

Brookline Housing Authority  
Regular Meeting Minutes  
October 9, 2018  
190 Harvard Street  
4:30 PM

The meeting was called to order by Mr. Jacobs at 4:30 PM. Those present included Ms. Dugan, Ms. Sullivan, Ms. Katz, and Ms. Cohen.

Executive Director Report

Mr. Dober reported the following:

- The BHA has started the process of hiring a new full-time Maintenance Department employee.
- As a follow-up to concerns raised by Egmont Tenant Association President, Sean Jaynes, staff is putting together a communication to residents reminding them of the rules governing pet ownership on BHA property.
- The most recent edition of the BHA resident services newsletter has been published, including a Spanish translation.
- Mr. Jacobs and Mr. Dober have a meeting and a tour of BHA properties scheduled with Tommy Vitolo who will succeed Rep. Frank Smizik as a Brookline State Representative after the November elections. Mr. Vitolo is running unopposed.
- A series of Jewish Family and Children's Services sponsored art classes began last week at O'Shea House.
- The Town is providing generous support to the BHA by offering to repave the portion of Dummer Street owned by the BHA and to remove an old and dying mulberry tree at High Street Veterans Apartments.

Resident Association Report

Egmont Tenant Association (ETA) President, Sean Jaynes, reported the following:

- The ETA is returning to regular monthly meetings this month.
- The ETA is working cooperatively with David Perry and his Maintenance Department staff regarding various site maintenance issues.

Consent Agenda

**On a motion from Ms. Sullivan and a second from Ms. Dugan, the consent agenda was unanimously approved and authorized the following: the minutes of the Regular Meeting held on September 13, 2018; a contract to Star Building Services in the amount of \$36,000.00 annually for cleaning the federal buildings with an initial one-year term, renewable for two additional one-year terms; a contract to Desiree Ladd for consulting services at a rate of \$85.00 per hour in relation to BHA information technology systems and other topics for a term ending August 31, 2019; and an architect contract for playground and staircase repairs at High Street Veterans Apartments to Richard Alvord Architects, Inc., in the amount of \$10,925.00.**

61 Park and RAD Update

Mr. Dober reported the following:

- The BHA has begun the process of selecting a Construction Manager.
- The target date for delivery of schematic design documents is November 10, 2018.

- The consensus of the technical design team is to convert the electric heating system to a wall mounted variable refrigerant flow (VRF) HVAC system.
- The BHA will propose to the Town's Housing Advisory Board this week that the PILOT program be continued after RAD conversion.
- RFPs have been advertised for a project accountant for tax credit processing, and a relocation consultant to assist the BHA in temporary resident relocation within the building while unit renovations are being completed.

BHA resident, Ellie Finn, asked if central air conditioning is planned for the upcoming redevelopment work at Morse Apartments. Mr. Dober said that central air conditioning is one of the goals of the Morse redevelopment project.

BHA resident, Denise Sullivan, asked why residents pay for electricity at Kickham Apartments. Mr. Dober said that he believes that energy conservation was a design priority when Kickham Apartments was developed, and that resident paid utilities was part of this strategy.

- A clear picture is emerging regarding the O'Shea House RAD conversion financing and organization structure, including: a ground lease; ownership; and acquisition and tax credit financing.
- It appears that the project will be getting the best available financing rates.

Mr. Jacobs stressed the importance of conveying to residents in understandable terms this very complicated structure of financing and ownership. Mr. Dober said that the BHA last year held a highly publicized informational meeting with residents. The subject was discussed extensively at the annual Resident Advisory Board (RAB) meeting, as well as at BHA monthly Board meetings. The BHA is committed to continuing this dialog.

#### Equity and Debt Financing for 61 Park Street

Mr. Dober reported the following related to equity financing:

- In the RAD redevelopment process, the largest amount of funding raised comes from Low Income Housing Tax Credits (LIHTC).
- Boston Financial Investment Management (BFIM) is offering the best available pricing and terms for raising this equity.
- In 15 years, the BHA will have the ability to take back full ownership of the property from the passive owner. The BHA management control for the 15-year period and overall control of the property is via the ground lease.

Mr. Dober reported the following related to construction and permanent debt financing:

- Boston Private Bank & Trust Company is offering construction and debt financing at the best available pricing and terms.
- Boston Private has extensive experience in the local affordable housing financing market, including the provision of financing for 86 Dummer Street.

**On a motion from Ms. Cohen and a second from Ms. Katz, acceptance of (A) the proposal from Boston Financial Investment Management, L.P. to provide Low Income Housing Tax Credit equity financing for the renovation of 61 Park Street, with pricing at \$1.0425 cents per dollar of tax credit equity, and (B) the proposal from Boston Private Bank & Trust Company for construction and permanent debt**

**financing for the renovation of 61 Park Street, with rates for both the construction and permanent loans at 79% of the one-month LIBOR rate plus 165 basis points, with the equity and debt to be provided as specified in the accompanying Resolutions prepared by the BHA's law firm Nolan Sheehan Patten LLP and the memos prepared by BHA staff Maria Maffei and Patrick Dober, was unanimously approved.**

#### Ground Lease For 61 Park Street

Mr. Dober reported the following:

- One of the pieces necessary to accomplish a RAD conversion is a ground lease.
- The ground lease will allow the BHA to keep control of the property during the 15-year tax credit period by entering a lease with the 61 Park LLC ownership entity which will include the tax credit investor.
- The ground lease will allow the BHA to technically and temporarily "sell" the property to generate the tax credits and to buy back the property after the 15-year tax credit period.

**On a motion from Ms. Sullivan and a second from Ms. Katz, authorization for the BHA to enter into a ground lease with 61 Park LLC for the 61 Park Street land and buildings currently owned by the BHA, for the purpose of financing and renovating the property, as further provided in the accompanying Resolutions prepared by the BHA's law firm Nolan Sheehan Patten LLP and the memo prepared by BHA staff Maria Maffei and Patrick Dober, was unanimously approved.**

#### Non-Profit Participant in 61 Park LLC

Mr. Dober reported the following:

- Another necessary piece of the RAD conversion process is the admission of a passive participant to 61 Park LLC.
- The BHA cannot technically sell the property to itself. The admission of a passive participant into 61 Park LLC manager as a 45% owner will create two separate non-profit entities within the BHA controlled ownership entity and the "disaffiliation" necessary to complete the sale.
- Madison Park Development Corporation (MPDC) is a longstanding non-profit housing developer in Roxbury and has served as a passive ownership participant as a courtesy to other housing organizations in the past. They have tentatively agreed to participate in the ownership of 61 Park LLC.
- By having two non-profit owners making up 61 Park LLC, construction purchases will be exempt from sales taxes.

Ms. Sullivan said that MPDC is a known, experienced, and well respected non-profit.

**On a motion from Ms. Dugan and a second from Ms. Sullivan, the admission of Madison Park Development Corporation as the initial Investor Member in 61 Park LLC and as the 45% owner of the Managing Member of 61 Park LLC, as further provided in the accompanying Resolutions prepared by the BHA's law firm Nolan Sheehan Patten LLP and the memo prepared by Patrick Dober, was unanimously approved.**

#### Insurance Consulting for RAD Redevelopments

Mr. Dober reported the following:

- The BHA will need to purchase insurance coverage during both the construction period and the period commencing after construction is complete.

- The Principal of SG Risk Management, Stephanie Giancola, is a specialist in housing authority risk management and insurance. She has worked as an insurance consultant for the BHA in the past, helping to identify comprehensive insurance at the best possible rates. She has offered to assist the BHA in procuring insurance related to its RAD projects.

**On a motion from Ms. Cohen and a second from Ms. Katz, a contract to SG Risk Management Consulting to assist the BHA in purchasing insurance coverages for RAD projects, at a rate of \$85.00 per hour, a total amount not to exceed \$10,000.00, and an initial two-year term renewable for up to three additional one-year terms was unanimously approved.**

#### Accounting Contract

Mr. Dober reported the following:

- The BHA issued an RFP for fee accounting services and received only one response.
- The respondent, Gordon Griffin LLC has provided the BHA with excellent fee accountant services for six years. They charge a very reasonable fee.
- There are not many firms qualified to do this specialized service and none appear to be interested in taking on new clients.

**On a motion from Ms. Dugan and a second from Ms. Sullivan, a contract to Gordon Griffin LLC for ongoing fee accounting for the BHA's public housing and rental assistance programs at a rate of \$49,260.00 per year and an initial two-year term renewable for up to three additional one-year terms, was unanimously approved.**

#### Other Business

Mr. Jaynes said that a resident was forced to move because due to not reporting income to the BHA as required and as a result owed a substantial amount of back rent. He asked if BHA subsidy programs allow forgiveness in such circumstances. Ms. Dugan agreed that such situations are difficult for residents, especially single parents.

Mr. Dober said that BHA Assistant Executive Director, Matthew Baronas, and the BHA's attorney give residents numerous chances to resolve rent delinquencies, including repayment agreements. BHA staff works closely with the Brookline Community Mental Health Center and the Safety Net program to assist residents facing such issues. BHA's funding agencies require residents to report increases in income and do not allow the BHA to permanently forgive rent balances.

Ms. Katz said that it is her belief that BHA staff make every effort to preserve tenancies.

The Board confirmed that the next meeting will be held at Sussman House on a date to be determined.

**On a motion from Ms. Sullivan and a second from Ms. Cohen, it was unanimously agreed to adjourn the meeting at 5:45 PM.**