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LOWELL HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
JANUARY 12, 2022

Mercier Community Center
21 Salem Street
Lowell, Massachusetts

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P R O C E E D I N G S

Call to Order:

A regularly scheduled meeting of the Lowell Housing Authority was held on Wednesday, January 12, 2022, at the Mercier Community Center located at 21 Salem Street, Lowell, Massachusetts. Present Board of Commissioner members were as follows: Chairman Philip L. Shea, Vice Chairperson Robert McMahon, Commissioner Joanie L. Beres, Commissioner Mony Var, Commissioner Matt Marr. Present Lowell Housing Committee members were as follows: Executive Director, Gary K. Wallace; Assistant Executive Director and Chief Operating Officer, Adam J. Garvey; and Chief Financial Officer, Sherry Gilbin.

The meeting convened at 5:00 p.m.
Mr. Philip L. Shea chaired the meeting.

MR. SHEA: I'd like to welcome everyone to the Board of Commissioners Lowell Housing Authority meeting here. There's a little change in the schedule, but welcome to the meeting of January 12. I just want to put on the record that Attorney Kevin Murphy will not be with us

1 tonight. He's unavailable; however, he did
2 indicate to the Director, and I got the same
3 email, indicating that if we needed him to
4 discuss anything, that he was available by
5 telephone to have that discussion. When he
6 informed me, I asked him if he had talked to you,
7 and he said that he mentioned it to you. And I
8 just talked to Rita, and he was able to get
9 together with her with respect to that paragraph,
10 which we'll discuss later on in the lease.

11 So with that being the case, it's nice
12 to see Commissioner Mony Var here. Commissioner
13 Marr, Vice Chairman McMahon, and of course,
14 Commissioner Bernes. So with that being the
15 case, I'll ask for a roll call of the attendance
16 by the Clerk will call the roll.

17 MR. WALLACE: Commissioner Var?

18 MR. VAR: Here.

19 MR. WALLACE: Commissioner Bernes?

20 MS. BERNES: Here.

21 MR. WALLACE: Commissioner Marr?

22 MR. MARR: Here.

23 MR. WALLACE: Vice Chairman McMahon?

24 MR. MCMAHON: Here.

25 MR. WALLACE: Chairman Shea?

1 MR. SHEA: Here.

2 MR. WALLACE: Five present.

3 MR. SHEA: The first item on the agenda is
4 the approval of the minutes of the meeting held
5 on December 8th of the Board of Commissioners.
6 The minutes were provided by staff. I'm sure
7 everyone had a chance to review them. I was just
8 wondering if there was any questions with respect
9 to the meeting on December 8. Hearing none, the
10 motion will be made by Commissioner Bernes;
11 seconded by Commissioner Matt Marr to accept the
12 minutes, and the Clerk will call the roll.

13 MR. WALLACE: Commissioner Var?

14 MR. VAR: Yes.

15 MR. WALLACE: Commissioner Bernes?

16 MS. BERNES: Yes.

17 MR. WALLACE: Commissioner Marr?

18 MR. MARR: Yes.

19 MR. WALLACE: Vice Chairman McMahon?

20 MR. MCMAHON: Yes.

21 MR. WALLACE: Chairman Shea?

22 MR. SHEA: Yes.

23 MR. WALLACE: Five yeas.

24 MR. SHEA: The next item on the agenda is
25 Item No. 3. It's the Residence Organization. Is

1 there any records from the resident organization?

2 MR. WALLACE: None present.

3 MR. SHEA: Therefore, we'll move onto Item
4 No. 4, which is the Subcommittee Report. Was
5 this when we were going to have a discussion on
6 the committee report that you were going to give,
7 or is that later on?

8 MR. WALLACE: We can do it now.

9 MR. SHEA: Well, if we could clear up the
10 first three items on the agenda, Andrew will be
11 coming in somewhere 5:30 or so, coming in from
12 Connecticut. Then we can probably -- so why
13 don't -- I expect the Executive Director has a
14 report he wants to give.

15 MR. WALLACE: Sure, Mr. Chairman. So as you
16 know, one of the goals of the Board this year was
17 to relocate the LNO office, and so we had,
18 through procurement and the finance department
19 had advertised and sought proposals for a space
20 that would meet our criteria. We ended up
21 receiving two proposals.

22 The Evaluations Committee, which was
23 made up of Sherry Giblin, Tha Chhan, and Brian
24 Moriarty, evaluated two proposals, selected one
25 that they felt met the criteria. It was included

1 in the RFP, and the issue at that point was the
2 pricing that had come in. It was significantly
3 over budget. So our Chief Procurement Officer
4 was able to negotiate with the LLC and to bring
5 the contract rent in line with our budget.

6 So the Finance Subcommittee had
7 initially met to review the two proposals, and it
8 was their suggestion, that we go and meet with
9 the lowest qualified proposer and request that
10 the Procurement Officer negotiate with them. She
11 was successful in doing that. We brought it back
12 to a second Finance Subcommittee meeting where I
13 understand the Board in that subcommittee voted
14 to accept the recommendation of the Committee,
15 which would be to award this contract and we'll
16 be voting on that tonight.

17 Obviously, a lot of work went into that,
18 and I want to be able to publicly acknowledge and
19 thank the Finance Subcommittee for their support
20 and the Evaluation Committee and our Chief
21 Submissions Officer Tha Chhan for finding this
22 suitable space for our leasing and occupancy.
23 Pending the successful vote tonight, we'll be
24 ready to move in there for March 1.

25 MR. SHEA: Thank you, Mr. Director. Since

1 we're on item number -- since we just heard your
2 report on what took place on the committee
3 meeting, would it be to our benefit now to switch
4 to Item 7.1.2 to take it up?

5 MR. WALLACE: Sure.

6 MR. SHEA: Because I see Rita is here. So
7 with the approval of the Board of Commissioners,
8 I would take it out of order for discussion of
9 Item No. 7.1.2, and that item is a motion to
10 approve the recommendation to award a three-year
11 lease with Lowell Housing Authority's sole option
12 to renew for two additional one-year lease terms
13 of office space, which I'll just refer to as the
14 Juvenile Court in Lowell, with an annual lease
15 price of \$85,344.

16 Now, before Commissioner Mony Var or
17 myself have anything to say with respect to this
18 lease, I see our purchasing agent is over here,
19 Rita. Ms. Brousseau, would you like to come up
20 and comment on your findings on this matter.
21 Thank you.

22 MS. BROUSSEAU: Good evening. What you have
23 before you is the result -- the lease is the
24 result of the bid that went out as an RFP to
25 local property owners for space that would be

1 suitable for the leasing and housing department.
2 Oh, occupancy. Sorry. And we did receive two
3 bids. Of the two bids the Evaluation Committee
4 had reviewed, sent the recommendation to me to
5 award to the lowest bidder.

6 Unfortunately, the lowest bidder was
7 still over budget. I did negotiate pricing
8 downward to meet our budget needs. And what you
9 have before you is the lease for that piece of
10 property.

11 MR. SHEA: Thank you, Rita, for those
12 comments. Just to take us through, the original
13 lease that was given out, you may recall that it
14 indicated that we're going to get up to 15 spots?

15 MS. BROUSSEAU: Correct.

16 MR. SHEA: And when you got involved with
17 Attorney Murphy and the Director, that was a big
18 problem with the Finance Committee, was the fact
19 that they wanted to make sure that our employees
20 had parking availability. So now if I read
21 page 1, Section 1(c), it indicates that we're
22 going to have 22 parking spaces which would be
23 assigned to us.

24 MS. BROUSSEAU: Correct. That is what they
25 offered us in their proposal.

1 MR. SHEA: That's a tremendous job that you
2 did. Quite frankly, I was hoping to get 15, but
3 to get 22, that's good. Because we wanted to
4 make sure that our employees had the right to
5 drive to work and get a parking spot because
6 there's only 22 parking spots over there, and I
7 know that, as I said, because I go for my little
8 boy haircut over there. So at one point I
9 actually walked over to the parking lot, and I
10 counted the spots.

11 And so I was hoping to get 15. Guess
12 what? Rita got us 22, and that's a terrific job,
13 because that ensures that our employees can
14 drive, get a parking spot. Will we have
15 stickers, Gary, for that?

16 MR. WALLACE: We will, yeah, and signage is
17 going up.

18 MR. GARVEY: We'll do that tomorrow.

19 MR. SHEA: That's terrific. To be able to
20 knock the price down \$46,000 from the original
21 bid, that's just a tremendous effort by you and
22 the Director who participated in the negotiation
23 with the property owners.

24 So I think those were my concerns, which
25 were parking and sprucing up the place. I wanted

1 to get a carpet. I guess they're going to
2 shampoo the carpet. And of course, we have Tha
3 Chhan here, who, his department will go into
4 that, and I see him sitting here. Did you want
5 to say something, Tha, with respect to this
6 lease? That's good. All set? That's good.

7 So congratulations to you and Sherry and
8 Brian Moriarty, but more important to our Chief
9 Procurement Officer, Ms. Brousseau, for what I
10 think a real, real good job, and so I want the
11 record to indicate that, and Commissioner McMahon
12 is shaking his head. Now, I'll just ask my other
13 member of the Subcommittee on Finance,
14 Commissioner Mony Var, do you have anything you'd
15 like to say?

16 MR. VAR: No, I wasn't here. I was sick.
17 But the Chairman did a great job in finalizing
18 the contract, and all the committee.

19 MR. SHEA: Commissioner McMahon?

20 MR. MCMAHON: Well, I think this was a
21 great job, and I thank everyone that participated
22 in it, and you couldn't have done any better, and
23 kudos. They're going to see the light of day,
24 which they hadn't seen over on Moody Street. So
25 no pun intended, and everybody will be looking

1 and it's a great place, and it's in an easy place
2 to get to, number one. So we should have that
3 put into their record for down the road. That's
4 my say.

5 MR. SHEA: Thank you, Vice Chairperson.
6 Could I just ask Rita another question. You told
7 us at the Subcommittee Meeting that if the vote
8 goes through tonight, that the contact really
9 won't go into effect for 30 days. Can you tell
10 us, for the record, why that's the case.

11 MS. BROUSSEAU: That's part of the statute
12 of 30(b), that when you purchase real property
13 you have to wait 30 days from the approval or the
14 award. That's statute.

15 MR. SHEA: That's state law?

16 MS. BROUSSEAU: Correct.

17 MR. SHEA: So that's great. We vote
18 tonight. The lease will be signed next month.

19 MS. BROUSSEAU: Yes.

20 MR. SHEA: And just another item. You may
21 remember the Finance Subcommittee, the discussion
22 with the director was to think about ordering new
23 furniture for the 15 members of our staff and
24 once this goes through, Gary, will we now start
25 the process to order the new furniture?

1 MR. WALLACE: It's been started. Rita can
2 speak to it.

3 MS. BROUSSEAU: Yes. I just saw quotes for
4 some desks that were approved by Tha and his
5 staff, and once I put that through, they said
6 that they have them in the warehouse and could
7 get them to us, I believe, within six to eight
8 days, but I told them that they would get them
9 before the time we move.

10 MR. SHEA: So you guys are talking with
11 respect to the furniture, you're going to have
12 down there what you need?

13 MR. CHHAN: Yes. I met with the Town Staff
14 and brought a configuration of the room, and all
15 the leasing staff has seen the place. They've
16 selected all rooms. With all of that, everything
17 is all set with the furniture. Besides the
18 furniture, everything is all set. And we also
19 have computer guys going in there next week to
20 look at the computer infrastructure. So
21 everything is lining up right now, and we'll
22 prepare to change the address and everything. So
23 trying to move in and take occupancy by the first
24 week in March.

25 MR. SHEA: When you get new furniture, you

1 also are going to get new computers and stuff
2 like that?

3 MR. WALLACE: The computers are fairly new.

4 MS. GIBLIN: Most of the computers are
5 fairly new because during the pandemic we had to
6 upgrade everyone to laptops anyway to allow them
7 to work from home. So pretty much everyone's got
8 a newer computer that's within two years.

9 MR. SHEA: I asked this question at the
10 Finance Subcommittee, and I know the answer, but
11 for the record, we have the available funds to
12 pay for the new furniture?

13 MS. GIBLIN: It will come out of the Housing
14 Choice Voucher Program reserve.

15 MR. SHEA: I'm sorry?

16 MS. GIBLIN: It will come from the reserves
17 from the Housing Choice Voucher Program.

18 MR. SHEA: But the money will be available
19 so they can go ahead and -- because it doesn't
20 look like they're going to be able to move in
21 until --

22 MR. WALLACE: March 1.

23 MR. SHEA: It's just a question of getting
24 the furniture in the thing and getting the
25 technicians in there to hook them up. There's a

1 lot to it.

2 MR. WALLACE: Right.

3 MR. SHEA: And I think we discussed this a
4 few months ago, and it we've made a tremendous
5 amount of progress. So it looks like Tha is
6 happy. It hooks like Rita is happy. The
7 director is happy. It looks like the members are
8 happy. So with that being the case, thank you,
9 Tha, for your participation.

10 With that being the case, it's proper to
11 just have 7.1.2 in front of us and vote for that.

12 MR. WALLACE: Correct.

13 MR. SHEA: There's a motion by Vice
14 Chairperson McMahon, seconded by Commissioner
15 Mony Var to accept Item No. 7.1.2, and with that
16 being the case, I'll have the Clerk call the
17 roll.

18 MR. WALLACE: Commissioner Var?

19 MR. VAR: Yes.

20 MR. WALLACE: Commissioner Bernes?

21 MS. BERNES: Yes.

22 MR. WALLACE: Commissioner Marr?

23 MR. MARR: Yes.

24 MR. WALLACE: Vice Chairman McMahon?

25 MR. MCMAHON: Yes.

1 MR. WALLACE: Chairman Shea?

2 MR. SHEA: Yes.

3 MR. WALLACE: Five yeas.

4 MR. SHEA: The next item on the agenda is
5 Item No. 7.1.1. Motion to accept the closeout
6 documentation for new gutters, paint and trim, in
7 the amount of \$6,562.79 to Aulson Company, and
8 that's Item No. 7.1.1.

9 MR. MARR: Excuse me, Chairman Shea.

10 MR. SHEA: Yes.

11 MR. MARR: Shouldn't we go back to No. 5,
12 the Finance and Audit Report?

13 MR. SHEA: Sure. You want to go back to
14 No. 5. I think Item No. 5 was taken up by Item
15 No. 7.1.2. Was there something you wanted to
16 discuss?

17 MR. MARR: I don't know. Was there anything
18 else with the Finance and Audit Report?

19 MR. SHEA: No, the only thing we had from
20 the Finance Committee was the lease that they
21 were working on. There was no other item of the
22 Finance Committee other than the lease?

23 MR. WALLACE: Correct.

24 MR. SHEA: It was just that one item. So
25 rather than go through a Finance Committee

1 report, we'd have to take up 7.1.2, which is the
2 lease. So we'll just combine the Finance
3 Committee report with 7.1.2.

4 MR. MARR: I just didn't know if there was
5 anything else besides that.

6 MR. SHEA: No, there was nothing else before
7 the Finance Committee at that point, to my
8 knowledge; is that correct?

9 MR. WALLACE: Correct.

10 MR. SHEA: So with that being the case, I'm
11 sorry, Item No. 5 should have been accepted with
12 Item No. 7.1.2. So if that be the case, I'll
13 have -- we need another motion to complete
14 everything?

15 MR. WALLACE: No. You had asked that under
16 the Report of the Executive Director that we
17 combine the Finance Subcommittee Report as well.
18 So we did that. We probably, at the close of
19 that, should have had a motion to accept it.

20 MR. SHEA: So one motion was plenty for
21 everything. That's what I thought. So with that
22 being the case, we'll move on to the Report of
23 the Chair, which is item No. 5. The Chair has
24 nothing to report tonight, and we'll just -- the
25 Report of the Chair is No. 6, sorry. Finance and

1 Audit Committee is Item No. 5. There's nothing
2 to report. Item No. 6, the Report of the Chair,
3 there's nothing there. And the next item is the
4 report of the Executive Director. We're holding
5 that because Andrew Daniels will be here shortly
6 in order to participate in that discussion that
7 we have on the future of housing, which I think
8 everyone will find interesting.

9 So now we're on Item 7.1.1. Thank you.
10 Item No. 7.1.1 is a motion to accept the closeout
11 documentation \$6,562.79, and we have one of our
12 two capital asset managers here, Ms. Laura Watts
13 who is going to explain her letter of
14 recommendation to us. Ms. Watts?

15 MS. WATTS: Good evening. I have one
16 clarification to make. The amount of \$6,562.79,
17 that is a change order. During the course of
18 closing out the project, we found some trim
19 pieces around all five buildings that would not
20 sufficiently cover a gap between the new fascia
21 board and the existing soffit board.

22 So as a means to keep out insects and
23 vermin, we decided the best course of action was
24 to replace quarter rounds around the perimeter of
25 all five buildings. So included in this motion

1 is approval of that change order, and then the
2 only additional funds that will be closed out is
3 the five percent retainage of the contract.

4 So what you have before you is
5 substantial completion, final completion. The
6 affidavit saying that all work was completed to
7 specification and satisfactory, and a lien waiver
8 saying with final payment the contractor releases
9 any hold to our property. I'm happy to answer
10 any questions.

11 MR. SHEA: Any questions by any of the
12 Board? I have just one comment. In your letter
13 to us, you're satisfied with the work and
14 satisfied with this motion going forward?

15 MS. WATTS: Yes, I am. The buildings were
16 in fairly poor disrepair with rotting fascia
17 boards. We replaced all that, and the new
18 gutters have really given the building a
19 beautiful crisp line that can be seen from the
20 street, and this work was very much appreciated
21 by the residents who were eager to have it done.

22 MR. SHEA: Thank you. I read that in your
23 notes. Thank you very much. With that being the
24 case, any questions by any member of the Board of
25 Commissioners? Hearing none, I'll accept the

1 motion by Commissioner Mony Var, seconded by
2 Commissioner Bernes to accept Item No. 7.1.1, and
3 the Clerk will call the roll.

4 MR. WALLACE: Commissioner Var?

5 MR. VAR: Yes.

6 MR. WALLACE: Commissioner Bernes?

7 MS. BERNES: Yes.

8 MR. WALLACE: Commissioner Marr?

9 MR. MARR: Yes.

10 MR. WALLACE: Vice Chairman McMahon?

11 MR. MCMAHON: Yes.

12 MR. WALLACE: Chairman Shea?

13 MR. SHEA: Yes.

14 MR. WALLACE: Five yeas.

15 MR. SHEA: Thank you. The next item on the
16 agenda is Item No. 7.1.3, motion to approve
17 contract award recommendation Walker Street
18 exterior improvements to Site Improvements, Inc.,
19 Andover, Mass. in the amount of \$143,000.

20 So that being the case, let's see. Are
21 there any questions? Well, first of all, I
22 assume that you are going to be handling these
23 questions?

24 MS. WATTS: Yes, I will be the project
25 manager for this as well.

1 MR. SHEA: Are there any questions to our
2 capital asset manager, Ms. Watts by any members
3 of the Board? Hearing none, I will invite you to
4 condense for us your statement as to approval of
5 this motion. Would you just tell us basically
6 what you told us in the several paragraphs?

7 MS. WATTS: I believe I may have jumped the
8 gun here. This may be Rita who wrote the
9 recommendation. This particular property has
10 some drainage issues which the site repairs will
11 correct, shedding water away from the foundation
12 of the building. It will also provide marked
13 parking spaces, which currently there are no
14 marked spaces. It will provide some ADA
15 accessible assigned parking.

16 This project includes new fencing along
17 the property line and will eliminate some trees
18 that are growing through the existing fencing.
19 So overall this is about safety and preservation
20 of the building itself. We have worked with Site
21 Improvements previously. Most recently it was at
22 South Common Village where they did an ADA
23 accessible ramp to 227 and the parking lot, and
24 they did a tremendous job for us, and we welcome
25 them back for this project.

1 MR. SHEA: So they've done work for us
2 before?

3 MS. WATTS: Yes, they have.

4 MR. SHEA: And no problems?

5 MS. WATTS: No problem. In fact, they're
6 the type of contractor that won't hold a project
7 hostage with questions. I mean, they ask the
8 proper questions, but they come to us with
9 solutions, not problems, and those are our
10 favorite kind to work with.

11 MR. SHEA: Just once again, for the record,
12 the company that we're going to hire, I just
13 assume, for the record, that they're going to
14 either be a union company, or they're going to
15 pay the prevailing wage?

16 MS. WATTS: Absolutely, yes.

17 MR. SHEA: We check that in every case?

18 MR. WALLACE: Correct.

19 MR. SHEA: Because that's -- so they pay the
20 prevailing wage, and we have a system where we
21 can verify that they're paying the prevailing
22 wage?

23 MR. WALLACE: That's right.

24 MR. SHEA: So they can't cut corners.

25 MR. MARR: You certify the payroll; right?

1 MS. WATTS: Correct. We certify payroll on
2 a weekly basis, and we also have our site -- John
3 Soumas, our site supervisor, will go out and
4 interview workers to make sure that they are
5 being paid what they should be.

6 MR. SHEA: So obviously that's really
7 important. I think Commissioner Marr will agree
8 with that. That's important stuff.

9 MS. WATTS: Yes.

10 MR. SHEA: And we've had good luck with this
11 company, whoever they are and the bids were
12 pretty competitive?

13 MS. WATTS: Yes.

14 MR. SHEA: I saw that. Well, thank you. I
15 don't have any further questions. Any questions
16 by any members of the Board?

17 MR. MARR: I'm just glad to see that we had
18 multiple bids.

19 MS. WATTS: Yes, very competitive.

20 MR. SHEA: We had six bids. Well, with that
21 being the case, I'll move for approval.

22 Commissioner Matt Marr will make a motion to
23 approve this recommendation, seconded by Vice
24 Chairperson McMahon, and the Clerk will call the
25 roll.

1 MR. WALLACE: Commissioner Var?

2 MR. VAR: Yes.

3 MR. WALLACE: Commissioner Bernes?

4 MS. BERNES: Yes.

5 MR. WALLACE: Commissioner Marr?

6 MR. MARR: Yes.

7 MR. WALLACE: Vice Chairman McMahon?

8 MR. MCMAHON: Yes.

9 MR. WALLACE: Chairman Shea?

10 MR. SHEA: Yes.

11 MR. WALLACE: Five yeas.

12 MR. SHEA: Item No. 8 is Old Business. Is
13 there any old business, Mr. Director?

14 MR. WALLACE: No.

15 MR. SHEA: Item No. 9, Motions of the Board
16 Members. I don't think any motions have been
17 filed by any board members. So that's out. And
18 Item No. Nine B is the Executive Director's
19 Announcements. Do you have any announcements?

20 MR. WALLACE: No.

21 MR. SHEA: With that being the case with
22 Andrew just walking in the door now, we'll take a
23 five minutes recess so Andrew can get set up, and
24 so the meeting will be in recess for five
25 minutes.

1 (Recess taken.)

2 MR. SHEA: The meeting will come to order.
3 The Chair takes pleasure in announcing that we
4 have our housing consultant, Lowell Housing
5 Authority consultant, who's in from New Haven,
6 Connecticut, Andrew Daniels, who has been a
7 long-time consultant here to advise us on housing
8 and the future of housing and to help us come up
9 with some ideas about how to develop what we
10 refer to as the Mercier Site. I think that's
11 what the director calls it.

12 MR. DANIELS: For now.

13 MR. SHEA: Thank you. And I've had the
14 pleasure of meeting with him with the Executive
15 Committee Commissioner McMahon or the Finance
16 Committee with Commissioner Mony Var on three or
17 four occasions this year, including my first
18 meeting was back in January. We did that visit
19 right after I got out of the hospital.

20 And let's just say that we're fortunate
21 to be able to hire this gentleman and his company
22 with respect to advising the Lowell Housing
23 Authority Executive Director and to lead the way
24 to the Board with respect to what he sees with
25 housing development possibilities, particularly

1 on what we refer to on the Mercier Street and
2 upper Merrimack Street, in view of the fact that
3 City of Lowell has been pushing for a building
4 plan up here, and I know the director has had
5 some conversations with the city managers and
6 staff, and Andrew has participated in those
7 conversations.

8 So with that being the case, the Board
9 welcomes you, Mr. Daniels, to give us a
10 presentation on your thought process with respect
11 to the future, particularly of the Mercier Site
12 and upper Merrimack Street site. So with that
13 being the case, I introduce you to Mr. Andrew
14 Daniels. Thank you.

15 MR. DANIELS: What I've done, because have I
16 made a commitment to stay within my 20 minutes,
17 and I'm known, unfortunately, to stray. I've
18 prepared a handout. It's essentially a script,
19 and I more or less will be reading it into the
20 record, one might say.

21 If I go off the script while I'm
22 talking, I will flag it verbally. I'll say "and
23 in addition," or I will let you know, but this
24 should get us through sort of the crucial
25 considerations for this evening, and it will

1 move, generally speaking, from a big picture,
2 which I literally have as a title for the first
3 piece of it, to a smaller picture, and then down
4 to there's a handout on legal paper, which is a
5 completely fictional but nevertheless realistic
6 schedule, made up out of my head but based on my
7 professional intuition.

8 I will remark about the schedule that it
9 will evolve, it will change, particularly since
10 we're essentially at step zero at this point in
11 many senses, and one thing that's not in the
12 script is that real estate development,
13 particularly affordable housing real estate
14 development is an iterative process.

15 Just thinking about it in terms of the
16 financing, every time you get a new firm
17 commitment, you crank the handle and run the pro
18 forma again. Any time certain rules or other
19 things change relating to the financing, you
20 figure out what that means, and you crank the
21 handle and you do it again. It isn't really
22 until you get to construction closing that things
23 get locked in. Just an observation.

24 It is also something that tends to make
25 what I will call the real estate development

1 culture different than governmental culture
2 because real estate development, as I remark in
3 the script, is really not linear or as linear as
4 the ability to do regular monthly meetings with
5 an agenda and just plug along.

6 Anyway, the Mercier site building
7 initiative is the next major step in a large set
8 of initiatives. It is not something that's just
9 happening in isolation. That's a side comment.

10 At the root of these initiatives is the
11 "issue of affirmative furthering fair housing."
12 AFFH, as its acronym is known, is a requirement
13 that arises out of the 1968 Civil Rights Act,
14 Title VI. Is it something that the LHA affirms
15 and accepts every time the Board of Commissioners
16 votes approval to execute a HUD funding agreement
17 for any program or grant. Advocates have gotten
18 very sophisticated about using this obligation as
19 leverage. And if you want to, you should ask me
20 about the Westchester County NY CDBG story, or
21 maybe if there's time later or at some point in
22 the future.

23 While the primary topic this evening is
24 the Mercier Site Development, the Mercier site is
25 part of a larger set of initiatives involving The

1 Acre. The Acre is ripe for transformation and
2 the LHA is the largest landlord in the Census
3 Tract with over 700 hard units plus its HCV
4 program. The Census Tract as of the most recent
5 demographic data, which may change with issuance
6 of the 2020 Census Data, has one of the highest
7 levels of households under the poverty line of
8 any Census Tract not only in Massachusetts but in
9 the nation. The most recent data I've seen is
10 the poverty rate is roughly 42 percent.

11 While the Mercier development will be
12 mostly if not a hundred percent income
13 restricted, it's development, along with other
14 initiatives such as the Joan D'Arc site, is a
15 declaration to developers that "here are
16 opportunities." With North Station Boston a
17 35-minute train ride, the location is accessible
18 to Boston as Boston mass transportation or car
19 commuting from the edges of the City or
20 immediately adjacent communities. Mixed income
21 and mixing income can work in The Acre. The key
22 matter is proof of concept.

23 Earlier steps taken by the LHA include
24 the formation of RENU and its designation, the
25 501(c)(3), and its designation as the LHA's

1 "Development Agent" by vote of the Board of
2 Commissioners.

3 In addition, the disposition or sale of
4 the 87 scattered site units accrued financial
5 resources for which a condition of HUD's
6 disposition approval letter is the creation of 67
7 affordable housing units to replace the 87 using
8 Housing Choice Voucher project-based subsidies
9 (not Low Income Public Housing). You don't need
10 to bring back 67 Low Income Public Housing units,
11 but it is a condition of the approval from HUD.

12 COVID created rather sizable speed bumps
13 to the original schedule, but under the
14 assumption that in 2022 that pandemic related
15 problems will attenuate, including the building
16 materials supply chain issues, it seems
17 reasonable to move forward on key actions needed.

18 As the LHA designated "Development
19 Agent," RENU needs to assemble a team which needs
20 to include as a partner an experienced Low-Income
21 Housing Tax Credit fee developer and one that
22 either has very deep nationwide experience and/or
23 deep experience with the Massachusetts LIHTC
24 program administered by DHCD. By the way, you
25 may occasionally hear me refer to the LIHTC

1 program as Litech, the acronym has acquired
2 pronunciation, despite being an acronym. So
3 LIHTC and Litech are interchangeable. A simple
4 way to look at the partnering is that RENU will
5 bring the land and take lead on the entitlements,
6 and the partner will bring its financial
7 packaging and construction management skills.
8 Other functions will be mostly jointly shared,
9 but RENU will run a Request for Qualification
10 process to select a partner to negotiate what is
11 known as a Site Development Agreement or SDA.
12 The SDA will define the structure, roles and
13 assignment of the financial obligation for
14 predevelopment, as well as th business terms
15 should the project obtain its financing and break
16 ground.

17 The primary component of the financing
18 will be 9 percent LIHTC, which is awarded on a
19 competitive basis by DHCD. For those in the
20 audience who may not be familiar, DHCD is the
21 Department of Housing and Community Development,
22 the state agency that oversees the state housing
23 programs. DHCD manages the application pipeline
24 with a very firm hand and applicants require
25 prior approval from DHCD to apply. In short,

1 DHCD will determine if an application has an
2 ability to fall into the competitive range as
3 well as several other factors.

4 Applications are submitted through
5 DHCD's one stop application process, which allows
6 DHCD to award resources from all the different
7 pots of money it controls in addition to the
8 9 percent LIHTC.

9 To say that this process is highly
10 competitive is an understatement. The deadline
11 for the current 9 percent LIHTC round happens to
12 be tomorrow.

13 RENU will select a partner, negotiate an
14 SDA, and with its partner prepare a presentation
15 to the LHA Board. The presentation will be a
16 design concept for the site and some form of
17 preliminary development pro forma. RENU has been
18 granted an exclusive right to make this
19 presentation to the LHA Board.

20 Predevelopment activities are very
21 expensive and will likely require 90 percent
22 drawings with cost estimates to be competitive.
23 When combined with all other predevelopment
24 activities, it's easily possible to have a
25 million dollars in out-of-pocket costs to get to

1 a submission, a huge A&E bill to get to
2 90 percent drawings, and lots of complex soft
3 costs in putting the deal together, as well as
4 obtaining the necessary entitlements.

5 The LHA Board will have to decide that
6 the concept, which will be presented to it,
7 addresses its minimum needs in terms of income
8 targeting, subpopulations that both are required.
9 In Massachusetts any program funded for
10 affordable housing has a mandatory 3 percent
11 set-aside to address certain populations, as well
12 as any other populations that are to be targeted,
13 as well as issues about stylistic, meaning
14 design, and amenity issues. Should the
15 presentation meet the minimum requirements, the
16 LHA will, at a future point in time, vote a
17 conditional acceptance and willingness to enter
18 into a Ground Lease with development team.

19 I'm going to go off script for a little
20 bit. You're not giving away the land. You're
21 going to enter into what is likely to be,
22 timewise, a 99-year Ground Lease. From a legal
23 perspective, that's sufficient for the developing
24 partnership, the general partner, and limited
25 partners -- limited partners being the individual

1 or entities who will actually buy the tax
2 credits, the 9 percent tax credits that you get
3 and can use them -- will be able to then go
4 forward.

5 The Ground Lease is a critical document.
6 The Ground Lease gives a substantially powerful
7 amount of what I will refer to as indirect
8 control to the Housing Authority. The Housing
9 Authority has the ability to look at what's going
10 on, look at the Ground Lease, and while I say
11 this as more as a joke than anything else, the
12 Housing Authority can declare the partnership in
13 breach of the Ground Lease and has access to sort
14 of actions at that time.

15 The negotiation process of the Ground
16 Lease is where, in essence, any restrictions or
17 directions that the Housing Authority wants to
18 see can be embedded into the deal. As a 99-year
19 document or 98-year document or 101-year
20 document, it is in place. It is sort of a
21 bedrock document on which other things sit.

22 For instance, I refer to the 9 percent
23 tax credit program. Its compliance period is
24 only 15 years. The Ground Lease will assure that
25 in year 16, no matter what happens with the tax

1 credit program, that if the Housing Authority
2 wants to see certain kinds of income targeting or
3 population surge, that becomes bedrock. The tax
4 credits taper off. The Ground Lease stays. You
5 can do another financing evolving like the
6 4 percent. You can keep doing financing. But
7 for the duration, it stays.

8 I see a question forming. If we can
9 hold it to be end, I'll be glad to take
10 questions, as long as the Board would like, in
11 terms of responding.

12 I happen to know that a few members of
13 the Board seem to like sports analogies. The
14 9 percent LIHTC development is a team sport.
15 Nobody does this by themselves. It is too
16 complex. There are too many different skill sets
17 needed.

18 It's a team sport, but it's one that I
19 might describe as a cross between
20 three-dimensional chess and a Six Flags roller
21 coaster ride. It takes you on multiple paths
22 which you're pushing. You're pushing this piece
23 of the puzzle. You're pushing that piece of the
24 puzzle, and you're pushing another piece of the
25 puzzle. And at the same time, things you thought

1 may have been resolved, occasionally do have a
2 tendency to become unresolved, and given how
3 these deals come together, there's always going
4 to be one or two surprises. So it requires a
5 certain kind of intestinal fortitude that is not
6 common in other lines of work and also with other
7 kinds of real estate development.

8 I would have to say that a 9 percent tax
9 credit financing is about as complex a financial
10 transaction as it gets, particularly since I've
11 seen pro formas that can have easily a half-dozen
12 different sources. Every source has its own
13 rules, and every source usually has at least one
14 lawyer, if not a team, that has to look at
15 documents.

16 Tax credit closings have, on occasion,
17 been known to take easily two days. They are not
18 simple transactions.

19 In general, LIHTC fee developers do not
20 like doing business with Public Housing
21 Authorities. The PHAs bring land and rental
22 subsidies as well as local connections. They do
23 not like the political complexity. They do not
24 like the fact that the composition of the Board
25 of Commissioners can flip within any three-year

1 period when there are only five commissioners.

2 It's sometimes a little harrowing. It
3 used to be, 20 years ago, certainly more
4 difficult because there's no real success track
5 record, that the handshake with a group today may
6 not be the same group you're doing business with
7 three years from now. It's just a fact of the
8 realty of what could happen, and it has happened
9 in other communities.

10 For LHAs entering the redevelopment
11 business, it's a major shift in that the
12 development business requires very fast decisions
13 and is often not linear but a multipath process.
14 Monthly regular board meetings do not cut it, if
15 for no other reason you can't just wait 30 days
16 for a decision, at least involving a Board of
17 Commissioners.

18 Furthermore, beyond the issue of
19 entitlements, all the entities important to
20 making this process happen do not have Lowell
21 roots. DHCD has a huge role and cuts a wide
22 swath of control. Investors are very
23 sophisticated, and if you want their money (they
24 buy the credits), you have to pay attention to
25 what they consider important. Investors have

1 lots of development options elsewhere in
2 Massachusetts and other states. Local banks,
3 especially if they form a lending consortium, can
4 be participants, especially on the mortgage
5 portion of the financing, but they have to come
6 together to do this kind of work. HUD, the
7 Federal Home Loan Bank, energy credit investors,
8 all may have a seat at the table that is more
9 important than any local player once the
10 entitlement issue or issues are resolved. It is
11 highly unlikely that the City has any funds it
12 can contribute, thus the importance of
13 disposition proceeds. I refer back to the 87
14 units scattered site. But however, those
15 resources are subject to HUD control and
16 approval, if they're being used to develop and
17 address a 67-unit -- or up to 67 units.

18 Let me be clear. You need to do 67
19 units. You don't necessarily need to do all 67
20 units on the rest of your site. The pro forma
21 needs to underwrite. The pro forma needs to make
22 sense. There are some natural gutters, in the
23 bowling sense of the term, that will direct you
24 to the sweet spot, but that will depend on
25 specific circumstances and other factors. But

1 you could do 45 units here and the difference
2 elsewhere, but until that 67 units requirement is
3 addressed, the Boston field office will be
4 looking over your shoulder and will want to see
5 expenditures of that money somehow moving the
6 ball in the right direction.

7 Compliance is an IRS issue for the tax
8 credit program, Section 42 of the tax code; it is
9 not HUD. And the consequences of non-compliance
10 can seem nuclear. If the IRS decides to enforce
11 compliance, it can recapture all credits back to
12 day one. Ugly at any time, but especially ugly
13 if a problem arises in the back third of the
14 15-year compliance period. It can unravel. It
15 could be year ten and they could unravel all the
16 credits used by one of the investors back to day
17 one. That's ten years of tax credits.

18 The use of RENU is intentional, and its
19 structure is intended to protect the LHA from the
20 liability in terms of being treated as a
21 controlled entity. This deal will be easily be
22 in the \$25 to \$30 million range. With a large
23 out of pocket for predevelopment, if the deal
24 goes off the rails, depending upon what stage you
25 are, litigation is more common than you think.

1 These are big dollars. This is not some \$200 to
2 \$300 thousand home purchase. When you start
3 getting into the \$25 to \$30 million range, things
4 can get a little testy among partners, and I'm
5 just sharing what I know.

6 The LHA has a great deal of influence
7 through its award of the right to a Ground Lease
8 and the rental subsidies it be provide. But
9 investor (limited partners in the final deal),
10 the IRS, DHCD and HUD are as important and, in
11 some senses, candidly even more important to
12 getting this deal done. And as I mentioned,
13 entitlements are a precondition to any
14 application.

15 And just to actually pull that point a
16 little further, the entitlements are a City role
17 issue, and you will need them. Going a little
18 bit off script, for instance, the issue of
19 parking related to the property.

20 Even if you -- and from a starting
21 point, you will be able to do this. There will
22 be certain amount of parking related directly to
23 the property, and in terms of the surface parking
24 that will be available across the street through
25 acquisition of land, in the short term, that will

1 certainly give you whatever or could provide
2 whatever number of parking spaces are required
3 for the deal.

4 But if there's a plan in the future to
5 develop the land across the street, there will be
6 a gap at some point when you won't be able to use
7 that site as parking, given the fact that, in the
8 current thinking, a major component of the
9 developing across the street would be to do some
10 kind of structured parking to both address your
11 issues, other issues with your property, as well
12 as other needs.

13 Once completed, the problem will, once
14 again, go away, but it is highly likely that
15 there will be this middle period where you go out
16 of compliance on parking. The City is going to
17 need to be willing to understand that and accept
18 that.

19 The solution may be finding another open
20 space to lease for the 24 months that that's
21 being developed, but the City still has to be
22 willing to accept that fact, among others. I use
23 that as an example.

24 I will also share with you something
25 that is sort of, at least to me, hot off the

1 presses. I get a magazine called Affordable
2 Housing Finance and there's an article.
3 Evidently, the City of Boston has just
4 established no parking requirements for
5 affordable housing in the City of Boston. They
6 will not require any specific parking
7 requirements, meaning potentially none.

8 Now, mind you, a smart developer is not
9 going to ignore the fact that for marketability,
10 they need some parking. Another issue, but it
11 does tend to encourage what's known as
12 transit-oriented development, if you're on a bus
13 line for instance. But it's an interesting
14 movement.

15 I literally discovered in California,
16 where, in California, in many communities,
17 parking requirements were dropped to half a space
18 per unit, and Boston has taken it to a logical
19 extension. I have no idea if Lowell would ever
20 do that, but I'm basically saying that parking is
21 a real hot potato, who walks to work, who needs
22 it, because it can become a deal killer.

23 I'd like to turn to the schedule. What
24 you're looking at is a preliminary schedule and
25 critical path. I will go down the major

1 activities. What you're looking at on this,
2 which is in some ways imperfect, is, it's Os and
3 Xs.

4 Each digit or alphanumeric -- or
5 actually, alphabet, it's not a numeric, in the
6 box represents roughly a week. Obviously, some
7 months technically have five weeks. Some only
8 four. I did not necessarily check that out.
9 When you see an X, it implies which week of the
10 month, for now.

11 The first major step after this
12 meeting -- actually, there's one in between step
13 between this meeting and the issuance of a hold a
14 date for a briefing, which would occur here, on
15 the same theme, but it's an invitation to
16 potential development entities who would consider
17 responding to a Request For Qualification.

18 The Housing Authority has a current plan
19 to sit down with the City Manager, depending upon
20 what issues might arise this evening or in the
21 following couple of days, assuming that if
22 someone sees something or has some issues, they
23 communicate with the Executive Office.

24 And that will go out this month, for
25 sure. Ideally, the third week in February,

1 probably the third week after the notice goes
2 out, and the notice will announce a specific date
3 and time we'll hold the briefing.

4 It will be on an RSVP basis, because we
5 will reserve the right, if need be, to do it
6 virtually, depending upon what the status is
7 relative to COVID, but the plan is to do it in
8 this space in person.

9 The RFQ will be issued essentially
10 immediately after that, and the RQ debate will be
11 roughly 30 days later in March. April will
12 consist of a selection process. RENU is the one
13 who has to lead here. RENU is picking a partner
14 to pick together in essence -- well, to enter
15 into a site development agreement but also to put
16 together the presentation to the Board, which is
17 down here as well, a little bit further down.
18 That will get negotiated.

19 I'm assuming, and this is something that
20 does happen on a past practice basis, that there
21 will be at least a preliminary conversation with
22 DHCD to give them a heads up this is coming, to
23 talk to them more specifically, and the more you
24 telegraph to them in advance, generally speaking,
25 the better.

1 There also needs to be a preliminary
2 conversation with the City concerning
3 entitlements. By the end of May, the design
4 concept should be solidified enough sufficiently
5 to come in with whatever the list of relief might
6 be, and if I recall from my reading of the
7 zoning, it is likely that they would be looking
8 for some kind of overlay.

9 It might be a list, but what's being
10 sought is an overlay. Sort of a one thing on an
11 item-by-item list. And if I recall correctly,
12 and if your General Counsel was here, he would
13 certainly correct me if I misspoke, but I believe
14 overlay districts are actually approved by the
15 City Counsel.

16 MR. SHEA: Excuse me. Could you say that
17 again.

18 MR. DANIELS: I may be mis-recollecting, and
19 if your General Counsel was here, he would
20 correct me if what I'm about to say is a wrong
21 statement, but if I'm recollecting correctly, an
22 overlay requires City Counsel's approval. It is
23 not purely a Zoning Board decision. Versus a
24 like, can we have 3 feet less on a setback kind
25 of issue.

1 So just bear that in mind. And if that
2 turns out to be incorrect, I will revise my story
3 to correct that misrepresentation as soon as
4 possible. That is something I believe I did
5 notice when I did read the regulations, the
6 zoning rights.

7 Then there is going to be a presentation
8 to the LHA Board of Commissioners. It will be a
9 conceptual presentation. It will have sort of
10 enough information to create parameters for you
11 in terms of how many units, some specifics about
12 even unit size, amenities, parking, but more
13 importantly, income targeting and resources they
14 anticipate going after.

15 It will give you a pretty good sketch of
16 the program, something that you can react to and
17 determine if the development partnership, the
18 General Partner, is moving in the right
19 direction.

20 What will come out of that is the Board
21 agreeing to make a conditional -- will enter --
22 will basically approve on a conditional basis
23 entering into a Ground Lease. If you don't get
24 past that point, things stop, but you get -- it's
25 sort of a check to see that what's being

1 presented makes sense to you relative to your
2 vision for the property.

3 What you'll also then be doing, and I'm
4 going to skip over something here, although a lot
5 of work will be done to get to your presentation,
6 the entire time in the background, on the
7 assumption that this will be going forward, the
8 Development Team, RENU, the General Partner, the
9 Designer, other folks will be putting an
10 application together.

11 What I will now take a step back and
12 say, I mentioned earlier --

13 MR. SHEA: At what point is that?

14 MR. DANIELS: Applications prep will pretty
15 much run over the summer, really up to the actual
16 submission. What there will be is a formal
17 request, probably in November, maybe sooner,
18 maybe sooner if they're ready, to DHCD. DHCD
19 does not let anyone apply. It controls the
20 pipeline. It only gives a certain number of
21 awards, based on the funding available.

22 I should also mention under the one stop
23 application process, it also reserves the right
24 to negotiate your pro forma and swap out
25 resources. It has been known to say, we don't

1 have any more of that money; will this work? And
2 if you say yes, they give you something you
3 didn't ask for, as long as it makes sense. But
4 they will probably not permit more than 200
5 percent of their anticipate awards.

6 So the Development Team needs to be able
7 to present a strong case that they are ready to
8 proceed, that they have the resources, that they
9 bring certain things to the table that are both
10 ready to go but also more valuable. I'll give
11 you an example that will set this deal apart from
12 many:

13 The Housing Authority, as a condition of
14 its approval letter, which came from the special
15 application center of HUD, will provide project
16 based Housing Choice Vouchers up to a hundred
17 percent of the units.

18 MR. SHEA: That's a maybe.

19 MR. DANIELS: The developer may decide he
20 doesn't need a hundred percent. That's a
21 different issue.

22 MR. SHEA: Right.

23 MR. DANIELS: But it is something that makes
24 your application or would make an application by
25 the Development Team much more competitive,

1 because it actually solves a problem. If you
2 don't have rental subsidies, you can't make
3 anyone in the tax credit unit pay either more
4 than 50 percent of their adjusted gross income or
5 60 percent. If there's a rental subsidy in the
6 unit, they will pay no more than 50 or 60
7 percent, but you're entitled to the full tax
8 credit.

9 It maximizes the cash flow. It reduces
10 your need to rely on a mortgage. It may prevent
11 the Development Team from needing to find other
12 grants that don't have interest rates that is
13 basically the free money. There are sources that
14 may come in structured as a loan but are in
15 realty grants. They come in as loans.

16 Yes, Mr. Chairman?

17 MR. SHEA: You covered quite a bit. I'll
18 speak for myself. The paperwork and the process,
19 for me anyhow, is kind of overwhelming and I've
20 heard you speak on this before. So I had a
21 pretty good idea of what avenues you were going
22 down.

23 But with respect to my colleagues, it's
24 a little overwhelming, but I'd like to ask you,
25 if I could, Andrew. The timetable, for instance,

1 you provided to us a year ago a beautiful
2 artist's rendering of that building, and I think
3 it's still in the Director's Office, and I'm not
4 too sure where that came from, but that was a
5 pretty nice building. It was 44 units.

6 MR. DANIELS: That sounds approximately
7 correct. I think it might have been a little
8 larger than that.

9 MR. SHEA: But the bottom line is that
10 that's what we all kind of -- Commissioner
11 McMahan and I, when we saw that a year ago, we
12 said, wow, that would be nice. But the whole
13 bottom line is there's an awful lot for us to
14 process here.

15 MR. DANIELS: Absolutely.

16 MR. SHEA: And which direction we go in. So
17 there's no question that we'll have to have some
18 more conversation.

19 MR. DANIELS: Pardon me for interrupting. I
20 was actually going to point out that this is the
21 tip of the iceberg. I will come back as often as
22 you want. I should warn you, in manner of
23 speaking, that just the tax credit program alone
24 is usually a two-day training done by others.

25 There is something that I think is

1 certainly possible or if someone really wanted
2 to, but there are actual tax credit one-on-one
3 trainings around the country. Little difficult
4 of late but before COVID it was in a variety of
5 locations two or three times a year. There's a
6 lot of ways to begin to, to the extent that any
7 Commissioner, as far as I'm concerned, wants to
8 learn about these things, there's a lot of
9 information, and as of today, because since, as I
10 commented, tomorrow is the deadline, this
11 schedule is based on the fact that I anticipate
12 the next application deadline is January 2023.

13 MR. SHEA: This itinerary gives us an idea
14 of the process as it goes step to step to step
15 forward.

16 MR. DANIELS: To get to the application.

17 MR. SHEA: And the only question -- and I'm
18 going to let the other Commissioners come on.
19 And I mentioned this to the Director, you
20 mentioned to Bob McMahon and myself and members
21 of the Executive Committee, you told us one time
22 that you were very hopeful that the "Build Back
23 Better" proposal might be good.

24 I remember you telling us about the
25 funding of Build Back Better a couple of months

1 ago, and Commissioner McMahon and I were kind
2 of -- or we basically said to you, that's
3 assuming that gets passed by Senate. Could you
4 give us an update on how that's going?

5 MR. DANIELS: As everyone who follows the
6 news knows, yes, as of today, the larger bill is
7 stalled. However there have been --

8 MR. SHEA: I actually told Gary I was going
9 to ask you that question. We were wondering,
10 because you said it was over in the Senate.

11 MR. DANIELS: I think the last time we spoke
12 I mentioned that even if the larger Build Back
13 Better bill got stalled, that there is sort of
14 handicapping around or an underlying assumption
15 that if they broke off the \$150 billion housing
16 components, that it might be able to pass on its
17 own. That has turned up in some of the opinion
18 pieces and editorials in the major papers being
19 reported out as another discussion.
20 Nevertheless, there's a lot of complexity.

21 At the same time, I would actually point
22 out there's an interesting thing going on
23 affecting Senator Manchin specifically, which you
24 may be aware of, which is the United Ironworkers
25 Union very strongly came out for Build Back

1 Better, and they are actively going after the
2 Senator to remind him that they are very unhappy
3 about his position.

4 Whether that will move him or not
5 remains to be seen, but once again, the talking
6 heads have made an observation that while that
7 may happen, if he sticks to his guns, he will be
8 taking owners' interests over the union members'
9 interests, and that will have other interesting
10 ramifications.

11 As we all know, politics in some ways is
12 a rubber box. So where things will land, I don't
13 know, but it is an interesting thing that
14 basically a union which he has historically very
15 strong ties to has not simply said we're unhappy.
16 From what I understand, they are actually
17 telegraphing the fact that they like a lot of the
18 things and not all of the bill. But anyway.

19 MR. SHEA: I think you're right on the
20 money, but whatever it may be, I'd like to open
21 the floor to any member of the Board of
22 Commissioners if they have any questions they'd
23 like to ask you tonight, because I know there's a
24 lot to digest here.

25 MR. DANIELS: And I would encourage, if you

1 think of a question at any other time, it can be
2 sent to me via the Executive Office, and I will
3 add it to a list for a future conversation, but I
4 can respond. Yes, you need to digest this.

5 And even scarier, even though I have a
6 couple of things for takeaways, to give you a
7 notion of how complex this program is, this
8 half-inch thick double-sided document is
9 something known as a Qualified Allocation Plan.
10 This is DHCD's Administrative Plan, like you have
11 an HCV Administrative Plan. This is their
12 administrative plan, how things get stored.

13 I believe the Executive Office can give
14 a name to it, but this is at least 107 pages.
15 This just how DHCD runs its selection process.
16 It's one reason why you really need partners.
17 That's why I emphasize the notion of a team,
18 because you need experienced people.

19 MR. SHEA: Well, there's no question about
20 that.

21 MR. DANIELS: But anyway, questions?

22 MR. SHEA: This itinerary you gave us,
23 that's a blueprint for the process?

24 MR. DANIELS: It should give you a feel for
25 how things move. And as things get done, you'll

1 obviously get them in the Executive Director's
2 Report, and this will get refined.

3 MR. SHEA: First of all, I will open the
4 questions up to members of the Board of
5 Commissioners, if you have any questions for
6 Mr. Daniels. I have just a couple of questions
7 and we'll move on, and I want to go back to
8 something that was said earlier.

9 You indicated 67 units at \$500 thousand
10 each. It's a coincidence that across the street
11 they're going to build units, and their estimated
12 cost is \$500 thousand each. But the rendering
13 you gave to us, I thought that was a splendid
14 picture of a development that you showed us.

15 MR. DANIELS: And it will be presented when
16 we do the dog and pony show for the developers.

17 MR. SHEA: It's a two-year process, you
18 indicated?

19 MR. DANIELS: Yes. If you submit an
20 application in January of 2023, and in fact, one
21 of the takeaways is actually the awards, which is
22 sort of essentially the same timeframe. The
23 Governor issues the press release awards in July.
24 For the round that ended this past January, they
25 issued the awards in July, the press release.

1 You're asking for a copy of the press release so
2 you can see who got what. And not everything is
3 9 percent tax credits. If they award in July of
4 2023, you'll break ground, and I would actually
5 say from breaking ground to completion is likely
6 to be 12 to 14 months. In some ways it's a
7 little longer than two years, but it's two years
8 from application, if you get funded, to ribbon
9 cutting is the way I would put it.

10 MR. SHEA: I'm looking for guidance and I'm
11 looking forward to my fellow member of the
12 Executive Committee, Commissioner McMahon, to
13 speak up, but is this the process that we take
14 this information and we gather it and we just
15 continue to meet because there's so much to this.

16 In other words, what do you recommend us
17 to do after studying your material? And getting
18 the minutes of the meeting will be interesting to
19 be able to go back and read.

20 MR. DANIELS: I'll provide a copy of my
21 script.

22 MR. SHEA: And but I was just trying to
23 figure out to guide us as to how to proceed.
24 It's a big thing.

25 MR. DANIELS: The way this is structured in

1 some ways is to give you guys some relief on some
2 level because you're not going to need to
3 micromanage the day-to-day. If your curiosity
4 and your intellectual interests mean that you
5 want to get into the weeds, as I said, there are
6 trainings, conferences. There are other things.

7 You most certainly can get updated on
8 sort of the process. You will probably want to
9 feel comfortable enough going into the
10 presentation from the Development Team as to how
11 a typical deal gets structured. What may make
12 more sense, Mr. Chairman, and I'll just put this
13 out there for you to consider, is that there may
14 even be a working session of a more extended
15 period at a mutually convenient time where we can
16 get a little deeper into this.

17 But this kind of stuff is closer to
18 brain surgery than it is to rocket science, and
19 by that distinction, I mean this stuff isn't like
20 engineering. It isn't like you use what you
21 learn as an engineer, you design it, you build
22 it, and it works. There's a lot more art than
23 science to this because something you thought you
24 might get, you don't get. You have to figure out
25 an alternative. It's constant problem solving

1 and a lot more creativity relative to getting a
2 deal done than you might think.

3 This is why even though RENU has skill
4 set wise a fairly strong board and has better
5 capacity to deal with this stuff from a technical
6 and educational viewpoint, it's why you need an
7 experienced fee developer who has lots of
8 credentials in terms of completed projects.

9 You already know some of them, because
10 they've done work over in the Hampden Canal area.
11 There are others that may want to show up. DHCD
12 knows people's track record. I assume that the
13 selection will be an experienced individual, and
14 in consideration will be their relationship with
15 DHCD.

16 It's really up to particularly the
17 finance and construction management side for the
18 Partner to focus on that stuff, and RENU
19 brings -- is your entity, is your development
20 agent, in a manner of speaking, for the deal.

21 Mind you, in a partnership there still
22 has to be respect for corporate separations,
23 corporate bail issues for certain reasons,
24 because you inadvertently trigger things at
25 times, but they will come to you and they will

1 say here's our vision.

2 You don't have to agree with it until
3 you understand it and accept it. It's not going
4 to be blueprints, but it will be sufficiently or
5 will need to be sufficiently detailed to get your
6 comfort level and make sense.

7 Now, mind you, unit counts and other
8 things, something that you also need to
9 understand about these deals, and I'm sharing
10 this for a particular reason, is you can scale
11 them up or down based on number of units, and
12 that will change the construction cost.

13 MR. SHEA: We're going down the road, I
14 think, a little too far. The first thing we have
15 to really do is to decide what we'd like to
16 build, hire an architect to do some design work.

17 MR. DANIELS: That would be the Development
18 Team.

19 MR. SHEA: And to move from there.

20 MR. DANIELS: Well, you need the Partner.
21 The Partner will bring a design entity because
22 that's how the RFQ is written. RENU will also
23 have the right to carve the team up, meaning we
24 want you but not your design professional. Go
25 talk to this person.

1 But once again, credentials matter, past
2 tax credit experience will matter, as far as
3 competitiveness, but RENU will be able, too, to
4 say we're not really -- we are underwhelmed by
5 what we know about X. We want you but not X.

6 Some of that will be able to happen, but
7 once again, Mr. Chairman, we'll actually be
8 giving them the set of drawings, conceptual
9 stuff, and I have no problem saying, because it's
10 true, this was very well received. This is the
11 kind of stuff that's been out there. It doesn't
12 mean -- you don't want to say you've got to do
13 this, because, to begin with, it's only, in many
14 ways, a conceptual design, but this notion of --

15 I'll give you some examples. That was
16 done with a major instruction to match the design
17 of the buildings in the downtown. Bring that
18 architecture, at least the facading, granite
19 lentils, brick, other things down Merrimack Ave.

20 That's a major consideration we want on
21 Merrimack. There are certain reasons, although
22 it will take a little bit of doing, for ground
23 level retail. You want flexibility. You want it
24 to be attractive. You want people to come down
25 Merrimack.

1 You begin to pile up all those things,
2 and guess what, at least, based on my experience
3 with the architects who tend to work in this
4 area, you're going to get some variation of what
5 is on the walls in the meeting room over at the
6 LHA. It might differ. There might be some
7 suggestions on design technology, et cetera, et
8 cetera.

9 Cost is important, and what I can tell
10 you quite clearly, and you all know this in a
11 different way, but whatever would be the design,
12 if it had been put out to bid three years ago is
13 20 percent more expensive if it goes out today.
14 Some small advantage to when you need to start
15 and the time for the starting gun, but they will
16 be cost estimating going into the application.

17 They may hire what's known as a
18 construction manager, and probably on what's
19 known as a guaranteed maximum price. So it's
20 like here's the 9 percent drawings. You tell us
21 and make suggestions. You tend to want to bring
22 that person in early, but to make the point, the
23 fact that you might not be going into the ground
24 until late 2023 may turn what today is 20 percent
25 more expensive into 5 percent or 6 percent more

1 expensive because those issues will be resolved.

2 MR. SHEA: That's understating. It's going
3 to be higher than that.

4 MR. DANIELS: Maybe yes. Maybe no. And
5 something else I'll mention is merely by virtue
6 of the project based vouchers, this deal will be
7 Davis-Bacon, just so you know. Not a question of
8 Housing Authority involvement, just because of
9 the source of funding, it will be Davis-Bacon.

10 MR. SHEA: Let me ask the Director a
11 question. Hearing all this, and you had the
12 advantage because you did a lot of presentation
13 before we got here tonight. Bob and I had a
14 little knowledge of what was going on because we
15 met with Mr. Daniels back three or four months
16 ago. But how would you like to proceed,
17 Mr. Director?

18 MR. WALLACE: I think Andrew did give us a
19 good road map of monthly tasks starting next
20 week, essentially, or tonight. I would say you
21 had mentioned earlier, you emphasize these
22 working sessions. I would say that you would
23 want to be holding at least monthly as each task
24 is being done.

25 MR. DANIELS: Maybe two things. A temporary

1 item on the monthly regular meeting agenda, which
2 can be a very brief update, as well as maybe
3 early on, some separate time, because no matter
4 what, based on what you're asking, Mr. Chairman,
5 it ain't an hour conversation, unfortunately, and
6 even if I restrain myself as much as possible.
7 It's that complex. It needs to be sort of broken
8 into smaller chunks and shared and digested.

9 Every individual Commissioner needs to
10 approach this based on their own interest and
11 their own pace. All I can tell you is I'm here
12 at the pleasure of the Board, in a manner of
13 speaking, and will bring in people or do it
14 myself. We can get more into the weeds, but
15 candidly, it easily took me a half dozen years of
16 doing little bits and pieces until I could even
17 begin get a full picture in my head. It's just
18 the nature of the beast.

19 So based on that, I would say not
20 necessarily monthly but every couple of months or
21 certainly going into or prior to the development
22 team's presentation to you, that there be some
23 serious working sessions.

24 MR. SHEA: We don't live in a perfect world,
25 and you say every month. I'll tell you, you get

1 into those monthly meetings at one o'clock in the
2 afternoon and go for a couple hours, and you get
3 into those meetings every three or four weeks, it
4 gets to a point where it becomes pretty
5 cumbersome. It's not an easy task.

6 Quite frankly, the building may be
7 started and completed in two, two and a half
8 years. I'll speak for myself, hopefully, I'll
9 still be alive, but I won't be on the Board.
10 I've got two years, three months, and three
11 weeks, if not before that, but the bottom line is
12 that there has to be a process.

13 MR. DANIELS: And true continuity, which is
14 why the Executive Office plays a key role, and
15 your staff -- I would make an observation.
16 Besides the fact that -- having spent time with
17 you, I have very high confidence that while you
18 may decide to go off the Board at the end of your
19 term, but candidly it is not unprecedented when
20 there is something that someone wants to see
21 happen, then they take an additional term and go
22 off the Board. You can go off the Board the day
23 after, if that's what you choose. So I would not
24 limit yourself the way in which you just did.

25 MR. SHEA: Well, if it gets accomplished by

1 then, fine; if not, my life's going on in a
2 different direction, but I do think that you're
3 right, we should probably have a couple of
4 monthly meetings. I know that he has a very busy
5 schedule, Commissioner McMahon.

6 MR. MCMAHON: I'm not getting any younger.

7 MR. DANIELS: I'm just trying to find the
8 right balance, because we can certainly give you
9 progress updates, but if you want to get into
10 learning more about this, which to me on some
11 level makes sense, because at the moment, while
12 this is the first tax credit deal that the
13 Housing Authority may be involved in, once again,
14 a much longer conversation about what's going to
15 happen in public housing in the next ten years,
16 it's likely that some form of Low-Income Housing
17 Tax Credit may be involved in some other things
18 that you do.

19 MR. SHEA: Okay. Back to the Director. If
20 we have these meetings, the Executive Committee
21 meetings with you and people every month, we can
22 keep the Board informed as to the progress.

23 MR. WALLACE: Yes, I think that's a good
24 strategy.

25 MR. SHEA: I do think you're right. This is

1 a good program.

2 MR. DANIELS: It's certainly sequenced
3 correctly. I just will not fully vouch for that
4 we're going to hit the Xs perfectly. Not at this
5 point. Can't do that. But it's realistic in
6 that the steps to get to the application, I
7 think, are the right level of detail.

8 MR. SHEA: You can be available either in
9 person or the suite of offices you have down in
10 New Haven?

11 MR. DANIELS: I can be on a Zoom meeting.
12 That is easy. But as this gets going, there will
13 be more and more reasons, separate from having
14 conversations with you guys, for my being up
15 here. And also as we get rolling, the weather
16 will get nicer so there will be even more reasons
17 to drive.

18 But yes, the answer would be yes.
19 There's no reason -- I'm at the beck and call --
20 if I'm given task orders and we work out an
21 appropriate scope, I'm here to deliver on the
22 scope.

23 MR. SHEA: I'd like to keep it moving
24 forward and report back to the Board. I know
25 I'll be out of town for a while. I know

1 Commissioner McMahon goes out of town for a
2 while, but we'll be able to at least keep the
3 thing moving forward.

4 MR. DANIELS: I think between the Executive
5 Office and my assigned responsibilities we can
6 move forward, but just to make an observation,
7 after this meeting and more specifically after
8 the briefing, it's really a lot of work for RENU
9 to make a selection and enter into and begin the
10 negotiations on the site development. We're not
11 looking to -- if it turns out to be even quicker,
12 it would be June for presentation to you. At the
13 moment we show July. So if people are planning
14 to go away for the winter, there's a little bit
15 of hibernation phase we're coming into anyway.

16 MR. SHEA: Commissioner McMahon and myself
17 are on fixed incomes. So when we go away, we go
18 away for a weekend. We're not like somebody from
19 New Haven, Connecticut, who goes away for months.

20 MR. DANIELS: Would you care to know the
21 last time I took a vacation, Gentlemen?

22 MR. SHEA: Thank you very much for the
23 presentation that you gave us. You've now
24 started us on the road for a discussion on what's
25 really an important subject matter that I know

1 the Housing Authority has been working on this
2 for years with respect to the site housing and
3 everything. It's been getting wrapped up rather
4 quickly.

5 I do think that we just have to, in a
6 methodical, way take this step by step. And by
7 working with you, and luckily, we have you under
8 contract as our housing consultant, as you have
9 been for the last several years.

10 MR. DANIELS: I think there's a re-up due
11 but it will be fine.

12 MR. SHEA: Well, if there's something else
13 the Board has to do, I'm sure we can make
14 arrangements.

15 MR. WALLACE: We're currently out for bid.

16 MS. BROUSSEAU: We're currently out to bid.

17 MR. DANIELS: It's completely up to the
18 Executive Office.

19 MR. SHEA: Keeping in mind, I know you know
20 this, Andrew. We look forward to dealing with a
21 union contractor, and I don't know if that's
22 money that's awarded or not, but I do think
23 that -- this is a union city.

24 MR. DANIELS: I understand all of that. All
25 I can tell you is that Davis-Bacon wage rates

1 will retain. So there will be other factors that
2 might get considered, but it will be union wages
3 for whatever.

4 MR. MARR: Davis-Bacon minimum wage is
5 different.

6 MR. DANIELS: It will be Davis-Bacon
7 minimum.

8 MR. MARR: Minimum wage in Mass. is more
9 than Davis-Bacon.

10 MR. DANIELS: It will be driven by
11 sources --

12 MR. MARR: Davis-Bacon is federally
13 mandated.

14 MR. DANIELS: What would trigger it,
15 Gentlemen, is the sources of funds. For State
16 appropriated dollars going in, it's prevailing
17 wages. But some care needs to be taken off
18 overall costs. It will be wage rates and not
19 shops that pay whatever they want to pay. Put it
20 that way.

21 MR. SHEA: Well, that helps clear the air,
22 but there's a lot of conversation that we'll
23 have, and we have a Board that's pretty active
24 and well-versed. So we'll come to a good
25 decision, I'm sure.

1 So with that being the case, I'd like to
2 thank you for coming to make this presentation to
3 the Board of Commissioners. It's all good
4 information. It's a great start as we go down
5 this road to completion.

6 With that being the case, I'd like to
7 just bring out something else to the Board while
8 we have another four or five minutes, and it goes
9 back to what Commissioner Marr was asking for
10 earlier. It dawned on me, as I was listening to
11 Andrew Daniels, that Commissioner Marr, he was
12 absolutely right on, and it went over my head.

13 What he said was we forgot the Finance
14 Committee Report, and we just put that through.
15 So we have the Finance Committee Report, and as
16 Matt was trying to say to me, we forgot to have
17 her report. You were right. I'm sitting here
18 saying she didn't even give the report.

19 So could you just, for the record, just
20 briefly tell us what was in that report, because
21 your reports are really very good.

22 MS. GIBLIN: So just included in your
23 packets, I included the financial statements for
24 November 30, 2021.

25 MR. SHEA: This is Item No. 5.

1 MS. GIBLIN: Just briefly, we completed the
2 first two months of fiscal year 2022, and at this
3 point most programs are exceeding budget
4 estimates. This is typical at this time of year,
5 as many of our administrative and maintenance
6 expenses trend lower in the beginning of the
7 year. The majority of our capital and
8 extraordinary items have not been realized to
9 date either, resulting in higher operating gains.
10 Utility expense is significantly under budget
11 through November due to the reversal of year end
12 accruals. The Authority, like many other
13 industries, is seeing rising costs amid the
14 ongoing pandemic. We do anticipate operating
15 gains will decrease as the fiscal year
16 progresses.

17 Just a quick update to the Board. We
18 recently closed on another one of our scattered
19 site properties located at 591-593 Bridge Street.
20 At this time we have three properties remaining.
21 Two of the properties are under purchase and sale
22 and are pending approval with HUD. The third
23 property has been put out to RFP to both
24 nonprofit and private markets. I will keep the
25 Board updated on the progress of these

1 properties.

2 MR. SHEA: Thank you very much, and I just
3 want to indicate for the record that the report
4 that our Chief Financial Officer just gave us
5 indicates that there's three properties
6 remaining, and two of the properties are on the
7 current under current P&S.

8 MS. GIBLIN: They're just pending HUD
9 approval at this point.

10 MR. SHEA: Just pending HUD approval.

11 MR. MARR: Is that Bridge Street, next to
12 Top Donut?

13 MS. GIBLIN: Yes.

14 MR. SHEA: So once again, that's good news.
15 It's a long time coming, and we're finally
16 getting there. That's just another step in the
17 right direction. So with that being the case,
18 thank you very much for your report. So I will
19 ask a motion by Commissioner Bernes, seconded by
20 Commissioner Matt Marr, to accept the copy of the
21 Finance Report under Item No. 5, and the Clerk
22 will call the roll.

23 MR. WALLACE: Commissioner Var?

24 MR. VAR: Yes.

25 MR. WALLACE: Commissioner Bernes?

1 MS. BERNES: Yes.

2 MR. WALLACE: Commissioner Marr?

3 MR. MARR: Yes.

4 MR. WALLACE: Vice Chairman McMahon?

5 MR. MCMAHON: Yes.

6 MR. WALLACE: Chairman Shea?

7 MR. SHEA: Yes.

8 MR. WALLACE: Five yeas.

9 MR. SHEA: The next item on the agenda is a
10 motion to adjourn, and the Chair would like to
11 say for the record that our next meeting will be
12 Wednesday, February 9, at the Mercier Center at
13 five p.m.

14 With that being the case, there's a
15 motion to adjourn by Commissioner Mony Var,
16 seconded by Vice Chairperson McMahon, and the
17 Clerk will call the role.

18 MR. WALLACE: Commissioner Var?

19 MR. VAR: Yes.

20 MR. WALLACE: Commissioner Bernes?

21 MS. BERNES: Yes.

22 MR. WALLACE: Commissioner Marr?

23 MR. MARR: Yes.

24 MR. WALLACE: Vice Chairman McMahon?

25 MR. MCMAHON: Yes.

1 MR. WALLACE: Chairman Shea?

2 MR. SHEA: Yes.

3 MR. WALLACE: Five yeas.

4 (Whereupon the meeting was concluded at
5 6:00 p.m.)

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