

**BROOKLINE HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
TUESDAY, JULY 11, 2023, 4:30 PM
90 LONGWOOD AVE**

AND

By Telephone Conference Call: (929) 205-6099

or by Meeting Link: [ZOOM](https://us02web.zoom.us/j/84633446499?pwd=RzhFeGtEL1M0b0lnWXFXT3VzSWdUdz09)

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Meeting ID: 846 3344 6499

Passcode: 115225

The meeting was called to order by Mr. Jacobs at 4:32 PM.

1. **Call to Order. Per the updated Open Meeting Law.** Mr. Jacobs called Roll for each member and each vote was taken by an audible roll call: Ms. Dugan-here; Ms. Sullivan-here; Ms. Katz-here; Mr. Jacobs-here; and Ms. Cohen-(remote).
2. Board Reports. No Votes.

Ms. Sullivan noted there will be a Community Preservation Committee via Zoom with a Public Comment Period next week at the Town Hall.

3. Executive Director Report. No votes.

Mr. Alperin reported June was a strong month for the Brookline Housing Authority and highlighted the following:

New Hires: John Hunter joined the Brookline Housing Authority as a Laborer, which brings the Maintenance Department back to full staffing per the BHA's FY 2024 budget. The BHA continues to advertise open positions and is in the process of hiring a Maintenance Program Assistant, Executive Operations Manager, and an Admissions Administrative Assistant.

50 Pleasant Street Insurable Loss: All repairs have been made and a settlement was finally reached with the 50 Pleasant Street insurance carrier, Greater American Insurance Group. Total costs associated with the flood paid by 50 Pleasant LLC were \$349,550.69. Greater American agreed to cover \$282,919.27 of these costs, less the deductible \$100,000.00. **Total claim coverage to be paid to 50 Pleasant LLC \$182,919.27, Disallowed amount of claim \$66,631.42.**

The BHA is in the process of obtaining Lender/Investor consent to deposit insurance proceeds into the 50 Pleasant LLC operating account, which had sufficient operating income to cover the expenses to date. Sheila O'Flaherty, Director of Asset Management, was commended for managing the process.

Performance Management Review Results:

The BHA completed an unscored Performance Management Review (PMR) with EOHLIC. Overall, PMR results were strong. Operational guidance/findings were noted related to: Tenant Account Receivables at the BHA's state public housing developments (particularly Trustman Apartments), low operating reserve balances below 35% of budgeted operating costs for the State Public Housing Program, and delayed vacancy report submissions. Internal procedures have been updated related to reporting submissions. However, the BHA anticipates the 35% operating reserve metric, and 5% tenant account receivable metric may pose a challenge in FY 2024. This is due to growing maintenance costs due to decades of deferred maintenance and underfunding of capital improvements for the State Public Housing Program and changes to the RAFT program that helps residents with rent arrearage relief. Vacancy reports were reported late to the State due to a staff oversight.

Residential Assistance for Families in Transition (RAFT):

BHA staff from the Property Management, Finance, and Resident Services departments work with many BHA residents to help address rental arrearages through the RAFT Program. Unfortunately, as of July 1, 2023, Massachusetts is decreasing annual benefit limits from \$10,000 to \$7,000. The Massachusetts House and Senate budget proposal set the FY24 RAFT limit at an amount not to exceed \$7,000 in any 12-month period. These changes went into effect on July 1, 2023, for all new applications with a 30-day transition window for this policy to take effect for pending applications. Households who applied prior to July 1 could access program funds at the up to \$10,000 benefit limit and a one-month stipend payment so long as their application is approved before August 1, 2023.

Resident Homebuyer: Resident Services supported a former resident with a grant to help become a first-time homebuyer by obtaining funds for resident support, including homeownership down-payments, through an innovative Brookline Community Foundation 2022 Safety Net grant proposal for \$25,000. Danielle Mendola, Director of Resident Services, and Jacky Lara, Self Sufficiency Program Coordinator, spearheaded the efforts to obtain these funds.

Development Update:

50 Pleasant St. LLC: Due to the efforts of Maria Maffei, Director of Redevelopment; Amelia Youngstrom, Project Manager, and Garret Anderson, Senior Technical Specialist, along with each BHA department and many partners, the project is nearing 20% construction completion with unit and exterior renovations being completed relatively on schedule and on-or-ahead of budget to date.

32 Marion Street: Preparation for demolition is underway. The Town of Brookline's Housing Trust Fund loan for demolition and relocation work is ready to close, pending HUD Section 30 approval. Closing calls for the broader construction closing are underway and GMP bids were received.

190 Harvard Street: This project is moving forward. The Environmental Review, required by HUD, was completed by the Town of Brookline, and architectural drawings are progressing to schematic design.

Walnut and High Street: The Select Board's MBTA Communities Act Multi-Family Permitting Committee and Town of Brookline Planning Department are evaluating the BHA's Walnut-High parcel in a package of rezoning required for the Town to comply with the Commonwealth's MBTA Communities Act. A new zoning overlay could allow more site plan options for redevelopment. Any MBTA Communities Act related rezoning of this parcel could also accelerate the redevelopment of Walnut-High because special

permits that can take months to obtain through the Zoning Board of Appeals would no longer be required to permit new multi-family affordable housing at the site.

MassDevelopment Update: The lack of tax-exempt 2023 (and potentially 2024) volume cap available is a significant change in the Massachusetts affordable housing development pipeline that could risk delaying the 32 Marion Street and/or 190 Harvard Street closings.

MassDevelopment informed the BHA that they have 11-13 deals in its 2023 pipeline, including 32 Marion Street, that have not closed and need at least \$215 million of tax-exempt private activity bonds to finance construction. MassDevelopment fully expended its 2023 tax-exempt private activity bond allocation as of June 2023, and is awaiting confirmation of its 2024 volume cap availability from the Healey Administration to begin forward allocating 2024 tax-exempt bonds. This is not good news for the BHA. Rising construction and other affordable housing deal costs are driving this shortage of tax-exempt funds at a level not previously experienced by the industry.

4. Public Comment. No Votes.

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

5.A. Approval of Minutes. **Vote to approve the June 13, 2023, Board Meeting Minutes.**

5.B. Contract Affirmation—Trustman Apartments and High Street Veterans Apartments. **Vote to affirm an architecture and engineering contract with Next Phase Studios, Inc. for the fixed fee of \$770,000 for the replacement of windows and renovation of front and rear hallways at Trustman Apartments and Egmont Street Veterans Apartments project as designated by EOHLC's Designer Selection Committee.**

5.C. Change Order High Street Veterans. **Vote to approve a change order in the amount of \$34,806.88 for load center relocation in unit type 1A and 2B for the High Street Veterans Bathroom Fan Project as approved by Nangle Engineering, Inc. and EOHLC.**

On a motion by Ms. Sullivan and a second by Ms. Katz, **this agenda item was unanimously approved by a roll call vote taken: Ms. Katz-aye, Ms. Sullivan-aye, Ms. Cohen-aye (remote), Ms. Dugan-aye, and Mr. Jacobs-aye.**

6. Change Orders—50 Pleasant Street Redevelopment. **Vote to affirm change orders in the amount of \$23,152.77 as previously approved for the 50 Pleasant Street Redevelopment and vote to approve a change order in the amount of \$182,125.63 to replace shower bases with ceramic tile in all units.**

Ms. Maffei explained Phase 1 is proceeding nicely with 27 units. However, in the course of the work, a variety of issues surfaced. This necessitated approximately \$23,000 of change orders, which BHA staff are authorized to approve. Board approval was sought for both the staff approved changes and \$182,125.63 to make the additional required changes which caused the cost to increase.

Mr. Jacobs clarified that two separate votes must be made; the first being an affirmation of the change orders **in the amount of \$23,152.77, as previously approved for the 50 Pleasant Street Redevelopment.** The second being **a vote to approve a change order in the amount of \$182,125.63 to replace shower bases with ceramic tile in all units.**

On a motion by Ms. Katz and a second by Ms. Sullivan, **this agenda item was unanimously approved by a roll call vote taken: Ms. Katz-aye, Ms. Sullivan-aye, Ms. Cohen-aye (remote), Ms. Dugan-aye, and Mr. Jacobs-aye.**

7. Contract Approval—32 Marion Street. **Vote to approve a contract in the amount of \$33,727.50 with Dominium Due Diligence Group (D3G) to conduct a limited subsurface investigation at Colonel Floyd Apartments.**

According to Ms. Maffei, this investigation is required by the lenders and investors of 32 Marion St. LLC. There is potentially an underground storage tank there. Soil testing must be conducted to determine if there was any contamination from such a storage tank and any soil which must be disposed of.

On a motion by Ms. Dugan and a second by Ms. Katz, **this agenda item was unanimously approved by a roll call vote taken: Ms. Katz-aye, Ms. Sullivan-aye, Ms. Cohen-aye (remote), Ms. Dugan-aye, and Mr. Jacobs-aye.**

8. Contract Approval—AHAP 32 Marion Street. **Vote to approve the Agreement to Enter into a HAP Contract ('AHAP') between the Brookline Housing Authority and 32 Marion Apartments LLC for 115 units for the financing and operations of the forthcoming 32 Marion Street development.**

Mr. Alperin noted the BHA must enter into a HAP Contract ('AHAP'), as required by financing services, to note there will be a project-based Section 8 contract at the future site. Mr. Alperin clarified the Board is being asked to approve a HAP contract for 115 units at the future 32 Marion St. Apartments LLC development, with an initial contract term of 15 years and a 20-year renewal option.

Ms. Maffei clarified that the motion was not authorize the BHA to enter into the AHAP, but to provide the BHA's commitment to enter into the AHAP. The BHA won't enter into the AHAP until the construction's closing. However, the lenders and investors need to circulate the AHAP form for them to comment on and, more importantly, ensure there isn't an excess of government funds going into the project.

Ms. Cohen asked why the initial contract isn't for 20 years, which she believed the BHA is authorized to do. Ms. Maffei responded it has to do with the subsidy layer review; there is a limit on cash flow which the BHA can meet with a 15-year initial contract and less the second five years. The easiest way to do this is with an initial 15-year contract.

On a motion by Mr. Jacobs and a second by Ms. Sullivan, **this agenda item was unanimously approved by a roll call vote taken: Ms. Katz-aye, Ms. Sullivan-aye, Ms. Cohen-aye (remote), Ms. Dugan-aye, and Mr. Jacobs-aye.**

9. Contract Amendment—32 Marion Street. **Vote to approve a contract amendment with Delphi Construction in the amount of \$167,500 for Early Submittals and Administrative Activities to prepare for the construction of the forthcoming 32 Marion Street development.**

Ms. Maffei explained the purpose of this change order is to allow Delphi to perform administrative work prior to the start of construction and to allow work to flow continuously from demolition to construction, finance and closing. Delphi could then enter into work with a select group of subcontractors who are important to early site work.

Mr. Anderson clarified this is an advance for small sub-elements of administrative site work; allowing Delphi to bridge the gap and hire a site work subcontractor to do initial submittals related primarily to engineering.

On a motion by Ms. Sullivan and a second by Ms. Katz, **this agenda item was unanimously approved by a roll call vote taken: Ms. Katz-aye, Ms. Sullivan-aye, Ms. Cohen-aye (remote), Ms. Dugan-aye, and Mr. Jacobs-aye.**

10. LOI Deferred Developer Fee—32 Marion Street. **Vote to authorize a Letter of Intent from the Brookline Housing Authority to provide for a Deferred Developer Fee in the amount of \$2,960,000 as part of the financing for the forthcoming 32 Marion Street Development.**

Ms. Maffei explained the request is to authorize a letter that the BHA agrees to defer some of the development fees. The BHA is allowed, by formula, to get a development overhead to reimburse the Authority for costs of about \$8M. Under the formula, the BHA can only collect about \$4.9M of that at the construction closing and the rest is deferred. For the BHA's budget to balance, it must show this amount is being deferred and, per the subsidy layer review process, demonstrates there is the next step with government funds. Mr. Alperin explained none of this is a change to expected economics, but the Commonwealth of Massachusetts has this requirement and the Authority must provide this letter.

On a motion by Ms. Sullivan and a second by Ms. Katz, **this agenda item was unanimously approved by a roll call vote taken: Ms. Katz-aye, Ms. Sullivan-aye, Ms. Cohen-aye (remote), Ms. Dugan-aye, and Mr. Jacobs-aye.**

11. Other Business.

12. Upcoming Meetings. July Board Meeting: Tuesday, August 8, 2023, 4:30PM.

13. Vote to Adjourn.

On a motion by Ms. Sullivan and a second by Ms. Dugan and a **roll call vote taken: Ms. Sullivan-aye, Ms. Dugan, Ms. Cohen-aye (remote), Ms. Katz-aye, and Mr. Jacobs-aye, it was unanimously agreed to adjourn the meeting at 5:21 PM.**

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ATTEST



Michael Alperin, Executive Director