

**BROOKLINE HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING
TUESDAY, DECEMBER 8, 2020, 4:30 PM
By Telephone Conference**

The meeting was called to order by Mr. Jacobs at 4:37 PM. Those present included: Ms. Dugan, Ms. Katz, Ms. Sullivan, and Ms. Cohen.

1. Call to Order

2. **Board Reports. No votes**

3. **Executive Director Report. No votes.**

Mr. Alperin touched on the following key points from his report in the BOC board package:

- The DHCD Annual Plan was authorized by the Board.
- Mr. Alperin will present to the Town's Advisory Committee how the BHA is funded, how both the Authority and residents have been impacted by COVID, and ways the Town can support the BHA's mission and residents.
- The BHA has had an existing tax credit compliance contract with Beacon Communities, who recently provided written notice of their intent to terminate the contract (giving the BHA a 60 day notice instead of 30). Beacon Communities is terminating all their third-party compliance monitoring relationships. Therefore, the process of finding a new tax credit compliance third-party monitor for the 61 Park Street and 90 Longwood projects has begun.
- Money has been earmarked for the future redevelopment of Col. Floyd. A neighborhood and resident meeting will be held in January; details will be forthcoming.
- Matt Baronas, Director of Property Management, provided his intent to retire next spring after 30 years with the BHA. The job has been posted and there has been a fairly strong response so far. Interviews will commence by mid-month. The BHA budget has been adjusted to accommodate some overlap between Mr. Baronas and his successor for training purposes.
- Clean energy gas and electricity audits were completed of all the state and federal portfolio. Results have not yet been received, but Mr. Alperin anticipates some small projects being funded to help with energy conservation. Water aerators to reduce water usage and insulation for some attics that are currently uninsulated are examples. Maintenance staff will be distributing kits to BHA residents with LED lightbulbs and energy efficient power strips.
- Mr. Alperin then went on to highlight some items from the BHA's projected budget. On an overall basis, the BHA's FY 2022 budget is fine YTD. Net income across programs is higher than budgeted; primarily because of Cares Act monies received. The budget looks artificially good for the next six months, year to date because all the Cares Act monies were received prior to September 30th and have since been spent.
- Programmatically, the BHA continues to have large negative variances in the CCC program (created as a HUD administrative cost center so the BHA can move cash from the section for the federal public housing program into the CCC). The Authority has run deficits in the CCC for the past two years. The BHA's accountant is looking into whether the administrative burden for running the CCC is worthwhile; given that surplus cash is not being generated in this program. He feels the BHA can allocate the cost directly to programs. For example, maintenance costs currently charged to the CCC can instead be charged directly to the federal public housing program. As the BHA transitions through RAD, if there's a point where the Authority no longer runs any federal public housing, the

Authority could no longer have a CCC. This has been a loss leader for the BHA for the past two years and looks like it will be again for the third year in a row.

- The BHA received a strong amount of Care's act operating funds and has a \$626,000 positive variance year to date on net income; much greater than the Cares Act monies received. Overall, this program has fairly healthy reserves. The Section 8 Program has a \$203,000 positive variance in net income and, overall, is running with a healthy surplus. Mr. Alperin doesn't anticipate fully spending all these Cares Act monies until September 2021.
- State public housing has a net income positive variance of \$96,000, which was fully expended by October 5th. The BHA is now starting to accumulate deficits in the state public housing program due to ongoing cleaning related to the coronavirus pandemic and the burden of maintaining assets that have significant deferred capital needs. Mr. Alperin anticipates the Authority to break even at best or lose money. Every effort will be made to save money or to pay for items (where allowable) out of other cost centers. Efforts will continue to try and bring in other resources to support state public housing from the Town. However, Mr. Alperin noted the six-month YTD performance is most alarming in this program.
- 61 Park Street has a negative net operating income with a negative variance of \$41,000; primarily due to being \$72,000 behind budget because of extra vacancies caused by the renovation. A strategic decision was made to free up additional units to enable construction crews to accelerate construction (after being shut down due to the coronavirus pandemic earlier in the year). While money is being made up in the development budget, some money is being lost due to the added vacancy in the operating budget. The result is less cash flow available to pay for development during construction. A little over \$330,000 in the first nine months was budget and the project is now at \$288,000. The debt service is currently being paid for by the development budget, as opposed to the operating budget while we're in construction.
- The cost center called Resident Services Next Steps does not incorporate all the resident services costs incurred by the BHA; many are buried in the federal public housing program, the state public housing program, real estate activities, etc. The BHA's accountant will be adapting how the Authority budgets for (and costs occurred) paying resident services across all BHA's portfolio and programs. Want to update to include costs across the BHA portfolio. The BHA is behind in anticipated revenues to pay for resident services. In particular, the Authority was funded at a lower amount from by the Brookline Community Foundation by approximately \$10,000.
- Although the Authority hasn't fundraised significantly toward the \$25,000 fiscal year goal, there wasn't as much money transferred from stock as had been budgeted (@\$30,000 year to date).
- Mr. Alperin noted the Authority is also likely to run a deficit in the stock cost center. This is okay because much less is currently being spent on Resident Services because community rooms are closed due to the pandemic, and part-time Family Learning Center staff have not been hired. Assuming a better public health situation in future, the BHA will offer more resident services, but for this FY, it won't be a problem.
- Ms. Katz noted there are regulations as to how Cares Act money is used and wants to make sure the BHA tracks what types of benefits there are and what funds have and have not been used. Mr. Alperin said he and Mr. Clark will present a memo to the Commissioners on this at the January Board meeting. In brief, he believes all the Cares Act monies in the state program were expended as of October 5th, all the federal public housing Cares Act monies as of December 5th, and all of the Section 8 supplemental Cares Act monies the Authority received was paid as rent to landlords.
- All funds received from the Town, and any supplemental money, was spent by last September. All that's left which haven't been fully spent are the Section 8 supplemental fees of about \$505,000. These should be spent by September 2021.

- Without additional federal stimulus and relief funds, Mr. Alperin said the BHA will have to make difficult choices; e.g., about cleaning and what level of remote technologies the Authority can continue to support in the operating budget without dipping significantly into reserves.
- Ms. Katz said a 501C3 was secured a few years ago so the BHA could fundraise to secure private funds and asked if there were plans to solicit any additional funding. Mr. Alperin said part of this burden falls on him, but to properly fundraise will require additional capacity; e.g., a development consultant to help structure a campaign, a donor database management and proper donor outreach. His is concerned that the BHA not compete in these efforts with agencies we want to support like Steps to Success and the Brookline Foundation. Mr. Alperin also expressed that some the Authority's structural deficit will take care of itself through the RAD program because more resident services will be built into the operating budgets. In other words, the real estate in some ways will take care of the structural deficit and provide the BHA with more operating cash year to year to use as necessary.

4. Resident Association Report. No Votes.

No report.

5. Vote to approve Consent Agenda, Items 5.A. through 5.E.

5A. Vote to approve the minutes of the Board Meeting held on November 10, 2020.

5B. Vote to approve final completion of the fire alarm upgrade project at the Sussman Apartments with Levangie Electrical Co., Inc.

5C. Vote to approve final completion of the gutters, downspouts and snow guard installation project at the 667-3 development with S.I. Services, Inc.

5D. Vote to approve change order #2 for the doors and locks project at Egmont St. and High St. Veterans Developments. The contract with One Source Construction, LLC. will decrease in the amount of \$1,442 and be extended by 27 days. This will bring the contract to a total of \$402,485.05.

5E. Vote to approve the purchase of a HS8 Bobcat Spreader Attachment in the amount of \$3,486.20 to support ice and snow removal at both state and federal public housing developments.

This agenda item was unanimously approved on a motion by Ms. Sullivan and a second by Ms. Cohen

6. Amendment Operating Agreement 61 Park LLC

Vote to approve an amendment to the Operating Agreement between 61 Park LLC and the Investor.

Ms. Maffei had previously reported to the Board about a negotiated a price reduction with Boston Financial to reflect that the BHA will be delivering tax credits later than expected. The operating agreement with Boston Financial must be revised to reflect that, and she needs the Board's approval. While the operating agreement was being revised to reflect the new pricing, she used the opportunity to amend it to reflect some provisions that had been negotiated for 90 Longwood; subsequent to signing the agreement for 61 Park Street.

This agenda item was unanimously approved on a motion by Ms. Katz and a second by Ms. Sullivan.

7. Pre-development budget for Colonel Floyd

Vote to approve a budget for pre-development expenditures required to advance the planning of the redevelopment of Col. Floyd Apartments.

Ms. Maffei reported that pre-development planning for Col. Floyd is well underway. An architect, development consultants, and a relocation consultant are already on board and monies are beginning to be expended on these things. There are also other items that the BHA also must spend money on in order to move the project forward. Ms. Maffei alerted the Board about what she thinks will be spent between now and closing; the big-ticket items are architecture and engineering. She projected costs of just under \$1.1M, and noted the BHA has money to support that from fees already brought in and fees that will be brought in from 90 Longwood & 61 Park Street, as well as up to a \$400,000 reimbursement from the Town. Mr. Alperin noted one cost that isn't considered pre-development, but he would like the Board to include within this vote, is if the BHA has to make a forward rate lock with any lenders and provide a deposit on the rate lock. It's an unknown cost, but typically 1% of the mortgage. He asked that, in addition to Ms. Maffei's request, he would like this authorization to also cover the ability to enter into a forward commitment should the Authority need to work with the lender.

This agenda item was unanimously approved on a motion by Ms. Dugan and a second by Ms. Cohen.

8. Other Business

Ms. Katz inquired about vacant units at 22 Walnut Street which are not ready to rent and what the reason is. Mr. Alperin responded that the maintenance team centralizes unit turnover; there isn't a specific maintenance person at a particular property. They are doing work throughout the portfolio and prioritizing, based on the time of the vacancy and level of work. Mr. Alperin hopes to be 100% caught up from the Coronavirus on vacant units ready to rent by January 1st. It's slow and steady progress. Additionally, the BHA is having some issues with qualified tenants who are declining units when they see them because they need a larger unit. Also, residents who are not income qualified coming out of the system from the state.

9. Board Meeting

The next regular BOC meeting is scheduled for Tuesday, January 12, 2021.

10. Adjournment Vote

On a motion from Ms. Sullivan and a second from Ms. Katz, it was unanimously agreed to adjourn the meeting at 5:24 PM.

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Michael Alperin

Executive Director

