

**HOUSING AUTHORITY OF THE TOWN OF SOMERS
SHA, INC.
SOMERS HOUSING MANAGEMENT, INC.
Somers, CT 06071**

MINUTES OF THE SPECIAL MEETING – August 13, 2008

Prior to the start of the meeting the board members attended a walk-through of the new building. Consultant, Harvey Edlestein conducted the tour and provided dinner for those in attendance.

1. Call to Order

Chairman DuPerre called the special meeting of the Somers Housing Authority to order at 7:06 p.m. in the Woodcrest Community Room.

2. Attendance

Commissioners: Brian DuPerre, Mary Lou Hastings, Bob Landry, Diane Yensen

Chairman DuPerre noted that there is still one vacancy to be filled to complete the five-member Board of Commissioners.

Executive Director: Tony Pellegrino

Ex Officio: Hon. David Pinney

Others in Attendance: Consultant Harvey Edlestein, Real Estate Diagnostic, Inc., Marie DeMarco, DeMarco Management Corporation, Angel Lopes, DeMarco Management Corporation, Cindi Parker, Resident Service Coordinator, and Joan Jaquith, Recording Secretary.

3. Approval of the July 16, 2008 Regular Meeting Minutes

Mary Lou Hastings MOTIONED to approve the July 16, 2008 Regular Meeting Minutes as presented. Diane Yensen SECONDED the motion. The motion passed.

4. Bills and Communication

Bills and communication were presented, discussed and distributed to the appropriate person(s) for processing.

Both Chairman DuPerre and Marie DeMarco signed the contract between Somers Housing Authority and DeMarco Management Company. The contract complies with SunAmerica's specifications.

5. Mr. Edlestein presented an overview of the building project process and progress as outlined in the agenda. The highlights of Mr. Edlestein's presentation are as follows:

- Mr. Edlestein distributed information regarding the tax credit process. Mr. Edlestein referenced page number 11 in the document that outlines the organizational tax credit structure. Mr. Edlestein explained the process and responded to questions.
- Mr. Edlestein explained his role and responsibilities. Mr. Edlestein is personally responsible for the project for the next fifteen years. Mr. Edlestein stated that a management company manages the project, however, the management company and the consultants answer to the housing authority.

- Mr. Edlestein presented the Project Operating Budget for the commissioners to review. Mr. Edlestein stated that the Somers Housing Authority's budget needs to be separate from the Project Operating Budget. A resolution authorizing Somers Housing Management, Inc. to open a new bank checking account is below:

RESOLVED: that Somers Housing Management, Inc. is hereby authorized to open a new bank checking account on behalf of the Woodcrest Elderly Housing Limited Partnership for the purpose of handling rent payments and operating expenses separately from Woodcrest project expenses, and that Brian DuPerre, President, and/or Robert Landry, Treasurer, are hereby designated as authorized signatories for this account.

Diane Yensen MOTIONED to approve the resolution authorizing Somers Housing Management, Inc. to open a new bank checking account of behalf of the Woodcrest Elderly Housing Limited Partnership as presented. Mary Lou Hastings SECONDED the motion. The motion passed. President DuPerre signed the resolution.

- Mr. Edlestein reported that the closing for DECD Home Funds is scheduled to occur within the next 6-8 weeks. The funds will be directed to DeMarco Management Company and routed appropriately. Mr. Edlestein stated that when these funds are received they will not need any more loan money from Rockville Bank. Mr. Edlestein commended Rockville Bank for offering a 5% interest rate.

DECD Funds will be a non-amortized loan at 1% for 30-years. Mr. Edlesten distributed copies of the Findings of Fact and stated that he has submitted all the documents that are required.

The following resolution was presented at the request of DECD authorizing the change in general partners from Somers Housing Authority, Inc. to Somers Housing Management, Inc.

WHEREAS: a replacement of the General Partner of the Woodcrest Elderly Housing Limited Partnership has been deemed necessary, in order that such Partner be a "stock corporation" (as opposed to a "non-stock corporation") and thus able to take advantage of provisions in the IRS code which allow for a depreciation schedule that is acceptable to SunAmerica's tax credit investors in the Woodcrest LIHTC project, and

WHEREAS: according to the 2007 Limited Partnership Agreement signed by the Authority, the Authority is the initial Limited Partner and "The General Partner may not sell, assign or transfer its interest in the Partnership without the consent of the initial Limited Partner," and

WHEREAS: the Authority has determined that a replacement of the General Partner of the Woodcrest Elderly Housing Limited Partnership is necessary and desirable in view of the above, in order to continue moving forward with the Woodcrest LIHTC project,

THEREFORE, BE IT RESOLVED: that the Housing Authority of the Town of Somers hereby approves and authorizes the withdrawal of the initial General Partner ("Somers Housing Authority Inc.") from the Woodcrest Elderly Housing Limited Partnership and the admission of the new General Partner ("Somers Housing Management Inc.") to the Partnership in its place, and that Brian DuPerre, Chairman, is hereby authorized to carry out any and all actions and sign any and all documents that are necessary to effect this substitution, and

BE IT FURTHER RESOLVED: that any and all documents heretofore approved, entered into, executed and/or delivered, and any and all actions heretofore taken or obligations

heretofore performed by, in the name of, or on behalf of the Authority, in furtherance of any of the foregoing are hereby ratified, confirmed, and approved in all respects.

Diane Yensen MOTIONED to approve the resolution authorizing the change in general partners from Somers Housing Authority, Inc. to Somers Housing Management, Inc. as presented. Mary Lou Hastings SECONDED the motion. The motion passed. Chairman DuPerre signed the resolution.

- A stabilized budget based on rent projections was distributed. Marie DeMarco stated that the current rent average is between \$200.00 - \$220.00 per month per unit. Ms. DeMarco stated that 35 tenants would continue to pay that average rent with annual small incremental rent increases. Ten of the new residents will pay \$700.00 per month. The rent for all new tenants will range from \$320.00 to \$700.00 per unit depending on what it takes to run the project. All current residents are protected and will pay only small yearly increases in rent.

New residents will go through a qualifying process and once they are approved their rent will be established. Once the rent is set, there will be annual rent increases; however, their rent will not be increased if their income increases after they have been approved.

- Mr. Edlestein stated that the project is on time and on budget. A relocation plan has been developed.
- Marie DeMarco outlined the relocation plan. The first phase will involve units 25-54 which involves 30 families. The second phase involves units 46-41 which involves 6 families. The tenants have been interviewed and the relocation team meets regularly to discuss the issues presented during the tenant interviews.

Between 22 and 28 of the 30 residents will be moved into the new building. The rest of the 30 will be moved into 2 or 3 of the old units. Moving will be staggered over a period of time, starting in late October. A Certificate of Occupancy is expected in mid-October.

A moving company has been selected through the bidding process. The movers will do all the packing and unpacking. A committee, headed by Diane Yensen, will select furniture. New standard carts will be bought for each unit prior to the move. These carts will replace the shopping carts the residents are using now.

All agreed that a communication plan needs to be developed to explain to all the residents the details of the project and the pending move.

A resident meeting to help with the transition and a walk-through of the new building is scheduled for September 17th. The board members of SHA, Inc. will meet on September 15th to make plans for the resident meeting and walk-through.

- Mr. Edlestein reported on the following other funding sources:
 - CHIF 10% test was passed and a copy of the audit was distributed.
 - An application for HTCC has been submitted for a half a million dollars. Notification whether or not the application has been approved should be received within a month.
 - There are seven hundred thousand dollars in CHIF construction loan funds available.

6. Executive Session

Mary Lou Hastings MOTIONED to move into Executive Session at 9:40 p.m. for the purpose of discussing Human Resources. The motion was SECONDED by Bob Landry. The motion passed.

David Pinney, Harvey Edlestein, Marie DeMarco, Angel Lopes, and Cindi Parker were invited to attend Executive Session.

Executive session adjourned at 9:55 p.m.

7. Return to Regular Special Session at 9:56 p.m.

Diane Yenson MOTIONED to act upon the discussion regarding Human Resources matters made during Executive Session. The motion was seconded by Bob Landry. The motion passed.

8. Adjournment

Mary Lou Hastings MOTIONED to adjourn the meeting at 10:00 p.m. The motion was SECONDED by Bob Landry. The motion passed.

Respectfully Submitted,

Tony Pellegrino
Executive Director

Joan Jaquith
Recording Secretary

These minutes are not official until approved at a subsequent meeting.