the Dracut Housing Authority has been doing on their own. The Dracut Housing Authority has had no issues conducting our own procurement and this has the possibility of losing some control over our projects. The Director stated that the particulars are not worked out on this program and there has not been enough information disseminated about this. Commissioner Sheehan said that the government is very quick to regionalize things and that is not always the appropriate response. Commissioner Nangle made a motion to grant the Executive Director the authority to request a waiver on DHCD’s Regional Capital Assistance Team Program. Said motion was seconded by Commissioner Sheehan and upon roll call vote passed unanimously. Commissioner Forcier asked if this is the way that state public housing is going. The Director stated that it could be but some of these things are in the very first stage and we will have to see how things go. The Director also stated that many of the changes that will be governed by law and it will be mandated that we implement them. Commissioner Sheehan asked if we request a waiver could this possibly allow DHCD to hold back funds. The Director stated that that would not be an issue. Any housing authority has the right to request a waiver.

1. **Dracut Housing Authority’s Public Housing Assessment System Score (PHAS) – 98.**

The Director informed the Board that the Dracut Housing Authority received a 98 score on HUD’s Public Housing Assessment System.

1. **A vote to approve the Dracut Housing Authority’s Credit Card Policy.**

Commissioner DeWitt Ahern made a motion to approve the Dracut Housing Authority’s Credit Card Policy. Said motion was seconded by Commissioner Sheehan and upon roll call vote passed unanimously.

1. **A vote to hire an Affordable Housing Zoning Attorney.**

The Director informed the Board that there were two quotes inside the Board’s packet. Both of these firms work closely with DHCD. The Director stated that when we start going through the competitive funding process DHCD will be requesting the names of our Team. DHCD likes to see the names of firms that they have a relationship with and firms that are familiar with the DHCD process.

The two firms that submitted quotes were Deschenes & Farrell from Westford billing at $232 an hour and Regnante, Sterio, & Osborn billing at $300 an hour from Wakefield. Commissioner DeWitt Ahern made a motion to hire the law firm of Deschenes & Farrell. Under discussion, Commissioner Forcier said that originally we wanted to hire a local attorney and one familiar with Dracut zoning policy. Based on feedback it makes sense to hire one of the firms that submitted quotes. Commissioner Forcier stated that he would also like to have a Joint Housing Sub Committee Meeting scheduled. Said motion was seconded by Commissioner Forcier and upon roll call vote passed unanimously.

**PRESENTATION BY**

**Attorney Kurt James – Affordable**

**Housing Attorney and Marblehead Housing Authority Board Member.**

Attorney Kurt James began his presentation explaining about the 501c3 process. The problem with this scenario is that over the past few years the IRS has not been issuing tax exempt statuses to housing authorities, and if they do, it is taking a very long time. This sometimes takes up to 2 or 3 years and in many cases it is not even happening. Attorney James stated that one option which is a very good option is to create a Limited Liability Corporation or LLC. This is very easy to form, there does not need to be a separate tax exempt status because the housing authority has tax exempt status and it would just carry over to the LLC. A few other benefits are that it is a very flexible operation so if you want a board or officers you can provide for those. If you don’t want to you don’t need to. So unlike a corporation you do not have to have meetings or post notices you can literally have the sole member do whatever you want to as your board and then act through the LLC. So the LLC will own the property or lease it, which creates a protective shield against a lot of third party claims or contract claims. It is a very insulating vehicle to hold property in. If you decide down the road to introduce a partner for whatever reason it would be very easy to admit them as a partner. This structure is very flexible in contrast to a 501c3.

The housing authority will have to go through the public procurement process because you do not have a partner. Attorney James said that you probably want to assign one or two people to sign on behalf of the LLC. It would be the Dracut Housing Authority LLC and have Mary Karabatsos as the authorizing agent. Attorney James said the LLC is very common. Commissioner Forcier asked if Attorney James has any experience with funds coming from the CPC. The Director stated that the property is already owned by the housing authority. The housing authority will lease it to the LLC and this would not fall under Chapter 121B because the property is not public land. Commissioner Forcier stated that we have also received $3,000,000 from CPC for construction and he asked if there would be any problem with how the housing authority would access those funds. Attorney James stated that there are many options to use if the CPC is specific about how the funds get to the housing authority.

Attorney James stated that most housing authorities do not have expertise in building housing. He stated that having the Women’s Institute as a development consultant is very important. It does take staffing and some experience. The Women’s Institute will help with this as well as applying for DHCD funds, which is complicated and a long term process. Attorney James said that it sounds like we are way ahead of many housing authorities who really struggle with this process.

Attorney James inquired about real estate tax exemption. He asked if it is exempt now and the Director responded no. He suggested that we have a talk with the Assessor’s Office. The assessment on the property should reflect the fact that there is a deed restriction for affordable housing on this property and therefor you should at the least be paying taxes which reflect that.

Attorney James said that he can help out with whatever we need. His firm can do whatever else we need, we can figure out a reasonable fee and cap it. The LLC will be done pro bono. There is a $500 application fee with a $500 annual maintenance fee. It will be a fairly long process through the 40B and financing piece of the project.

1. **Work Order Report.**

The Board was given the Work Order Report. It was explained that National Grid is doing some survey work on 971 Mammoth Road to prepare for some updates they will be doing in the spring. The sewer department is also doing work on the site.

1. **Vacancy Report**

The Board was given the Vacancy Report.

5. **COMMITTEE REPORTS.**

Commissioner Forcier stated that architectural firms will be submitting proposals this coming Wednesday. He suggested that we will meet with the zoning attorney at a housing sub-committee meeting and then the housing sub-committee will report to the larger Board.

6. **OLD BUSINESS.**

7. **NEW BUSINESS.**

8. **RESIDENT & PUBLIC PARTICIPATION.**

 Selectwoman Cathy Richardson thanked the Board for their invitation.

Commissioner Forcier suggested that we get signs, benches, and stand up ash trays for the no smoking areas.

9. **ADJOURNMENT:**

 A motion to adjourn was made by Commissioner Sheehan. Said motion was seconded by

Commissioner DeWitt Ahern and upon roll call vote passed unanimously.

Meeting adjourned 7:00 p.m.