

**NEEDHAM HOUSING AUTHORITY
BOARD OF COMMISSIONERS
MINUTES
SPECIAL MEETING**

Thursday June 24, 2021 6:00PM

ROLL CALL TO CONVENE THE MEETING VIA ZOOM

COMMISSIONERS PRESENT:

Chair Reginald C. Foster
Treasurer Eleanor Evans
Commissioner Penny Kirk
Commissioner Ed Scheideler
Commissioner Janice Bennett

NHA STAFF:

Angie Medeiros, Executive Director

GUESTS:

Karen Hughey
Karen Sunnarborg

Adequate notice of this meeting has been provided by the Secretary of the Needham Housing Authority (NHA) by preparing a Public Notice dated June 22, 2021 setting forth the date, time, and place of this meeting. Said notice was filed with the Clerk of the Town of Needham and provided to persons requesting it.

CHAIR'S ANNOUNCEMENTS:

Chair Foster announced that this Special Board Meeting will focus on an agenda related to the selection of a winning respondent with respect to the RFP for RAD, Section 202 & Related Consulting Services for the Modernization and Redevelopment of NHA Properties. This RFP was issued on April 28, 2021. He acknowledged the guests present today: Karen Hughey and Karen Sunnarborg. Both are members of the Proposal Selection Committee.

STATUS UPDATE/DISCUSSION/APPROVAL AGENDA ITEMS:

1. Approval: Executive Director Maria Angel (Angie) Medeiros as NHA Chief Procurement Officer.

Chair Foster began with a housekeeping item that was overlooked during the May 2019 transition from Interim ED Bernie Kirstein and ED Angie Medeiros: the appointment of Executive Director Medeiros as NHA's Chief Procurement Officer. Chair Foster noted that Ms. Medeiros has completed the requirements to become a Certified Public Procurement

Officer (CPPO). Chapter 30B requires that the Board appoint the chief procurement officer and the resolution before the Board accomplishes this appointment, retroactive to Ms. Medeiros' first day of employment as NHA ED.

RESOLUTION #2021-169

To approve Executive Director Maria Angel (Angie) Medeiros as the Chief Procurement Office of the Needham Housing Authority, retroactive to her first date of employment May 6, 2019.

Upon a motion duly made by Chair Foster and seconded by Commissioner Kirk, it was *approved unanimously* by a vote of 5-0.

2. Receive and Discuss: Proposal Selection Committee's Recommendation Report – RAD, Section 202 & Related Consulting Services for the Modernization and Redevelopment of NHA Properties

Karen Hughey and Karen Sunnarborg joined the discussion. Chair Foster began by introducing Karen Sunnarborg and her background. She has been an affordable housing consultant for many years. In this capacity, Ms. Sunnarborg has worked with both the Needham Housing Authority and the Town of Needham..

Chair Foster recapped the Selection Committee's activities since the NHA issued the RFP and received the proposals on May 28, 2021. Pursuant to our May 2021 Board meeting, Selection Committee's membership consists of Karen Hughey, Karen Sunnarborg, Ed Scheideler, Angie Medeiros and Reg Foster. Chair Foster thanked the Selection Committee for their commitment and extensive hours spent on exhaustively review the three proposals we received.

Chair Foster noted the Selection Committee Report and Recommendation to the NHA Board, which has been sent to the Commissioners under separate cover (and also attached to these minutes.) He went on to present the "bottom line".

- NHA was fortunate to receive three excellent proposals from three qualified respondents.
- After extensive analysis, the Proposal Selection Committee found that **the Cambridge Housing Authority (CHA) Proposal was Most Advantageous for the NHA, weighing both their technical and cost proposals.**

Chair Foster continued, summarizing the Selection Committee's findings for each of the three respondents: CHA, US Management Services/Dominion Due Diligence Group and Recap Real Estate Advisors. He also summarized the findings of the reference check call. The full Selection Committee Report is attached as Appendix A.

Chair Foster opened the floor to the Commissioners to ask questions or offer comments. Commissioner Kirk started by stating that she though the decision is pretty clear from reading the Report. She would definitely support selecting CHA as the winner. Commissioner Bennett chimed in with her agreement with Ms. Kirk. Commissioner Evans

liked the idea of working with another Massachusetts housing authority, and was pleased to see that CHA Project Supervisor Margaret Moran has prior experience implementing the High Rock Homes redevelopment. Commissioner Bennett voiced her agreement with Ms. Kirk and Ms. Evans.

Chair Foster then invited the other Selection Committee members to add their comments. Commissioner Scheideler commented on how impressed he was with the other participants on the Selection Committee, and the expertise they brought to the process: Karen Sunnarborg, Karen Hughey and Angie Medeiros. Karen Hughey thought CHA had the best experience with Section 202 funding, and low income housing in Massachusetts. This will be very important when the residents get involved, and she's thrilled that we found someone like CHA to help us. Karen Sunnarborg added that she'd been through many proposal selection processes before. This has been one of the best ever. ED Medeiros said that she agrees with the previous comments, and she's very excited to be working with Cambridge on our Modernization and Redevelopment Initiative. All parties thanked Mr. Foster for his work over the years and during the selection process, which has made it possible for the NHA to proceed forward with a modernization and redevelopment initiative.

Approval: Award of the Engagement for RAD, Section 202 & Related Consulting Services

Hearing no further discussion, Chair Foster called for a vote.

RESOLUTION #2021-170

To approve Cambridge Housing Authority as the winning bidder in response to the RFP for RAD, Section 202 and Related Consulting Services for the Modernization and Redevelopment of the NHA, issued May 28, 2021, and authorize the Executive Director and the Chair to negotiate a contract with them.

Upon a motion duly made by Chair Foster and seconded by Commissioner Bennett, it was approved unanimously by the following Commissioners voting in favor: Mr. Foster, Ms. Evans, Mr. Scheideler, Ms. Bennett.

3. Discuss and Approve: Proposal to establish an Assistant Executive Director position and recruit for same

Chair Foster recapped that in previous meetings: we've talked about the importance of having sufficient executive management capacity to support the additional demands that'll occur over the next months/years with the launch of the Modernization and Redevelopment Initiative (MRI). He called the Board's attention to the proposal for a new Ass't Executive Director position, which includes the funding approach and draft position description. Our fee accountant Rick Shaw has confirmed that NHA has the funding resources to support the funding approach

After walking through the proposal, Chair Foster opened the floor for questions/comments from the Commissioners. Commissioner Kirk asked whether we should consider hiring a more junior part-timer with MRI experience, rather than having Ms. Medeiros have to

undergo all the training to gain MRI expertise. Perhaps CHA could help us to find such a person. Commissioner Evans said she's on board with the overall approach of hiring a new Ass't ED, but asked for more details on how the funding proposal would work with the HUD & DHCD budget process and the CPC/CPA funding process. Commissioner Bennett was concerned by the salary level we'd need to attract an Ass't Executive Director...it seems like a lot to her. Would we not be better spending less on a part-time position, especially since we're underfunded in the maintenance staff department.

Commissioner Scheideler also wondered whether we'd better off hiring a part-time person to take over the liaison/support requirements of the CHA. Do we really need an additional FTE? Another idea: Mr. Scheideler doesn't want to get in the way of the momentum, but once with sign with CHA, why don't we ask them to opine on the best approach for providing the additional management resources needed. Chair Foster agreed that this was a good suggestion. He will reach out to the CHA, get their recommendations and bring them into the July Board meeting for further consideration.

Chair Foster then tabled this agenda item, for further consideration at the July Board meeting.

4. Adjournment

A motion to adjourn was made by Chair Foster and seconded by Commissioner Scheideler, and it was approved unanimously by a vote of 5-0 in favor

Attachment A

Final v2 – 2021-6-24

Needham Housing Authority
Proposal Selection Committee

RFP for RAD, Section 202 & Related Consulting Services for the
Modernization & Redevelopment of NHA Properties

REPORT & RECOMMENDATION TO THE NHA BOARD

1. **RECOMMENDATION:**
**Cambridge Housing
Authority (CHA)**

The Proposal Selection Committee (PSC) unanimously found that:

The CHA proposal is **Most Advantageous for the NHA**, weighing both their technical and cost proposals. The PSC found that the CHA is:

- A highly qualified bidder,
- With substantial, highly relevant verifiable prior experience,
- Capable of providing the entire scope-of-services in the RFP,
- Has the highest likelihood of delivering a successful engagement, relative to the other two respondents, and
- Has the lowest, most reasonable price that can be expected.

The PSC unanimously recommends that the NHA Board award the engagement to CHA and authorize the Executive Director and Chair to negotiate and sign the contractual agreement.

**US Management Services/
Dominion Due Diligence
Group (USM/D3G)**

The USM/D3G proposal is **Advantageous for the NHA**, weighing both the technical and cost proposals. The PSC found that USM/D3G:

- Is a very new but qualified bidder,
- Has verifiable prior experience providing the entire scope-of-services in the RFP,
- Personnel have outstanding credentials and prior experience, particularly the principal personnel proposed, **BUT**
- Lacks substantial evidence of the six partnering companies ever working successfully together,
- Conveys the appearance of a very thin “bench” backing up the principals at USM and Commonwealth Community Developers,

- Proposed the highest hourly professional services rates of any of the respondents (e. g. \$300/hr vs. \$200/hr. for CHA),
- Despite the appearance of a fixed price approach, made a convincing case that its overall cost would be lower than CHA for the equivalent scope-of-services, and
- **Expressed aspirations to be considered as NHA’s development partner, which the PSC judged as significantly inconsistent with the RFP’s scope-of-services.**

Recap Real Estate Advisors (Recap)

The Recap proposal is **Not Advantageous** for the NHA, relative to the other two proposals. The PSC found that Recap:

- Is a highly qualified bidder with very substantial successful prior experience with Federal RAD/Section 18/22 repositioning project and related services,
- Has very highly qualified personnel and great bench depth, **BUT**
- Recap only proposed on a **portion** of the RFP scope-of-services, NHA’s Federal portfolio (Seabeds/Cook/High Rock),
- Recap **declined to propose** services to address the NHA’s State portfolio (Linden & Chambers), which is the Town of Needham’s highest priority, and
- Recap is likely to charge NHA substantially higher fees than either CHA or USM/D3G.

Further rationale is provided in Section 3 below for the Proposal Section Committee’s recommendations with respect to CHA, USM/D3G and Recap.

2. PROCESS

The Selection Committee was authorized at the NHA April 15, 2021 Board meeting, which also authorized the issuance of the RFP.

4/28/21 – The RFP was released with notices posted in the required publications. Notices were also proactively sent to all qualified firms listed on the Citizen’s Housing and Partnership Association (CHAPA) Directory of Consultants, and to other parties that have expressed an interest over the years.

5/12/21 – Walk-around of the NHA’s properties for prospective respondents.

5/21/21 Answers to written questions ,that had been received by the 5/14/21 deadline date, were sent to all potential respondents.

5/28/21 Three qualified proposals were received by the 5/28/21 deadline.

6/3/21- The Proposal Selection Committee evaluated the pro-

6/24/21 posal, meeting five times for 1-2 hours/meeting.

All activities have been conducted in strict adhering to the Massachusetts Uniform Procurement Act, MGL c. 30B as defined in the OIG Chapter 30B Manual dated November 2016.

3. **RATIONALE FOR FINDING CAMBRIDGE HOUSING AUTHORITY “MOST ADVANTAGEOUS”**

CHA Strengths:

- Track record and expertise with doing similar work internally over the past 10 years with HUD and State funding
- CHA fully addressed scope of both Federal & State properties
- Demonstrated the best knowledge of State & DHCD regulations and funding programs, relative the other two respondents
- Is likely to have the best professional relationships with critical DHCD personnel
- Track record of successful consulting relationships with other Massachusetts and New England LHAs
- Intimate, first-hand knowledge of what’s important at a local housing authority LHA
- Access to a complete, integrated Planning & Development Department team that’s been working together 2-3 years, and experience prior to joining CHA; the CHA team comes the closest to the RFP highly desired requirement to engage an outsourced Planning & Development Department
- CHA philosophy that NHA personnel should remain in charge of and manage operations after the RAD conversions
- Principal-in-Charge Margaret Moran, was instrumental in accomplishing the High Rock Homes redevelopment, and who has a high degree of knowledge on how to get things done in Needham.
- Project Manager Nathalie Janson, and the rest of the CHA personnel, are very experienced
- **CHA Price Proposal is most advantageous to NHA**
 - T&M approach in more realistic for engagement, given the uncertainties of scope
 - CHA’s rates are substantially lower/hour than either USM/D3G (1/3+ less for comparably experienced personnel)
 - CHA does not have to make a profit

CHA Areas for Concern:

- None

4. Rationale for Finding US Management Services/Dominion Group “Advantageous”

USM/D3G Strengths:

- Individual credentials, experience and references for Jim Harbison, Jim Perrine and Rob Hazelton are impressive
- USM/D3G appear to have a very strong relationship with HUD

USM/D3G Areas for Concern

- **USM is a brand new company started in 2021.** It appears to have no consulting engagement references so far.
- **USM expressed aspirations to be considered as NHA’s development partner, which the PSC judged as significantly inconsistent with the RFP’s scope-of-services**
- Team appears cobbled together from six companies. Scant evidence or references are presented to indicate that the two principal partners and the four sub-contractors have ever (or occasionally) worked together before; consequently the NHA is less likely to receive an integrated, seamless suite of services than USG/D3G, relative to the other two respondents.
- All personnel will be traveling in from out of state, except Jim Perrine, may result in less in-person involvement
- **USM/D3G’s Price Proposal is judged only “Advantageous” for NHA**
 - Fixed price approach proposed, but only Phase 1 is fixed. Other Phases can be re-priced if scope changes.
 - \$300/hr. consulting rate for all personnel is the highest proposed of any of the respondents
 - Although lower total cost ceiling is proposed relative to CHA & Recap, scope is limited to 2 RAD conversions, but more may be needed.
 - More travel cost for out-of-state personnel relative to CHA

5. RATIONALE FOR FINDING RECAP REAL ESTATE ADVISORS “NOT ADVANTAGEOUS”

Recap Strengths:

- Recap experience, track record and references with respect to Federal RAD conversions is the best of all three respondents, especially if cost is not a constraint
- All Recap personnel seem to be extremely knowledgeable, experienced and easy to work with.

Recap Areas for Concern

- **Recap only proposed to deliver the RFP scope-of-work for our Federal properties, a major disadvantage relative to the other two respondents.** NHA would have to find another consulting firm to help us with our Linden & Chambers properties.
- Some possible optimal options for modernization and redevelopment require a wholistic planning approach to all our properties, both Federal and State. This would be more difficult to achieve if Recap won the engagement.
- **Recap’s Price Proposal Appears to be the most costly, and is thus “Not Advantageous” to NHA relative to other two respondents**
 - Only Phase 1 is fixed fee
 - Subsequent Phases: Recap has bid a “finder’s fee” approach, charging 1.5% of new debt/equity raised. Based on 2019 FMP financing estimates for the projects we are contemplating, these fees would be substantially higher than either CHA or USM/D3G:
 - ~\$240k for Seabeds/Cook
 - ~\$200k for New 61 unit Sr. Building
 - ~\$315k for High Rock Redevelopment**~\$909k TOTAL**

Respectfully submitted by the Selection Committee:

Maria Angel Medeiros, Executive Director & Chief Procurement Officer
Reginald C. Foster, Chair, NHA Board of Commissioners
Ed Scheideler, Treasurer, NHA Board of Commissioners
Karen Hughey, Tenant & former Commissioner
Karen Sunnarborg, Consultant, Town of Needham