



MINUTES

Special Meeting Virtual Zoom Meeting April 28, 2022

ATTENDANCE-

Board of Commissioners in Attendance- Gloria Leipzig, Charles Laverty III, Cassandra Page
Cambridge Housing Authority Staff in Attendance- Allison MacMartin, John Filip, Karrie Caravan, Margaret Moran, John Filip, Kevin Braga, Mike Johnston, Sara Vogel
Tenant Association Members in Attendance- Sally Sennott, Lynn Martin, Robyn Larsen
Also in Attendance- housing authority residents and member of the public

Meeting was called to order by Board of Chair, Gloria Leipzig at 5:03PM

BOARD MEMBER ORGANIZATION- NOMINATIONS

- a. Office of Chairman- Gloria Leipzig nominated Charles Laverty III, Cassandra Page seconded the motion. Charles Laverty III accepts. Roll call vote: Charles Laverty III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*
- a. Office of Vice-Chairman- Charles Laverty III nominated Gloria Leipzig, Cassandra Page seconded the motion. Gloria Leipzig accepts. Roll call vote: Charles Laverty III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*
- a. Office of Treasurer- Charles Laverty III nominated Cassandra Page, Gloria Leipzig seconded the motion. Cassandra Page accepts. Roll call vote: Charles Laverty III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*

Public Comment: Natasha Vazquez, question regarding the expiration of the DHCD Waiver for the tenant board member

Charles Laverty III and Allison MacMartin, response: DHCD now requires a Tenant of the Authority to be a board member. Since Cassandra Page was already elected a member of the board, she fulfills the requirement and BHA has a waiver stating such. The waiver is valid for one year, at which point we will submit another waiver request for a one year extension.

NEW BUSINESS

Executive Director's Report- Allison MacMartin

1. SHERA, Final Update- the SHERA program ended with March representing the last benefit month. There is an additional \$2,000 in approved funding still outstanding, but this final number brings the total SHERA allocation to just under \$211,000 to help cover tenant rent arrearages. Residents who received SHERA funding also receive an eviction protection for non-payment related cases for 6 months following the last received SHERA payment. This is a positive step forward as we transition out of the Covid-19 restrictions, and any residents still in arrearages or struggling to make rental payments are being directed towards additional local and regional resources such as RAFT.
1. ARPA Funding-Of the 3 categories of ARPA funding awarded to the BHA, 2 contracts were already received for the \$100,000 and \$150,000 allocations. The money has not been received to date, but we will be working with ARCAT to ensure proper tracking and processing of payments. The contract for the third funding category, the \$250,000 for water and sewer improvements at Belmont Village, is in process and expected to come through in the next several weeks, and we will update the board as more information becomes available.

Redevelopment Project Updates- Margaret Moran and Joe DeLaraue

Margaret Moran, Deputy Executive Director, and Joe DeLaraue from the Planning and Development Committee present an update on the Sherman Gardens Redevelopment Plan. The committee is in the process of completing the feasibility report for Sherman Gardens and have been engaging with Sherman Gardens residents to collect recommendations and feedback over the past several weeks. The Belmont Village feasibility study is also progressing with plans to start engaging residents soon.

Background and Existing Conditions- Joe DeLaraue

feasibility work began in 2018 and culminated in 2021 when CHA was selected as a redevelopment consultant. The CHA went through the ACP application process for \$400,000 in additional pre-planning development funds, which

were received in December of 2021. To date, we have also hosted 2 resident meetings and came to the following conclusions:

1. Sherman Gardens was built in 1971 with 80, 1-bedroom apartments in 6, 2-story building with 31 parking space. Largely, the original structures remain.

1. Key issues- building envelope lacks insulation, windows leaks, water and plumbing issues, inaccessibility, and small unit size compared to market standards without adequate storage. Resident feedback largely matched these findings of the existing condition.

Recommendation for New Construction- Joe DeLarauze

1. Rehabilitation- a “face life” to existing spaces. There are limitations working within an existing structure such that some of these key issues such as space and accessibility will not be fully remedied. Rehabilitation projects typically cost more money to complete due to complications imposed by the existing structure.

1. New construction- the “blank slate” approach which affords opportunity to address resident concerns and remedy the existing accessibility issues that would allow resident to better age in place, optimize the site space, add community spaces, and potentially add units to the BHA affordable unit stock.

Preliminary Design- Joe DeLarauze

To continue, we are providing examples from projects completed by CHA including interior design, hallway, and lobby features that would feel more residential. These designs offer more diverse amenities like outdoor patio or fitness rooms, improve the communal spaces to make them more flexible for residents, create outdoor spaces like courtyards, address accessibility needs, and modify the building typology so we’d be looking at higher buildings that encourage a homey residential design, and podium construction (parking below residential buildings to help bring residents closer to building egresses and provides some protection from the weather/snow.)

Financials- Margaret Moran

Income limitations in a state portfolio poses a challenge to run the operating budget and come up with capital funds to make this happen. To move forward we need to make choices, and it would help to have a funding program.

The first option involves funding from the State, but the State is adamant that the LHA continue to operate if they are going to award any kind of meaningful capital. Further, utilizing state resources for capital funding would involve giving up any future claim to the operating subsidy. Considering residents pay about \$360/mo. this would leave a large gap in the operating subsidy, and state regulations are clear about not using existing Section 8 to make up for the lack of state subsidy, because it would be taking another affordability tool out of the equation.

Option 2 highlights how additional units may solve the funding gap and what we would need to compensate for the subsidy/grant to cover the operating subsidy of about \$400K. This does not solve the capital funding, and we would still be running a deficit in the net operating income such that we would be relying on an annual grant from the town potentially over \$400,000.

The next option balances the number of units to move forward with this funding bringing together the capital and operating resources. This scenario has 140 units with a variety of funding sources. The State Public Housing will maintain the same number of units, but the 60 additional units to fill the operating gap and support the debt of building a new facility. The new units would be comprised of different affordable housing options including federal and state voucher programs and low-income tax credit rents such that the property remains 100% affordable, but the subsidy layers bring a variety of residential funding. 80 units will remain dedicated to state Public Housing, with Section 8 subsidizing 9 units, 19 units for low income tax credit rentals, and the remaining units dedicated to local and federal subsidy voucher rentals creating a subsidy sandwich so there’s some amount affordable to 30%, 60%, and Section 8 in addition to the 80 original Public Housing Units.

On the capital side, in the first scenario there is a deficit on the operating side that disqualifies HCG support and the actual building costs. The second scenario relies on local sources to cover the operating gap, but the deficiency poses a challenge to supporting any kind of first mortgage and you don’t qualify for new DHCD production loans causing a large deficit. The Preservation Act may help subsidize the \$30,000, but this is not particularly feasible to cover the project. Scenario 3 gives us the ability to support some meaningful debt due to layering subsidies, the project qualifies for DHCD funding (or at least a competitive application), plus new units opens the door for the alphabet of funds available for new units, the CP is meaningful amount but much less per unit, and it pencils out on the operating side and the capital funding because we are balancing the number of units with these costs while managing resident needs for unit size, open spaces, communal spaces, parking, etc. This gives

us a sense of the give and take necessary to make the numbers work and put together a financing deal that would be attractive to the public and production side so we can obtain the necessary funding.

Gloria, comment- What we are looking at here is developing affordable housing. Maintaining the 80 current public housing apartments, but also creating more affordable apartments, Not just 5% affordable/market rate but this creates actual affordable units for the town, residents, and authority.

Margaret- we worked hard to ensure 100% of the new units are affordable meeting the tax credit requirements and the needs of the waiting list and there's ample applicants who meet these requirements

Design Options- Joe DeLarauze

The design options fit the requirements, amenities, parking, feel homey for residents, and take into consideration how the construction will fit in to the neighborhood. We are conscious of neighbors and are working to keep open space. We want to propose a u-shape scheme that gives us the number of units we are looking for, meet parking needs, etc., and next step would really be sculpting out the physical details with the tiered levels, podium parking, etc.

Margaret Moran- One of the many challenges we have is relocation, so the 20 units on Sycamore would help with relocation efforts, and allow us to shift residents as new units become available, to help keep residents in place in a safe and secure way which will lessen the disruption, and this scheme has some potential to help on the relocation front..

- a. We've seen great attendance at the resident meetings, and we were able to introduce the team and discuss existing conditions, options, new construction, and relocation to ease concerns.

Next Steps- Margaret Moran

We plan to continue to engage residents and board members as we finalize perspectives and the feasibility study. We aim to hire an A/E firm, and work through the CPA Process in June at the Town Meeting to give the final presentation. By Fall 2022, the A/E Firm should be finalizing plans and identifying the zoning approvals required, and by winter 2022/2023- we hope to get approvals and meet goals for additional funding needs.

Gloria Leipzig, question regarding the plans for future meetings and next steps with the board,. Margaret Moran, response- in the next week to a month we would like to present a final report to decide on the feasibility study and design details. If the plan is shovel ready, we are more likely to receive the necessary funding, and support from the Board and residents would be beneficial.

Belmont Village is also on our list, and we will be looking to engage the Belmont Village community by June with a series of meetings about the development plan, feedback about what residents want to change, and to understand how they are experiencing their housing.

Gloria Leipzig comment, elevator solutions are important to add to affordable housing

Cassandra Page, question about unit size, Margaret Moran, response- close to 600 sq ft. All 1-Bedroom.

Cassandra Page, question regarding consideration to adding units with more than 1 bedroom, Margaret Moran, response- we have not modeled a 2-bedroom, but it is possible to include some mix of units which can be discussed with Allison, investigated, and evaluated to see if the demand exists.

Cassandra Page, comment- for residents who require PCA's, individuals with disabilities, and family composition can pose a medical need for 2 bedrooms and an accessibility challenge in housing.

Margarat Moran, response- there may be opportunity at either Belmont Village or Sherman Gardens to consider that kind of housing, and I've grown to appreciate that the family developments need an elevator in the same way as the elderly buildings do. In CHA redevelopments, adding some units that have elevator access that vary in size from 2-3 bedrooms and different amendments make up for these different demands.

Cassandra Page, requested copies of the presentation (which is a compilation of the slides shown to residents), which were distributed to the Board

Charles Laverty- Thank you to the presenters. The town has an appetite to pursue these types of projects, and I am looking forward to presenting this to the town and moving forward.

Gloria Leipzig- the Community Preservation Committee is very supportive and enthusiastic about redevelopment opportunities at these sites

Future Board Meeting Location- Charles Laverty

1. Town is looking for us to get back to in person meetings, and we are hoping to do so by June, likely at the Waverly Oaks Community Room, if viable. May will remain virtual. Moving forward, we may see a mix, and by September resume regular in-person sessions.

Accounting Update- John Filip

Got through the 8 months, front page is a summary of budget line item, just for perspective the the 2021 and 2022 annual budget is listed for reference. DHCD reviews the submission annually to see what rate increase to give you, and they look closely at the operating cost, which runs about 2 million. There are restrictions in budgeting increases, and it can be challenging to request certain line-item exemptions, but this year, due to the addition of the state voucher program, there is a need for increased level of supports.

On the second page tenant collections is 98-99%, but the over budget line items on collections is largely due to the SHERA funding which accounted for about \$40K-\$50K in back due rent collection. We budgeted \$890K but we collected about \$1mil.. Operating subsidy is slightly lower because we're in the process of submitting the 2022 budget to HUD and I wanted to be conservative. Admin. Costs are in line, we just caught up on board compensation, and utilities are in line. Most significant contrast in costs is in the maintenance budget for contract costs and unit turn around costs. There is a range of costs for unit turn around on low end of about \$7500 to the high end around \$12-\$15,000. Our turnaround costs are running at about \$10,000 per unit. There is a shortage in budget here because it was not properly budgeted and there was a higher than estimated unit turnover rate, we also did not have a good baseline on cost and contract costs have increases. This also speaks to the amount of work needed in these sites, especially in Belmont Village.

The bottom-line deficit of \$53,000 compared to a budget of \$27,001 of line items in our general expenses and employee benefits. We have a negative shortfall of \$31,000 that's primarily because of upfront pension costs, but if an adjustment is made, there is about \$40,000 of prepaid pensions costs in our income statement, so this item will be more in line with the year-to-date budget. Last year there was a deficit of 57K, budgeted 43K, and we will probably have a similar deficit to last year considering unanticipated costs. We are also in the midst of getting the certification statements from the state DH for the board members to sign. To give you a sense of our state vouchers, right now we have 17 vouchers, and we had a great start to lease ups, but the market can be challenging for some voucher holders.

Allison MacMartin, comment- We continue to get these issued, and this is a long process. Recently a list of 100 applicant only generated 2 verified candidates, then there is a period of several months for the voucher holders to find suitable/appropriate housing, but we are getting closer to that 17.

We are in the midst of scheduling an audit of the agency's operations for the agreed upon procedures. We have been in contact with CPA Firms, but many are not taking new clients. The state sets the fee, so we are not the most profitable enterprise, but it is in the pipeline. Another audit this the summer will be an audit for the agreed upon procedures for SHERA funding for agencies that received more than \$50K in funding.

Bottom line is that we are at a break even for a \$70K deficit. The reserves are at about \$350K for the Public Housing side, and Clark Lane is at about \$150,000, leaving us at a reserve level of about 35% of operating costs, which should be at 50% of the operating costs. Last year we tried to reach out to eh state for incremental funding to replenish the reserves, but they seem to be looking for another year of stability to provide that additional funding. The maintenance budget poses the biggest challenge and has a lot to do with the age of the units and higher than estimated turnover rate. The collection rate, retro-rent adjustments, and utilization of SHERA in addition to the Cares Funding keeps us on relatively stable ground for support for tenants and the agency.

Charles Laverty, question about budget position, John Filip responded- we need to get caught up on financial reporting, but the date is available to do so.

Clark Lane Easement- Allison MacMartin

This may be a topic for a later meeting, but in 2019 the neighbor of Clark Lane wanted to put an easement on a parcel of Clark Lane, which was presented to you prior to CHA and everyone was in agreement. One thing that came up is that the operations and management of Clark Lane were not brought into these conversations. A couple of concerns from WCI were in consideration to the implications of the driveway and position next to the building, which may impede access for van pick-ups/drop-offs for residents. We should add this to a later meeting so Sarah B. and WCI can be available to attend. It has been a few years, so should this be taken to another vote?

Charles Laverty, response- it has been some time, so I'm not opposed to a vote at the next meeting.

Gloria Leipzig, response- can we get some dimensions on the proposed changes and how it would impact them, so we have more information to evaluate the situation?

Cassandra, page- comment- I agree with Gloria, I want to hear from WCI and the Nortons because this could be a safety risk, but the existing intersections is already a hazard, so a further discussion would be beneficial.

Tenant Survey- Allison MacMartin

We were under the impression DHCD was going to do a survey this upcoming fall, but they are not going to be surveying Belmont Village in 2022 and plan to focus exclusively on the Elderly Sites. DHCD could not give an estimated time frame on a survey for Belmont Village. We would like to look into a third party, like Edgemere Firm, to survey the tenants. We will reach out for pricing. We agree that having a third/impartial party would be very important and will evaluate the feasibility.

Gloria Leipzig, comment- when constructing a questionnaire, it would be important to tailor the questions to the areas we want to address/focus on. We can update some previous surveys to meet our needs.

OTHER ITEMS UNANTICIPATED BY CHAIR

-No Comment

TENANT ASSOCIATION

Robyn Larson- Going to try to hold a meeting to discuss the survey. Many questions need to be reworded, and they need to be more specific. If you're going to target the people at Belmont Village, say so, and tailor the questions to specific issues facing these residents. We are aiming to have a meeting in May.

*Note- some connectivity issues caused disruption in audio

Sally Sennott- no questions/comments

Allison MacMartin, comment- if you can get the Tenant Association budget to us that would be great.

Cassandra Page, question- is the budget increasing now that the association covers all three sites?

Allison MacMartin, response- yes, budgeting is set at \$6/unit

PUBLIC COMMENT

1. Natasha Vazquez, comment- tenant survey in the past had about 30% feedback, I would expect that we could try to aim for 80% feedback to get a more accurate and complete scope of resident feedback.

Allison MacMartin, comment- I was thinking the same thing, I figure a third party may have a better timeline, so we can follow up with emails, phone calls, text message reminders and potentially electronic and paper methods

2. Natasha Vazquez, question- considering the DHCD waiver expires on May 1st. how does the tenant association go about nominating someone for the board position?

Allison MacMartin, response- Cassandra Page's seat is not up until 2024 when we will send a waiver request as we did last year

ITEMS FOR APPROVAL

1. March Regular Meeting Minutes (3/17/22)

Gloria Leipzig motioned to approve. Cassandra Page seconded the motion. Roll call vote: Charles Lavery III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*

1. Application Certification Payment-026073-4 (15 Bradley Road)

Gloria Leipzig motioned to approve. Cassandra Page seconded the motion. Roll call vote: Charles Lavery III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*

1. Revised FY23 Annual Plan

Gloria Leipzig motioned to approve. Cassandra Page seconded the motion. Roll call vote: Charles Lavery III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*

Questions/Comments:

Allison MacMartin- Regarding the Annual Plan, a lot of numbers feed from different software programs causing a glitch so some of the comments are not corrected, but I am working with DHCD to correct these figures. It shows we have 0 vacancies, but the CPI got rid of that part of the program, but it is still feeding into the program. Finally, it also shows we have one more MRVP Program, but the program it is pulling from combines the MRVP and AHVP vouchers, but we added notes to clarify.

CONFIRMATION OF NEXT MEETING

The May Regular Board will be a zoom meeting which will take us to the third Thursday in May 5/19/2022- that works for everyone. We will discuss an in-person meeting in June if it is viable.



Cassandra Page, question- is there going to be a remote option.

Gloria Leipzig, response- we brought this up at a previous meeting and we do not have the equipment to offer this hybrid model, so we either do remote or in-person. We do not have the capability of doing hybrid. We can analyze after the June meeting and evaluate from there. Our goal is encouraging maximum attendance.

ADJOURNMENT

Gloria Leipzig motioned to approve. Cassandra Page seconded the motion. Roll call vote: Charles Lavery III, "I", Gloria Leipzig, "I", Cassandra Page, "I". In Favor (3), Against (0), Abstention (0)- *motion passed*
Meeting adjourned at 6:56pm.