

Brookline Housing Authority  
Regular Meeting Minutes  
January 12, 2010  
90 Longwood Avenue  
4:30 PM

The meeting was called to order by the Chairman, Mr. Trietsch at 4:35 PM. Those present included Ms. Dugan, Mr. Jacobs, Ms. Berman, and Ms. Sullivan.

Mr. Cloonan reported that he had a meeting with the Brookline Historical Commission regarding window upgrades at 1057 Beacon Street. An issue is the fact that many of the windows are curved. The Commission will restrict the BHA to preserving or replacing to match in the front of the building but will allow vinyl clad windows in the rear. This work is funded through the Town's CDBG-R grant.

Mr. Cloonan said that BHA Director of Maintenance, George Lalli had shoulder surgery and is recovering at home. Jose Diaz, a long time BHA Maintenance Mechanic, severely injured his finger moving a dumpster last week and will be out of work for a considerable amount of time. Mr. Diaz was planning to retire in April. Considering the deficit in staffing, the BHA will soon begin the process of hiring another Maintenance Department staff person.

Mr. Cloonan said that the new Administration in Washington is making Section 3 a priority. Section 3 concerns the upward mobility of low income persons in public housing where federal subsidy and CDBG money is spent. It applies to contractors' efforts to hire laborers and also applies to programs promoting job training and job skills. He participated in a recent teleconference on the subject, and BHA staff will be attending an upcoming training.

Mr. Cloonan said that the pre-REAC inspection reports have come in and they indicate that the BHA has lots of work to do in advance of the HUD inspections anticipated in April.

Mr. Trietsch asked if there were any safety issues flagged by the inspection contractors. Mr. Cloonan said there were no significant hazards found.

Town Wide Resident Association President, Agnes Rogers, reported that everything has been quiet at the developments. She is ignoring the fact that a former resident of the High Street Veterans Apartments has been passing the word around that Ms. Rogers never did anything for the residents.

Mr. Trietsch introduced new BHA Director of Planning, Anne Reitmayer. He said that he and Mr. Jacobs interviewed Ms. Reitmayer and highly recommended her for the job. As an experienced planner, Ms. Reitmayer will attempt to move forward the development agenda for the BHA.

Mr. Cloonan said that Ms. Reitmayer is extremely knowledgeable and well networked. He is trying to get her up and started with the potential new units at the Trustman Apartments. He said that it will be good to have this new discipline on staff, as housing development is a very complex field.

Ms. Reitmayer said that so far it has been a pleasure. She believes that the BHA is doing very good work and she is happy to be a part of it.

Mr. Trietsch asked about the new regulation pertaining to the state's conflict of interest law and asked why it was included in the consent agenda.

Mr. Cloonan said that this was an oversight, as it does not require a vote. He explained that the state has a new requirement with respect to the conflict of interest law. All public employees and officials must sign off that they have received it. They will also have to participate in some training and pass a certification.

**On a motion from Mr. Jacobs and a second from Ms. Berman, the consent agenda: to adopt the minutes of the regular meeting held on December 16, 2009; and to authorize the hiring of Anne Reitmayer as Consultant/Director of Planning for 20 hours per week at an hourly rate of \$45.00, effective January 4, 2010, was unanimously approved.**

Mr. Trietsch introduced Attorney Susan Cohen. Mr. Cloonan explained that Ms. Cohen was invited to discuss the process necessary to federalize the Col. Floyd Apartments. Over the course of the next couple of weeks if the BHA decides to go forward with federalization, it will need to exercise a new cooperative agreement with the Town as well as a declaration of trust. Occupancy issues relating to potential negative impact on residents resulting from federalization were concerns of the Board at the last meeting. Mr. Cloonan said that he has worked on some rent concession ideas to help residents negatively affected by federalization during a transitional period.

Ms. Cohen said that federalization is not that complicated in concept, only in execution. Since the 1980's, housing authorities have not been able to add units to their federal ACCs. Under the stimulus bill, new opportunities were created to add units by federalizing state developments. The advantages of federalization include higher operating and capital funding as well as an established formula funding system.

Ms. Cohen explained that the legal documents relating to federalization include the declaration of trust. A declaration of trust is needed for each development. It promises to operate a development as federal public housing and it is filed at the Register of Deeds. It subjects the BHA to federal laws and regulations. It is a contract between the BHA and HUD and when it is signed, the site becomes a federal property. This could happen this month or next month. It does not mean, however, that the federal operating subsidy will start at the time of the signing.

Ms. Cohen said that legal documents needing to be executed in addition to the declaration of trust include an ACC and new leases. HUD also wants the \$2,000 per unit in stimulus work to be done before federal operating subsidy kicks in. Negotiations with HUD on this matter are ongoing.

Mr. Trietsch asked if Ms. Cohen is confident that no gaps in funding will occur. Ms. Cohen said that she is confident that funding will not be interrupted in the federalization process. The state is working on commitments to continue all promised modernization work through completion, and to continue operating subsidy and liability coverage during the transition period.

Ms. Cohen said that New York is federalizing approximately 12,000 units and they are working side by side with Massachusetts on many of these issues. One of the difficulties is that there are few precedents for this type of thing. Some issues will be worked out after the ACCs are signed, such as: lease requirements; residents whose immigration status doesn't make the federal transition; details on how to get residents to sign the federal lease; and how to implement the changes in the rent calculations.

Ms. Cohen explained that one possible resolution for families who are not citizens is to not accept their unit under federalization and to utilize a state MRVP voucher to maintain a rent subsidy. There is also some talk that DHCD could continue with a state subsidy in these units.

Mr. Jacobs asked if this was a short term solution or if the unit would stay in state subsidized status after the resident moves out. Ms. Cohen said that this detail has not been resolved at this point. The goal is to avoid displacement.

Mr. Trietsch said that the goal is to minimize the impact on the few residents who would be negatively impacted by these changes.

Ms. Cohen said that the BHA could implement its own alternatives to ease the financial impact on these residents, but they could result in a loss of subsidy.

Mr. Cloonan explained that 2 residents might lose eligibility due to their citizenship status. The BHA will meet with them to see if they would desire to transfer.

Mr. Cloonan explained that 10 residents would lose an earned income exclusion equivalent to \$205 per month. Mr. Cloonan proposes extending this income exclusion under a local option for a year, at a cost to the BHA of approximately \$24,000.

Mr. Cloonan said that one resident receives a veteran's benefit income exclusion. He proposes extending this exclusion for a year as well.

Mr. Cloonan said that the remaining residents would pick up an elderly/disabled deduction which would result in a slight decrease in monthly rent charges.

Mr. Cloonan said that he is not sure of the impact of the implementation of a minimum rent. The state has no minimum rent. Residents can request a hardship exemption from minimum rent payments per federal regulations. Mr. Cloonan added that residents would have to pay an annual charge of \$30 per air conditioner. This would affect approximately 40 residents.

Mr. Trietsch asked if the income deficit resulting from Mr. Cloonan's proposed local option concessions would increase or decrease over time. Mr. Cloonan said that he estimates the BHA could lose approximately \$13,000 the first year if residents received a 100% exemption concession. The BHA might break even the second year, if the concessions were reduced to 50%. The third year would be profitable if concessions were discontinued. Once discontinued, Col. Floyd Apartment residents would pay according to the same rent formula as all other federal residents. Mr. Cloonan believes his income projections are conservative.

Mr. Jacobs asked what the next step would be for the Board. Ms. Cohen said that the next step is signing the legal documents.

Mr. Jacobs said that looking at Mr. Cloonan's projections, he is still not clear that federalization makes sense.

Ms. Cohen said that federalization would result in vastly higher income over the long run.

Mr. Cloonan said that if the Col. Floyd Apartments is federalized, insurance costs would rise by approximately \$7,000.

Mr. Trietsch said that one strategy could be to offer alternative housing for residents negatively impacted by these changes. MRVPs might fill in the subsidy gaps. Some residents may also stop working.

Ms. Dugan said that residents of the Col. Floyd Apartments did not plan on significant rent increases.

Mr. Cloonan said that it was the luck of the draw for those residents who came to the top of the BHA waiting list and were offered the Col. Floyd Apartments. He added that the Board can review the situation in 2011 to see if they want to continue to phase in the changes.

Mr. Jacobs said that he would definitely like to revisit the issue in a year.

Mr. Trietsch proposed the idea of capping rent increases resulting from the changes at 20% in the first year. The big jump may be too big, but at the same time, residents need to begin to move into a new reality. Mr. Jacobs and Ms. Dugan agreed with this suggestion.

Mr. Cloonan said that a dilemma with federalization is the tight time frame. The BHA would need to obligate \$120,000 in ARRA money by the March 17, 2010 deadline. The architect has designed the Col. Floyd window work and this work would have to be out to bid by the next Board meeting. If the BHA proceeds in this direction, it can't turn back.

Mr. Jacobs said that the BHA will figure out how to ease the pain for affected residents.

Ms. Dugan asked about the requirement for accessible units under federalization. Mr. Cloonan said that HUD wants this issue addressed within the 5 year capital plan. Mr. Cloonan believes that the state shares in this obligation. The Town might also be able to provide some funding for these units. Mr. Cloonan said that he would prefer to add units at another federal property because he believes the units would be of better quality.

Mr. Trietsch said that the BHA renegotiated its PILOT agreement with the Town within the last 5 years. He would not like to see the more favorable PILOT terms reversed. Ms. Cohen said that HUD requires a PILOT. They have a maximum limit but no minimum.

Mr. Cloonan said a PILOT for the Col. Floyd Apartments would probably result in a \$4,000 payment. The BHA is presently paying nothing. This will need to be completed by February 1, 2010. Mr. Cloonan added that HUD will effectively reimburse the BHA for this expense.

Mr. Trietsch said that this fact should be taken into account when negotiating PILOT relief with the Town. Mr. Cloonan agreed.

**On a motion from Mr. Jacobs and a second from Ms. Berman, authorization for the Chair to execute a cooperation agreement with the Town of Brookline for adding 60 units at the Col. Floyd Apartments to the federal ACC, for a total of 499 units, was unanimously approved.**

Mr. Cloonan explained that because of the focus on federalization, he hasn't begun to work on the FY 2011 budgets. They are due in March.

Mr. Cloonan said that the Town is providing the BHA with CDBG-R funding for several capital improvement projects: replacement of the heating system at 11 Harris Street, estimated at approximately \$30,000; replacement of windows at the Brown Street Condominiums, estimated at approximately \$10,000; and replacement of windows at 1057 Beacon Street, estimated at approximately \$50,000.

Mr. Jacobs asked if the BHA could get more of this type of money spent if it added capital improvement staff. Mr. Cloonan said that ARRA allows a 10% administrative fee. It would be hard to hire and train staff for this kind of money.

**On a motion from Ms. Berman and a second from Ms. Dugan, authorization for the Chair to sign a CDBG-R contract between the BHA and the Town of Brookline to replace the heating system at 11 Harris Street, was unanimously approved.**

Mr. Cloonan pointed out that he provided the Board with reports on BHA 2009 accomplishments, and challenges facing the BHA in 2010. He feels that this will be a very busy year.

Mr. Trietsch said that the BHA will need to manage and to spend well.

Mr. Trietsch confirmed that the next regular meeting is scheduled for Tuesday, February 16, 2010 at 4:30 PM at the Morse Apartments.

**On a motion from Ms. Sullivan and a second from Mr. Jacobs, the Board voted unanimously to adjourn the meeting at 5:50 PM.**