



John A. Boris, Chairman  
Kimberley Driscoll, Vice Chairman  
Charity Lezama, Treasurer  
Benjamin Winthrop, Assistant Treasurer  
Sue Kirby  
  
Cathy Hoog, Executive Director

**MINUTES OF THE  
SPECIAL MEETING  
WEDNESDAY, APRIL 8, 2020  
12:00 Noon**

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**I. Called Meeting to Order at 12:00 noon**

**II. Roll Call**

Present

Sue Kirby  
Benjamin Shallop  
Kimberley Driscoll  
Charity Lezama  
John A. Boris

Absent

Also Present: Cathy Hoog, Executive Director and Anne Cameron, Executive Secretary

**III. Minutes of Previous Meeting(s)**

Kimberley Driscoll moved to accept the Minutes of the Special Meeting held on Wednesday, March 11, 2020. Charity Lezama seconded the motion and the vote was as follows:

Ayes  
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Nays  
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The Board tabled approving the Minutes of the Special Annual Meeting held on Wednesday, March 25, 2020 to the regularly scheduled Board Meeting on May 13, 2020 as Sue Kirby requested that a change be made to the minutes. Kimberley Driscoll asked Sue to send the requested changes to Anne Cameron so that she can amend the minutes.

Charity Lezama moved to accept the Minutes of the Special Meeting held on Wednesday, March 25, 2019. Sue Kirby seconded the motion and the vote was as follows:

Ayes  
5

Nays  
0



#### IV. Tenant Engagement

Chairman Boris opened-up the discussion to the tenants participating in meeting.

Gene Collins, Pioneer Terrace

Mr. Collins said that he hoped everyone was staying safe. Mr. Collins had 3 topics for discussion to wit: Reserve Funds, State Money and Cleaning at SHA Developments. Cathy Hoog informed Mr. Collins that she is on top of everything and in compliance with DHCD's requirements during the Covid-19 Crisis. Cathy stated that she has weekly tele-conferences with DHCD and HUD to learn what the latest requirements of all Housing Authorities are. Cathy stated that the maintenance department is cleaning the properties 3 times per day, and wearing personal protective equipment for their safety and the safety of others. Mr. Collins also inquired about keeping up on pest control and Cathy said that the SHA is on top of all pest control issues. John Boris thanked Mr. Collins for his comments and concerns.

Jeff Cohen, 12 Hancock Street, Peabody, MA

Mr. Cohen asked if the SHA was implementing a requirement/policy that all SHA employees and tenants/residents were wearing masks. Cathy Hoog said that the Salem Police Department has helped the SHA out with hand sanitizer and some masks. Staff are wearing masks but there is a limited supply of masks so the SHA is unable to supply the tenants/residents with masks. There are resources available to the tenants/residents to obtain masks. Memos have been sent out to all tenants/residents which summarized the steps the SHA is/has taken relative to Covid-19.

Sue Kirby, Bridge Street, Morency Manor

Ms. Kirby said that the Salem Police have helped out with masks. She also said that she has reached out to some schools who are making homemade masks.

Don Rivard, 27 Charter Street, Unit 601

Mr. Rivard inquired about the cleaning being conducted in the buildings and that we should hang some product safety sheets so that tenants/resident can see what is being used. Mr. Rivard also offered his assistant relative to cleaning products as he said that he has a background in that department. Cathy Hoog thanked Mr. Rivard for offering his assistance.

Jerry Halberstadt, non-resident

Mr. Halberstadt stated that the CDC website offers a wealth of information on the requirement and safety of wearing face masks and how to make a face mask during the Covid-19 Pandemic. Mr. Boris thanked Mr. Halberstadt for that information.

Sue Kirby, Bridge Street, Morency Manor

Ms. Kirby had a question regarding the \$5 million dollar emergency funding which has not passed legislature as of yet. Cathy Hoog said that this is a good opportunity for Housing Authorities to re-coup emergency costs due to Covid-19 but said that this has

not been passed through the legislation yet.

Ms. Kirby also said that that the LTO was attending trainings put on by DHCD via Zoom Conferencing and also Mel King Conferences. Ms. Kirby said that it was really intense material with lots of suggestions relative to Covid 19.

Carthy Hoog – Referred to PHN Notice 2020-11 – Guidance and Best Practices for Housing Authorities during COVID-19. She discussed this Notice with the Board and stated that it provided great information on what to do relative to Maintenance Operations, Office Operations, Signage and Visitors, Tenant Selection and Lease-Ups, Resident Services, Communications to Residents and What Happens if a Resident is Infected. (Please see copy attached hereto for reference.)

Cathy Hoog also stated that she has been implementing ROBO calls to all tenants/residents informing them about what the Housing Authority has been implementing relative DHCD Guidance and Best Practices during COVID-19.

#### **V. Communications**

- Updated Waitlist
- SHA Department Reports (Move In, Move Out, State and Federal, Modernization Report, Voucher Report and Completed Work Orders for Month of March 2020)

#### **VI. Reports of the Committees**

There were no reports of the Committees.

#### **VII. Report of the Acting Executive Director**

- See Executive Director's Report Attached hereto for March/April 2020  
Cathy reviewed her ED report with the Board.

#### **VIII. Unfinished Business**

- Salem Housing Authority By-Laws

Sue Kirby address the Board relative to the change she would like to implement in the SHA By-Laws. Sue Kirby brought to the Board's attention the Article that she would like to see the change to, to wit: Section 13, Chairperson Term Limit

“The Chairperson shall not serve more than two (2) consecutive terms. A commissioner may serve more than two (2) terms as Chairperson if separated by at least two years in another role on the Board.

## MEMORANDUM

**TO:** Cathy Hoog  
**FROM:** Emily Achtenberg  
**DATE:** April 7, 2020  
**RE:** Leefort Terrace: Development Proposals

I have reviewed the 2 proposals we received, from Beacon Communities and MINCO, for the proposed redevelopment of Leefort Terrace under DHCD's PEHO program. Below is a brief summary of my observations and conclusions.

### Comparative Evaluation

#### **1. Experience & Qualifications**

Beacon has a strong development team with directly comparable experience in the redevelopment of state-assisted public housing as mixed income housing, including, most recently, Camden Apartments in Boston. Also an excellent reputation for affordable housing management and integrated social services, which their company provides directly.

MINCO has experience with mixed-income housing development under 40B and similar programs, and team principals have direct experience with operating a local housing authority. However, the team lacks experience with public housing redevelopment/ conversion to mixed income housing and the specific challenges involved in such an undertaking (e.g. combining private financing with public subsidy requirements, relocating and working with an existing tenant population). The property management company (Dolben) has limited affordable housing experience. The team presents no experience with tenant services.

#### **2. Redevelopment Objectives, Concept, Feasibility**

Beacon proposes 135 units: 65 affordable + 70 market, including 60 1BR, 60 2BR, and 15 3BR units. The affordable component includes 50 1-BR replacement public housing units plus 15 additional affordable units. Proposed funding sources include tax-exempt bond financing, equity from the sale of 4% Low Income Housing Tax Credits, and a PEHO capital grant for the 50 public housing units, as well as Project-Based Vouchers to substitute for the existing DHCD operating subsidy. Beacon is also seeking significant property tax relief from the City.

The proposal offers a reasonable concept that appears to be financially feasible. It is generally responsive to PEHO requirements, while demonstrating the team's detailed understanding of program constraints. The proposed state subsidy allocation is around \$252,600 per unit, just over the PEHO limit of \$250,000 (assuming tax exempt bond financing is not counted, but also not considering the offsetting benefit to DHCD of relinquishing its operating subsidy obligations for the project). Further clarifications and refinements are needed to make this proposal more competitive for PEHO funding. Beacon has provided detailed responses to our questions to date, and appears willing to work with us to achieve this goal.

MINCO proposes 200 units; 50 affordable at 80% AMI + 150 market, including 10 0BR, 94 1BR, 76 2BR, and 20 3BR units. The affordable units would be distributed across all BR types. The project would be financed entirely with private debt and equity, with no public capital or

operating subsidy. The land would be sold to the private developer at a market price, subject to feasibility. Construction would not be subject to prevailing wage or state procurement requirements.

The proposed approach demonstrates a substantial cross-subsidy from market to affordable units. However, it is inconsistent with certain fundamental objectives of the PEHO program, including: that the affordable units remain as public housing, serving eligible households of comparable sizes at income-based rents; that the land remain in LHA ownership; and that construction is subject to prevailing wage requirements. MINCO has indicated that the proposal could be modified to accommodate some of these requirements, and to include public subsidy (and its related regulatory costs), but has not demonstrated the feasibility of such alternatives. In general, I am not confident that this team has the expertise to integrate their substantial private affordable housing experience with the complex requirements of public housing redevelopment and the PEHO program.

#### **4. Design Concept**

Beacon proposes 2 3-story buildings and 1 4-story building on the existing site. MINCO proposes 3 4-story buildings on an expanded site which includes the adjacent City parcel. Both teams note the challenge of addressing climate and resiliency concerns.

#### **5. Fee Proposal/ Profit-Sharing**

Beacon proposes a 75%/ 25% split of its fees with SHA, including up-front developer fee, annual cash flow, and residuals from sale/ refinancing. The developer fee is initially estimated at \$3 million, which would yield \$750,000 for SHA. The developer's share of cash flow and residuals are subject to the equity investor's required priority returns, TBD but likely to be substantial.

MINCO proposes an upfront payment to SHA for acquisition of the land, whose market value is estimated at \$8 million. However, this is subject to the overall feasibility of the redevelopment project, which has not been demonstrated on terms consistent with the PEHO program. MINCO also proposes to contract with SHA for ongoing tenant selection in the affordable units, for a fee TBD.

#### **Recommendation**

Based on this evaluation, I recommend that SHA proceed with a conditional designation of Beacon, subject to further clarification and negotiation to produce a revised, mutually acceptable proposal for the PEHO submission, as well as a Memorandum of Understanding outlining the basic terms of our agreement.

Sue then read to the Board two paragraphs under “The Role of the Chair” from Board Member’s Handbook, Page 4-15.

Ms. Driscoll asked Sue if this could be tabled until the May 13, 2020 Board Meeting as she has not had a chance to review this as she has been extremely busy with the Covid-19 crisis. The Board Members were in agreement and the following motion was made:

Kimberley Driscoll moved to table the discussion relative to the change in the ByLaws proposed by Sue Kirby to the regularly scheduled Board Meeting on Wednesday, May 13, 2020. Sue Kirby seconded the motion and the vote was as follows:

<u>Ayes</u>	<u>Nays</u>
5	0

**IX. Recommendations of the Chairman**

There were no recommendations of the Chairman.

**X. Report of the Treasurer**

Bills and Transfers

The Executive Director presented the Bill and Transfers and asked the Board if they had any questions relative thereto. There were no questions.

Benjamin Shallop moves to approve the bills and transfers for the period March 1, 2019 through March 31, 2020 as presented. Charity Lezama seconded the motion and the roll call vote was as follows:

<u>Ayes</u>	<u>Nays</u>
Sue Kirby	
Benjamin Shallop	
Kimberley Driscoll	
Charity Lezama	
John A. Boris	

Balance Sheet and Statements of Revenues and Expenses

Charity Lezama moved to accept the Balance Sheet and Statements of Revenues and Expenses prepared by Rick Fenton of Fenton, Ewald & Associates, P.C. for five (5)

months ending February 28, 2020. Kimberley Driscoll seconded the motion and the **roll call** vote was as follows:

Ayes

Sue Kirby  
Benjamin Shallop  
Kimberley Driscoll  
Charity Lezama  
John A. Boris

Nays

**XI. New Business**

Bid for Elevator Service at Various Developments

Cathy Hoog presented the results of the Bid for Elevator Service at Various Developments. Cathy explained the bids results with the Board of Directors.

Sue Kirby asked if the Authority always goes with the lowest bid as she said that they were only \$2200.00 less than United Elevator. Cathy said that the Authority always proceeds with the lowest, responsive and responsible bid as long as their references are good and M.G.L. Chapter 149 regulations are followed surrounding bidding.

Charity Lezama moved to approve the lowest, responsive and responsible bid of Delta Beckwith in the amount of \$98,820.00 for elevator maintenance and repair service contract at various developments for 3 years and to authorize that John A. Boris, Chairman, execute the contract. Sue Kirby seconded the motion and the **roll call** vote was as follows:

Ayes

Sue Kirby  
Benjamin Shallop  
Kimberley Driscoll  
Charity Lezama  
John A. Boris

Nays

Developer Partnership for Leefort Terrace

The Executive Director discussed in detail need to approve the recommendation for Developer Partnership conditional of accepted Memorandum of Understanding for Joint application to DHCD for the Partnership to Expand Housing Opportunities (PEHO 2 Grant) to DHCD.

for-one replacement of state-aided public housing and development of new market rate and or affordable housing. The intent is to attract private funds for the redevelopment of state-aided public housing and promote general housing production in the Commonwealth of Massachusetts.

The Executive Director stated that the Consultant, Emily Achtenburg for the Leefort Terrace Project has recommended a Developer to the SHA who it can Partner with upon the condition that there is an accepted Memorandum of Understanding for joint application to DHCD. The Consultant has recommended that SHA Partner with Beacon Communities Development, LLC. Beacon Communities was highly recommended by the SHA Consultant, Emily Achtenburg. See Emily Achtenburg's Evaluation dated April 7, 2020 attached hereto for reference.

Kimberley Driscoll stated that this is the first stage in a very complex process. The SHA will proceed with the joint application together with Beacon Communities and submit to DHCD for approval.

Charity Lezama moved to approve the Recommendation for Developer Partnership conditional of accepted Memorandum of Understanding, for joint application to DHCD for the Partnership to Expand Housing Opportunities "PEHO 2 Grant". Kimberley Driscoll seconded the motion and the vote was as follows:

<u>Ayes</u>	<u>Nays</u>
5	0

Collection of Losses – Write Offs Through 04/30/20 per Public Housing Notice 2017-17

Cathy Hoog presented the Collection of Losses – Write Offs Through 4/30/20 per Public Housing Notice 2017-17.

Sue Kirby stated that this was a high amount and more than usual. She asked what this was for. Cathy stated that it was for eviction costs. There has been a high rate of abandoned property which results in extra costs.

Benjamin Shallop moved to approve write offs through April 30, 2020 for State Development 667 in the amount of \$11,608.80, State Development 689 in the amount of \$5,898.33 and State Development 200 in the amount of \$1,180.78 for a total amount of \$18,687.78 pursuant to Public Housing Notice 2017-17. Charity Lezama seconded the motion and the **roll call** vote was as follows:

<u>Ayes</u>	<u>Nays</u>
Sue Kirby	
Benjamin Shallop	
Kimberley Driscoll	
Charity Lezama	
John A. Boris	



**XII. Other Business/Late Communications**

There was no other business or late communications.

**XIII. Adjournment**

Kimberley Driscoll moved that the Board adjourn the Special Meeting of April 8, 2020 at 1:00 p.m. Charity Lezama seconded the motion and the vote was as follows:

Ayes

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Nays

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Respectfully Submitted,



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Cathy Hoog, Executive Director



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Anne M. Cameron, Executive Secretary