

**BROOKLINE HOUSING AUTHORITY
BOARD OF COMMISSIONERS' REGULAR MEETING
TUESDAY, APRIL 12, 2022, 4:30 PM
By Telephone Conference Call**

The meeting was called to order by Mr. Jacobs at 4:31 PM. Those present included: Ms. Dugan, Ms. Katz, Ms. Sullivan, and Ms. Cohen.

1. Call to Order

2. Board Reports. No votes or reports.

3. Executive Director Report. No votes.

Mr. Alperin highlighted the following:

- **Capital improvement log:** some additional projects will begin appearing and FY 2023 dollars are starting to be spent. Modernization projects are being advanced and three times the amount of funding is anticipated in addition to are anticipating ARPA funding. Funds coming from the State; however, are for FY 2024 and FY 2025 and won't be seen for another 12 months in projects.
- **Monthly rent collections:** The Authority is seeing a real drop off in monthly collections at almost all developments in March and the start of April; 30 day rent collections are troubling. Residents are either struggling to pay rent or are potentially misunderstanding the State's SHERA emergency rental relief program which expires 4/15/22.
- **Vacancy Report:** The trend continues to be spectacular; vacancies are being filled and the Authority is getting to a net 30 place with occupancy and maintenance turnovers portfolio wide. In the BHA's non-RAD properties, the vacancy rate is 0.58% compared to a last year's rate of 2.74%, and at the start of pandemic it was approaching 5%. There has been great success in leasing up 90 Longwood ahead of budget and pro forma. Eight vacancies remain and six are noted as leasing up in April. The property should be 100% leased up in next 30-60 days.
- **FEMA grant:** A FEMA grant for \$79,113.14 was received as reimbursement for pandemic sanitation related costs. Another grant for approximately \$21,000 is also anticipated pending approval and disbursement.
- **61 Park update:** The Authority is in the process of finalizing the final equity installment at 61 Park St., which means the BHA has finished its first RAD redevelopment project. The Authority is getting close to the final lease up and equity installment at 90 Longwood. Still awaiting Section 8 approval for 50 Pleasant St. and should receive it shortly. 32 Marion St. is waiting for a potential State tax credit award from the State's competitive financing round. The BHA is working with HUD who has released funding for tenant protection vouchers and 22 households will remain at Col. Floyd. The BHA is working with these tenants to help them find relocation with those vouchers.

- **American Rescue Funds:** The Commonwealth announced its plans for \$150M of American Rescue funds for state public housing development. Each public housing authority will receive approximately \$470,000 for improvements. The rest of the funds (approximately \$90M), DHCD is reserving to deal with lead pipe, elevator, and federal specific electric panel safety issues (none of which the BHA has in its state properties).
- **SEMAP (Section 8 Management Assessment Program):** Scores won't occur until after June 30th when HUD will begin to evaluate the BHA programs.
- **COVID-19 tests:** Another 4,500 rapid tests were distributed to residents.
- **Chapter 689 Programs:** The BHA owns a few properties managed by Vinfen and operated jointly under the Department of Mental Health and DHCD. The BHA provides capital improvements and maintenance for the approximately 31 units. For years the Authority subsidized the operations of the developments but hasn't budgeted for allocating costs appropriately. However, the Authority has successfully petitioned the DMH and DHCD to appropriate the right amount of funds and recontract based on a proper allocation. Rent will increase by \$350 a month per unit. This will allow the BHA to balance its books in a manner equitable to other programs they operate.
- **American Plan Rescue Act:** Much diverse support was expressed for the BHA and its ARPA requests of \$4-\$6M at a recent Town meeting. The Selectboard will soon vote on appropriating the first \$20M of Town funds. It is likely that a large amount of the BHA's funding request will be allocated. This will make a meaningful difference for residents at Egmont St. Vets and High St. Vets.

4. Public Comment. No votes.

5. Consent Agenda. 5. **Vote to approve Consent Agenda, Items 5.A. through 5.C.**

5A. **Vote to approve March 8, 2022 Board Meeting minutes.**

5B. Final Completion Fire Alarm Upgrades 153 Kent Street. **Vote to approve final completion with Galway Electrical Company, Inc. for the fire alarm upgrade project at 153 Kent Street. Final completion was approved by the BHA's engineer at Nangle Engineering.**

5C. Contract Award Maintenance. **Vote to approve a contract for annual physical inspections of the state public housing properties to Assabet Valley Housing Inspections for \$7,498 with a term of one year with a renewal option for two additional one-year extensions.**

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

6. Change Order 90 Longwood (Morse Apartments). **Vote to affirm Change Order items in the attached memo, which were previously reviewed or approved by staff pursuant to the April 14, 2020 change order policy.**

Mr. Anderson said the Authority is trying to spend remaining money left in the budget. Ms. Katz asked about the replacement of the hallway and stairway lighting and whether the BHA is eligible for any energy efficiency rebates. Mr. Anderson responded energy rebates holistic to the entire building have been pursued. These lights were installed some years ago under the old energy efficiency program and are out of date. They will be replaced with more energy efficient LED lights.

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

7. HUD Capital Funds Program (CFP) plan for Federal Properties. Vote to approve the FY 2022-2026 HUD Capital Funds Program (CFP) plan.

According to Ms. Cowan, each year the BHA receives an annual allocation of federal funding through HUD for the Capital Funds Program. This is year it is for FY'2022-2026. Last year the BHA received \$818,000 and typically receives approximately \$700,000. The exact figure will be learned late April/early May; however, it may be lower due to RAD conversions and fewer units in the PH portfolio. It hasn't been determined which building will next be converted to the RAD program; either Kickham or 22 Walnut. Ms. Cowen will be able to be more specific next year with exact funding figures and plans will be submitted to HUD.

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

8. Write-off Uncollected Rents. Vote to approve the annual write-off of tenant accounts receivable for BHA Fiscal Year 2022 in the amounts stated in the attached memo.

Mr. Kelley said the last time the BHA wrote off some receivables was March 2019. Some long-standing receivables have sat on the books since 2004 and 2005 and have already been reserved for in the allowance for doubtful accounts. The proposal is to clear out everything over one year with a \$44,000 write off for the State. Much of it has already been reserved for; only \$16,000 of expense is on the books for FY 2023.

Mr. Alperin added that about \$24,000 of the State's number relates to accounts back to 2004 and 2007 that and should have been written off years ago and it's the right accounting principle to follow. They were fraud related activities by people who are no longer associated with the BHA.

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

9. Section 8 Payment Standards. Vote to approve Section 8 Payment Standards as shown in the attached tables, at 100% of the HUD 2022 Small Area Fair Market Rents (SAFMRs) for resident-based assistance utilized in Brookline and at 110% of the HUD 2022 Fair Market Rents (FMRs) for project-based units in Brookline.

According to Mr. Hernandez, the Board is usually asked to approve new payment standards in October. They are being asked to do so in April since the HUD fair market rents published in October 2021 didn't properly reflect fair market rents in Brookline or Greater Boston and they were appealed. HUD subsequently revised, approved and released the new market rents in March. The Board is being asked to approve these new payment standards for the Section 8 Program which go into effect June 1st.

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

10. Authorization to Transfer Funds – 61 Park. Vote to approve a resolution authorizing the transfer of unspent funds from the 61 Park renovation subject to a General Depository Agreement from Boston Private Bank & Trust ('BPB', now Silicon Valley Bank) to Brookline Bank.

Ms. Maffei said when the BHA closed on 61 Park under RAD program, the Authority was required to enter into a general deposit agreement for funds subject to the Ground Lease Act. There are some unexpected additional funds in that account that the BHA wants to transfer from Boston Private to the Brookline Bank to be used for funding pre-development expenses at 32 Marion and 50 Pleasant. HUD requires a Board vote on this.

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

11. 61 Park LLC, 90 Longwood LLC & 86 Dummer LLC - 2021 Audited Financials. Sheila O'Flaherty, Director Asset Management. Discussion, no votes.

Mr. Alperin took over for Ms. O'Flaherty and discussed the audit reports from the Authority's third-party accountant. Key financial results for 61 Park included: total revenues of a little over \$1.3M (an increase of \$316,000 compared to 2020 due to full occupancy); operating costs increased to \$1.15 M due to incurring interest payments and administrative costs (due to full occupancy and end of the development period). The net operating income was \$212,000 (a decrease over 2020) and there was a surplus cash of \$332,000.

90 Longwood financial results: total revenues were \$1.12M (an increase of \$677,000, with \$707,000 in operating costs (an increase of \$388,000). Net operating income was \$421,000 (an increase over \$289,000 in 2020). The good news is that number is higher than in the pro forma for what is needed to fund the construction. There was a surplus cash of \$374,000.

86 Dummer financial results: they are not 100% project based RAD or Section 8 based rents. There was \$643,000 in revenues (an increase of \$43,000), \$498,000 operating expenses (which increased \$86,000 due to an increase in maintenance and repairs as it's an older building), \$23,000 in trash removal and \$20,000 increase in water and sewage. \$144,000 net operating income (a decrease of \$43,000) and \$64,000 in surplus cash.

12. FY 2022 Nine Month Budget to Actual Comparison. John Kelley, Director of Finance. Discussion, no votes.

Mr. Kelley said after nine months of consolidated net income and consolidated operations, he added back in the HUD spend down of \$1.1M. The BHA is showing an \$822,000 surplus for the year, but when you add back the \$1.1M it comes to almost \$2M. The BHA budget is in a healthy spot, some of the expenses are one time and some surpluses in utilities will go down as the heating season ends. He expects to still come in above budget, but some of the surplus will go down. The COCC budget shows a YTD loss of \$66,000. Some compensated absences are budgeted for, but there are one-time costs (e.g., retirements). Deficits will flatten out a bit at the end of the year.

Federal PH: Shows a \$500,000 positive variance as compared to budget. There's a \$300,000 surplus compared to an almost \$200,000 loss. Income is a lot higher and some of the expenses are running under budget. However, some of these positive variances will dry up in the next quarter.

State 400 Program: Showing positive results of \$46,000 positive variance and the other small state programs (Kent, Beacon and Harris streets) show a small positive variance compared to the budget.

State MRVP Program: showing small loss due.

Real estate development activities: showing healthy surplus. The Authority will come in above budget for income for the year.

Resident services: running way ahead of schedule, there are many grants and DHCD and Brookline Foundation funding are beginning to come in. Some expenses are under budget as they are not yet fully staffed.

Consolidated BHA cash: the 3rd Quarter of FY ending 3/31/22, had a decrease in cash of \$1.1 M. Big ticket items included a pension of \$540,000 in December, and \$300,000 in pre-development costs for 32 Marion and 50 Pleasant streets. However, the Authority is still in a healthy place financially after that and Quarter 4 is expected to come in with a healthy cash balance.

13. Babcock Street Parking Lot. Appointment to Town of Brookline's Babcock Street Parking Lot Study Committee.

Mr. Jacobs asked for a volunteer. Ms. Sullivan asked to discuss the specifics this time commitment off-line. Mr. Alperin said the Board should make an appointment and take a formal vote.

14. Other business.

15. Upcoming meetings. May Board Meeting: Tuesday, May 10th - 4:30 PM.

16. Vote to adjourn.

On a motion from Ms. Sullivan and a second from Ms. Katz, it was unanimously agreed to adjourn the meeting at 5:27 PM.

**A TRUE COPY
ATTEST**

A handwritten signature in blue ink, appearing to read 'M Alperin', is written over a horizontal line.

Michael Alperin, Executive Director