

SHARON HOUSING AUTHORITY
SHARON RIDGE EXPANSION CORPORATION
Draft until approved at the next regular meeting

A special meeting of the SHA & SREC was held on October 24, 2019 at 5:30PM. Present were Chairman Hosier, Vice Chairman Szalewicz, Treasurer Whelan and Asst. Treasurer Manasse. Invited were First Selectman Colley, Selectman Jones and future Selectman Flanagan.

Vice Chairman Szalewicz called the meeting to order at 5:30. Mrs. Szalewicz thanked the Selectmen and Mr. Flanagan for coming to this meeting.

The purpose of the meeting was the SHA to discuss with the Selectmen financial concerns with their debt and necessary repairs. The SHA wanted to give the BOS a better understanding of their financial situation. Issues discussed:

1. Mrs. Whelan reviewed the current financials: amounts owed to contractors; the Site Administrator is only on site one day a week as the management firm is owed money; and the monthly income and expenses are approximately the same (funds from the Reserves have been used to rehab units when they become vacant – this can be costly due to damage done by the tenants). There are four prior tenants where there is uncollectable rent and the SHA have incurred legal expenses to have these tenants evicted. There are issues also with the heating/cooling systems that were installed incorrectly and sidewalks that need repairing. There are no financial issues with the Expansion. Mr. Manasse explained the structure of the SHA VS the SREC.
2. Eversource has basically approved a loan/grant application to replace the split heat pumps (heating & air conditioning) with a total amount of \$204,000. CREM feels that the current debt should be cleared up before any new debt is taken on. Mr. Manasse explained how he has been talking to CHFA about deferring principal mortgage payments for 3 or 4 years but nothing seems to be happening. There was also a thought of re-financing the whole project to pay-off the current mortgage, pay the contractors and get enough money to do all the necessary repairs (these figures were reviewed).
3. The water tanks need replacing along with the well pump. This total cost is approximately \$52,300. The State Department of Health through the Drinking Water Revolving Fund has approved a loan with a 25% subsidiary. The payment amounts were reviewed.

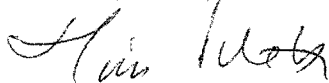
All of these issues are hampered due to the cash flow problem of the Ridge. It was explained that the SHA is trying to get a sponsorship with Habitat who are a 501 c 3. If this could happen, gifts and grants could be applied for and the money is managed by Habitat for a specific project along with a project manager.

There was great discussion on the SHA officially approaching the BOS to approve to the Board of Finance and then if approved to Town Meeting, the Town to guarantee a loan on the water system issues and perhaps the Eversource loan. Mr. Jones had four points: 1) see if the Town would back a loan for the water issues; 2) obtaining the 501 c 3 sponsorship with Habitat; 3) see about a modest rent increase (this was discussed and explained that there currently was a rent increase and if there many additional increases, we may lose tenants as they could not afford the rent; and 4) perhaps the Town would back a line of credit or put a line item in the budget for financial assistance.

Mr. Manasse was asked to draft a document outlining the financial needs and an "agreement" document for the Town Attorney to review. This should be given to the BOS prior to their November 12 2:00PM meeting so that all this can be discussed.

With nothing further, Mr. Manasse made a motion to adjourn, seconded by Mrs. Whelan, with all in favor. The meeting was adjourned at 6:37.

Respectfully submitted,



Tina Pitcher, Recording Secretary



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