

**NEEDHAM HOUSING AUTHORITY  
SPECIAL BOARD MEETING MINUTES**

**Saturday, February 11, 2023**

**COMMISSIONERS PRESENT:**

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

**NHA STAFF PRESENT:**

Cheryl Gosmon, Assistant Executive  
Director

**ABSENT:**

Stephen Merritt, Interim Executive Director

**GUEST:**

Margaret Moran, Deputy Executive Director of Development, CHA  
Nathalie Janson, Senior Project Manager, CHA  
Joseph DeLarauze, Project Manager II, CHA

Chair Foster called the meeting to order at 9:30 am. He called the roll of Commissioners with all reporting present and attending in person on Saturday, February 11, 2023, for the Needham Housing Authority (NHA) Special Board meeting. He stated that the Secretary of the NHA had provided adequate notice of this meeting by preparing a Public Notice dated February 7, 2023, 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.

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**ANNOUNCEMENTS FROM THE CHAIR:**

Chair Foster stated that Interim Executive Director Steve Merritt had been taken ill. He had a fall a week ago Friday. He was hospitalized and is now home resting comfortably as of yesterday afternoon. Chair Foster stated that he and Ms. Gosmon have spoken with Mr. Merritt, and he is in recovery mode. He stated that the Assistant Executive Director, Ms. Gosmon, has stepped up to the plate, and everything is moving forward and running on time. Chair Foster noted that Friday, February 10<sup>th</sup> was Gary Kuphal, former Director of Maintenance and Facilities' last day.

Chair Foster stated that the February 16, 2023, Board meeting might be the last hybrid meeting for the Board. He stated that Governor's special order on holding remote and hybrid meetings would expire on March 31, 2023. He stated that it is not clear what will emerge from this.

**A. Capt. Robert Cook Drive Roof Replacement**

- Award of Contract  
Ms. Gosmon summarized the Captain Robert Cook Drive Roof Replacement Contract Agreement with Almar LLC. The contract award is for \$459,000.

## **Motion and Vote**

Upon a motion duly made by Commissioner Foster and seconded by Commissioner Scheideler to approve the Contractor Agreement between Needham Housing Authority and Almar, LLC., for roof replacement at the Captain Robert Cook Drive apartments in Needham, MA 02494 in accordance with the plans and specifications prepared by Ferentinos Architecture, LLC. This Contractor Agreement is based upon a bid price of \$459,000.00.

Chair Foster called the roll of Commissioners in favor of this motion:

Commissioner Foster voted yes; Commissioner Evans voted yes; Commissioner Scheideler voted yes; Commissioner Kirk voted yes; and Commissioner Bennett voted yes.

**The motion carried. The vote was unanimous, 5-0.**

## **B. Search for New Executive Director**

- **Status Update**

Chair Foster provided a status update on the search for a new Executive Director. He stated that Steve Merritt had not been able to make much progress with locating new search consultant candidates. He mentioned that DHCD had contacted him and Mr. Merritt for a status update on the Executive Director search process. Chair Foster spoke with Bob Pelletier and Carrie Souza, describing the difficulties Mr. Leco had in finding any qualified outside candidates. He told them several Commissioners thought the inside candidate, Cheryl Gosmon, was very qualified and should be interviewed.

- **Next Steps -- Discussion & Decisions**

Commissioner Scheideler stated that Ms. Gosmon has been on the job as Assistant Director for a year and has demonstrated excellent performance. He stated that he personally feels that Ms. Gosmon is eminently qualified and that the Board should interview her.

Commissioner Kirk stated that she had known Ms. Gosmon for approximately 15 years. She stated that Ms. Gosmon demonstrated to her right away when she first took the job as Resident Service Coordinator that Ms. Gosmon was highly committed to the housing authority's operations.

Chair Foster stated that he hears support around the table to proceed with an interview with Ms. Gosmon. There is also support for hiring the coaching/mentoring she would need, noting that this is a common practice in the private sector. Chair Foster noted that the Board decided a year ago that it needed an Executive Director and an Assistant Executive Director because of the increased workload. He added that as the Board moves down this path, think about filling the Assistant Executive Director position.

Ms. Gosmon thanked the Commissioners for their support. She stated that she loves the work and is committed to serving the NHA community and being the best she can be in this role. She stated that she is thrilled about this opportunity and will not let the Board down.

## **Motion and Vote**

Upon a motion duly made by Commissioner Scheideler and seconded by Commissioner Kirk to interview Cheryl Gosmon for the position of NHA Executive Director, to be carried out at the NHA Regular Board Meeting on Thursday, February 16, 2023.

**The motion carried. The vote was unanimous, 5-0.**

### C. NHA Repositioning Strategy Decision

- Updated Strategy 1b vs. Strategy 2  
Nathalie Janson began with updated information on Repositioning Strategy 1B vs. Strategy 2. She summarized previous Board discussions on the best repositioning option for the NHA and its federal properties. She referred to the NHA Guiding Principles of Development that the Board approved in 2021, which can be used as a framework for how the different options compare to one another and how they might be able to be used to meet the goals that the NHA has for its housing portfolio.

The conversation veered to a brief discussion about the concrete slabs at the buildings on Captain Robert Cook Drive (CRCDD). Commissioner Bennett stated that the concrete slabs would need to be investigated and remediated before construction begins. She described the conditions at her unit. Margaret Moran indicated that it doesn't make sense to spend money fixing the concrete slab if there is a fundamental problem below. She added that during the A/E process, an engineer would have a look at it.

Ms. Janson presented critical takeaways for the final two Repositioning Strategies for the NHA: Strategy 1: RAD/Section 18 Blend for Capt. Robert Cook Drive, Seabeds Way, and High Rock Estates and Strategy 2: Section 22 Streamlined Voluntary Conversion for the Federal Portfolio. She outlined the economic benefits of Strategy 1: RAD/Section 18 Blend and Strategy 2: Section 22 Streamlined Voluntary Conversion. Ms. Janson noted that Strategy 1 requires construction to occur to implement the conversion, and Strategy 2 begins as soon as HUD approves the Section 22 application, and the PHA implements the conversion.

Margaret Moran stated that both strategies, based on the Property Condition Reports received, the NHA can fund 20 years of modernization needs at the federal properties as long as additional funding resources are used, such as the Low-Income Housing Tax Credit (LIHTC) program. Ms. Moran noted that Strategy 1 could support the 128-unit redevelopment of Linden because of the added federal operating subsidy created through the RAD Section 18 program, and Strategy 2 cannot fully support the redevelopment of Linden.

Chair Foster noted that the numbers, as presented by Ms. Janson, are per annual numbers: the total added benefit is \$2,784,664/year for Strategy 1, and the total added benefit is \$2,282,314/year for Strategy 2. A comprehensive discussion of the quantitative and qualitative pros/cons followed.

Margaret Moran stated that Strategy 1: RAD/Section 18 Blend requires construction to occur as part of the conversion and that the NHA will likely need to partner with a developer. She stated that the added economic benefit is \$2.78M annually and factors in 108 new units of federal operating subsidy in the form of Faircloth. Ms. Moran stated that Strategy 1: RAD /Section 18 Blend would allow for the comprehensive

renovation of Seabeds Way and Captain Robert Cook Drive, provide operating and capital funding to support Linden-Chambers, provide operating funding to replace units at High Rock Estates, allowing for 116 deeply affordable units.

Ms. Janson stated that Strategy 2: Section 22 Streamlined Voluntary Conversion is an easier process to implement. She stated that it is available as of right to the Housing Authority and does not require construction to occur to have the housing authority receive the \$2.28M increased annual operating income. She stated that Section 22 allows for a comprehensive renovation of Captain Robert Cook Drive and Seabeds Way. It only provides capital funding necessary to have a new construction project at Linden penciled out. Still, the State would be able to find resources to make redevelopment of those two properties possible—a comprehensive discussion followed on the critical differences between the two strategies.

Ms. Janson provided an overview of the capacity requirements for the NHA if Strategy one were to move forward. She stated that the NHA would need to use 4% Low-Income Housing Tax Credits (LIHTC) and a permanent mortgage to fund construction at Seabeds Way, Captain Robert Cook Drive, and Linden-Chambers. She stated that lenders and investors would look for: Staff capacity and organizational stability; Financial capacity to meet liquidity and guaranty requirements; Liquidity of unrestricted assets at 10% of the loan and net worth at 300% of the loan; and Prior experience with LIHTC. Ms. Janson stated that these requirements could be challenging for small and mid-sized housing authorities, requiring them to partner with well-capitalized developers with LIHTC experience. She added that these services would be procured through a Request for Proposal (RFP).

- Discussion of Pros/Cons

Ms. Janson outlined the pros and cons of partnering with a Developer. She explained that each partnership with a development partner would look different depending on how much negotiating the NHA can do and how much leverage the NHA will have. She added that the pros are essentially what the NHA would get out of the partnership, and the cons, in some ways, are what the NHA gives up to get benefits. She described what the benefits would entail.

Ms. Janson presented information on how the NHA could strengthen its negotiating position. She noted that this is something that there will need to be continuous conversations about but that it is good to start thinking about it now so that work can be done to prepare the NHA. She stated that in terms of staff capacity and organizational stability, the Needham Housing Authority Board would continue to have varied experiences and commitment to the NHA's mission and have a Board that's active in the community and has demonstrable accomplishments. She stated that in terms of the staff, the key is to ensure that there is acquisition and retention of leadership, both in terms of executive leadership and with staff that have some redevelopment skills or experience. She added that for the financial stability of the NHA, it would be important to understand how much is available in unrestricted funding and net worth. Ms. Moran stated that the Needham Housing Authority brings to the table its 75 years of experience in providing affordable housing in Needham. She added that the NHA has a lot of relationships with staff residents and boards in Needham, as well as with State and Federal representatives. She encouraged the NHA to continue cultivating, strengthening, and maintaining those relationships.

- **Next Steps**  
Suppose the Board chooses Strategy 1: RAD/Section 18 Blend for Capt. Robert Cook Drive, Seabeds Way, and High Rock Estates' next steps include the following: Proceed with /Captain Robert Cook Drive and Seabeds Way first as one combined application; Procure a 20-year RAD PCA for the property; Compile RAD/Section 18 application; and hold at least two resident meetings.

Ms. Janson stated that the application process could take approximately ten weeks to complete. HUD approval should follow within three months of submission. She noted that the NHA would seek the High Rock Estates RAD/Section 18 conversion at a later date.

Ms. Janson stated that the NHA would issue an A/E Designer RFP for Captain Robert Cook Drive and Seabeds Way in March 2023 in anticipation of HUD RAD approval, with estimated construction starting in 2024. She stated that the NHA would issue an RFP for legal services in May 2023. She stated that after HUD approval, the RAD implementation process would begin for Captain Robert Cook Drive and Seabeds Way and include resident meetings throughout the process.

- **Recommendation(s) from Development Consultants & NHA Executive Staff**  
Chair Foster stated that it had been 18 months to get to this point. He stated that the input of Steve Merritt had been highly valued. He asked the CHA if they had a recommendation for the Board.

Ms. Moran stated that she shared this presentation with Mike Johnson, Executive Director of Cambridge Housing Authority, the person she reports to. She stated that it is not just her recommendation but the recommendation of the CHA Team. She stated that CHA Team is recommending RAD/Section 18 Blend. She noted that this option gives the NHA the maximum flexibility to achieve its goals and objective within the federal public housing portfolio, but the collateral benefit of supporting the NHA's objectives and goals for the Linden-Chambers property.

Chair Foster stated that the ability to repurpose 108 units of subsidy from the federal side program to the state program would help generate town and DHCD support. DHCD has demonstrated in the past, and they continue to demonstrate, that if we can offer this as part of what we're putting together in terms of the financing layer cake for Linden-Chambers that it will help unlock their support and the money that we need to get over the finish line between Phase 1 and Phase 2. A comprehensive discussion followed.

- **Board Decision on which Strategy to Pursue**  
**Motion and Vote**  
Upon a motion duly made by Commissioner Foster and seconded by Commissioner Bennett that the Needham Housing Authority Board of Commissioners adopt what is known as Strategy 1 RAD/Section 18 Blend as presented today and starting with Captain Robert Cook Drive and Seabeds Way and to authorize the Cambridge Housing Authority, the NHA Development Consultants to pursue applications and conversions of the NHA federal properties.

Chair Foster called the roll of Commissioners in favor of this motion:

Commissioner Evans voted yes; Commissioner Bennett voted yes; Commissioner Kirk voted yes; Commissioner Scheideler voted yes; and Commissioner Foster voted yes.

**The motion carried. The vote was unanimous, 5-0.**

**D. Update: NHA/CHA Presentation of CPA Funding Request to CPC on 2/9/2023**

There was no discussion on this item.

**E. Adjournment**

**Motion and Vote**

Upon a motion duly made by Commissioner Kirk and seconded by Commissioner Bennett to adjourn the NHA Special Board Meeting, on February 11, 2023, at 12:25 pm.

Respectfully Submitted by:

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Cheryl Gosmon  
February 11, 2023

**Attachment: 2/11/2023 PowerPoint Presentation**