

**MINUTES OF THE MEETING
of the
PORTLAND HOUSING AUTHORITY**

Thursday, January 2, 2020

The meeting of the Portland Housing Authority was held at the Washington Gardens Community Center, 66 Pembroke Street, Portland, Maine. Upon roll call, quorum is declared. Meeting called to order by Mariar Balow, Chairperson, at 5:40 PM

PRESENT	ABSENT
Mariar Balow, Chairperson Robyn Tucker, Vice-Chairperson Kristin Blum, Commissioner Monique Mutumwinka, Commissioner Christian MilNeil, Commissioner Shirley Peterson, Commissioner Tom Valteau, Commissioner Cheryl A. Sessions, Executive Director Jay Waterman, Director, Real Estate Development Trevor Nugent, Director, Property Management Richard Biggs, Director of Maintenance Karin Lavigne, Property Manager Larry Giddinge, Director of Finance Lourdes Alvarez, Administrative Support Specialist	N/A

1. Public Comment – meeting with residents

The floor was opened for public comment from residents. The Board members and staff present were introduced prior to acceptance of questions from the audience. Resident asked about an item in the news regarding HUD monies and budget approvals mentioned by Maine State Senator Susan Collins; the Executive Director reassured residents that no budget reductions are expected, and the agency is operating at normal levels. Residents expressed concerns regarding safety due to recent incidents and asked if security cameras are being added as part of the upcoming rehab project. This served as a Segway to talk about the upcoming RAD project at Washington Gardens which is applying for Section 18 disposition and a resident meeting is planned for Wednesday, January 22 at 2 PM in the community center. Other funding for the project has been approved by MaineHousing and the Federal Housing Bank of Boston. The renovations at Washington Gardens are different from what is happening at Front Street, where demolition of units is the plan and the work is being planned in two phases. Phase 1 is expected to start in the fall, when residents begin to be temporarily moved. Residents are encouraged to come to the planned meetings in their neighborhoods as projects come closer to their start dates.

2. End of Fiscal Year Audit Update

The auditors’ presentation to the Board has been delayed to the next Board meeting. Director of Finance Larry Giddinge presented the context by which the auditors perform their audit work. Final report is usually issued and presented to the Board after peer review is completed. The target mark date of Dec 31 was not reached by the Agency. During the fall audit, a potential Section 8 issue was resolved prior to ending the audit and avoided becoming a finding. The reason target was not attained was due to a report needed from MainePERS regarding the post-employment retirement and health costs. Delays in receiving the required report was due to the retirement of the contact staff person at MainePERS. Therefore, information required to be updated in the HUD system has not been completed as per our usual schedule. There may be a finding in the FDS due to the delay and lack information needed from MainePERS. Mr. Giddinge apologized for the occurrence, being a first during his 27-year tenure at the agency. The issue has been resolved and a second peer review will take place and the final report is expected by January 31. A material deficiency has occurred due to a significant difference between the Agency record and the information provided by MainePERS, which is expected to trigger a finding. The difference in funding is just over 6 million in the pension liability. The Board members accepted the report from Mr. Giddinge and thanked him and his staff for their work ethic and diligence through this process. Board appreciate the work Larry has done through the years.

3. Resolution to approve the minutes of the regular board meeting of December 5, 2019

Resolution #2976

Be it resolved by the Commissioners of the Portland Housing Authority that the minutes of the regular meeting of December 5, 2019, be and hereby are approved.

The above resolution was moved by Christian MilNeil, Commissioner and second by Mariar Balow, Chairperson, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Mariar Balow, Chairperson	None
Robyn Tucker, Vice-Chairperson	
Kristin Blum, Commissioner	
Christian MilNeil, Commissioner	
Monique Mutumwinka, Commissioner	
Shirley Peterson, Commissioner	
Tom Valleau, Commissioner	

Chairperson declared said motion carried and said resolution adopted.

4. Development update

Director of Real Estate Development Jay Waterman proceeded report on project updates. The 58 Boyd Street project is approximately 24% complete – construction moving along with exterior walls up to top floor. Front Street had a resident meeting, a requirement for Section 18 application and the resolution for approval. That SAC application is expected to be submitted on January 15. The 47 Boyd Street Project is looking to maximize the lot so units may be added to the building. Design discussions on possible renovation options available for Washington Gardens are being looked at as that project is going under Section 18, seeking improved scoring on the loan and will require an amendment to the previous Board approval to move forward. Almost all the financing is in place and the work on construction cost and design should be completed in the next few months. Improvement in handicap accessibility is also in the works for Washington Gardens.

5. Executive Director reminders

Next Finance Committee meeting is January 21, and next Board meeting will be February 6. Strategic Staff Retreat is planned for February 8 at SMCC, with a start time of 8:30 or 9 AM.

6. Finance Committee Report

Commissioner Christian MilNeil proceeded with the Finance Committee Report. Operating income is currently running above projected due to higher rents paid by residents who are working. Expenses are also running under budget, but the number is expected to balance out by end of fiscal year. Funding has been generous for the past two years but could be cut at any time by HUD. RAD will allow the agency to be more self-reliant. Three funding loan applications have been approved and will allow future projects to move forward (Washington Gardens, Front Street, and 47-49 Boyd Street)

7. SAC Resolutions

Mr. Waterman explained each of the SAC application resolutions as presented. He mentions HUD requiring the Front Street application to be approved in two resolutions as the project is being completed in two phases. The resolution for the Washington Gardens project is to amend the previous RAD application approval to allow for disposition and application to be submitted under Section 18. The payoff of the EPC debt is part of the financing package. PHA will be the guarantor of the future project loans. The land titles will remain under PHA or PHDC in accordance to the approved lease agreement with each development LLC. PHA or PHDC will be able to buy out the tax credit partners at the end of the initial term. For the Liberty Square property at 37 Illsley Street, currently vacant, the resolution is to approve application under Section 18 to remove property from the portfolio and sell at its fair market value and use the proceeds to finance future development projects as the Executive Director see fit. The 1/3-acre parcel at 165-167 Anderson Street, which was separated from the 155 Anderson property during the RAD conversion, will be removed from the Declaration of Trust so it can be developed into housing under PHDC subject to a HUD use agreement. It could support 18 units under current zoning rules. Board members asked if this lot could be added to the 47-49 Boyd project. Mr. Waterman stated that they were in different locations.

- A. Approval to submit SAC Application to HUD for Front Street – Phase I and amend the existing option to purchase that development by PHDC for \$1, so that the option can be exercised in phases corresponding with Phase I and II of the Front Street Redevelopment Project, subject to HUD approval of that application

Resolution #2977

Be it resolved by the Commissioners of the Portland Housing Authority that the above resolution, be and hereby are approved.

The above resolution was moved by Christian MilNeil, Commissioner and second by Mariar Balow, Chairperson, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Mariar Balow, Chairperson	None
Robyn Tucker, Vice-Chairperson	
Kristin Blum, Commissioner	
Christian MilNeil, Commissioner	
Monique Mutumwinka, Commissioner	
Shirley Peterson, Commissioner	
Tom Valleau, Commissioner	

Chairperson declared said motion carried and said resolution adopted.

- B. Approval to submit SAC Application to HUD for Front Street – Phase II and amend the existing option to purchase that development by PHDC for \$1, so that the option can be exercised in phases corresponding with Phase I and II of the Front Street Redevelopment Project, subject to HUD approval of that application

Resolution #2978

Be it resolved by the Commissioners of the Portland Housing Authority that the above resolution, be and hereby are approved.

The above resolution was moved, as amended, by Christian MilNeil, Commissioner and second by Kristin Blum, Commissioner, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Mariar Balow, Chairperson	None
Robyn Tucker, Vice-Chairperson	
Kristin Blum, Commissioner	
Christian MilNeil, Commissioner	

Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valleau, Commissioner

Chairperson declared said motion carried and said resolution adopted.

- C. Approval to submit SAC Application to HUD for demo/disposition approval for Washington Gardens and amend the existing option to purchase that development by PHDC for \$1, subject to HUD approval of SAC Application or RAD Conversion approval of that application

Resolution #2979

Be it resolved by the Commissioners of the Portland Housing Authority that the above resolution, be and hereby are approved.

The above resolution was moved, as amended, by Christian MilNeil, Commissioner and second by Shirley Peterson, Commissioner, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Mariar Balow, Chairperson	None
Robyn Tucker, Vice-Chairperson	
Kristin Blum, Commissioner	
Christian MilNeil, Commissioner	
Monique Mutumwinka, Commissioner	
Shirley Peterson, Commissioner	
Tom Valleau, Commissioner	

Chairperson declared said motion carried and said resolution adopted.

- D. Approval to submit SAC Application to HUD for 37 Illsley Street Condo Unit and approval of the sale of that property at its fair market value and application of those proceeds to the redevelopment of other affordable housing in PHA or PHDC's portfolio (in the sole discretion of the Executive Director), subject to such terms as HUD shall require

Resolution #2980

Be it resolved by the Commissioners of the Portland Housing Authority that the above resolution, be and hereby are approved.

The above resolution was moved by Robyn Tucker, Vice Chair, and second by Monique Mutumwinka, Commissioner, and upon roll call, the ayes and nays were as follows:

AYES

NAYS

Mariar Balow, Chairperson
Robyn Tucker, Vice-Chairperson
Kristin Blum, Commissioner
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valleau, Commissioner

None

Chairperson declared said motion carried and said resolution adopted.

- E. Approval to submit SAC Application to HUD for empty lot at 165-167 Anderson Street and an option to purchase that lot by PHDC for \$1, subject to HUD approval of that application

Resolution #2981

Be it resolved by the Commissioners of the Portland Housing Authority that the above resolution, be and hereby are approved.

The above resolution was moved by Christian MilNeil, Commissioner and second by Kristin Blum, Commissioner, and upon roll call, the ayes and nays were as follows:

AYES

NAYS

Mariar Balow, Chairperson
Robyn Tucker, Vice-Chairperson
Kristin Blum, Commissioner
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valleau, Commissioner

None

Chairperson declared said motion carried and said resolution adopted.

8. State Street Financing Resolution

This resolution provided the authorization to redeem the bonds issued by PHA to refinance State Street Project, giving authorization to pay off the loan, and gives signature authority to Ms. Sessions as Executive Director.

- A. Approval to authorize the prepayment of the loan from PHA to State Street Housing Preservation Corporation (SSHPC) and the prepayment and redemption of the Bonds issued by PHA to finance the SSHPC project

Resolution #2982

Be it resolved by the Commissioners of the Portland Housing Authority that the above resolution, be and hereby are approved.

The above resolution was moved by Kristin Blum, Commissioner and second by Robyn Tucker, Vice-Chair, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Mariar Balow, Chairperson	None
Robyn Tucker, Vice-Chairperson	
Kristin Blum, Commissioner	
Christian MilNeil, Commissioner	
Monique Mutumwinka, Commissioner	
Shirley Peterson, Commissioner	
Tom Valleau, Commissioner	

Chairperson declared said motion carried and said resolution adopted.

9. Meeting adjournment

With no other business to discuss, motion to adjourn meeting moved by Commissioner Christian MilNeil, and second by Chair Mariar Balow.

Meeting ended at 6:30 PM