

**NEEDHAM HOUSING AUTHORITY  
SPECIAL BOARD MEETING MINUTES**

**Thursday, January 5, 2023**

**COMMISSIONERS PRESENT:**

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

**NHA STAFF PRESENT:**

Steve Merritt, Interim Executive Director  
& Secretary  
Cheryl Gosmon, Assistant Executive  
Director  
Gary Kuphal, Director of Facilities &  
Maintenance  
Nayda Sanchez, Director of Leasing &  
Occupancy

**GUEST:**

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

Chair Foster called the meeting to order at 7:35 pm. He called the roll of Commissioners with all reporting present on Thursday, January 5, 2023, for the Needham Housing Authority (NHA) Special Board meeting. He stated that adequate notice of this meeting had been provided by the Secretary of the NHA by preparing a Public Notice dated December 30, 2022, 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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**New/Old Business:**

**Executive Director Search – update**

Chair Foster first summarized the meeting’s overall agenda and primary purpose: to determine which of two repositioning strategies is best for NHA.

Starting with the Executive Director Search agenda item, Chair Foster recapped what transpired at the December 15, 2022, Board meeting and thereafter. The Board received the Executive Director Search Committee Report, which noted that six resumes were received, four candidates were interviewed and three were recommended to come before the Board for a final interview. Between the time of the committee’s recommendation and the December 15 Board meeting, one of the three candidates withdrew and took a position with another housing authority. The Board decided to interview the remaining two candidates during the week between Christmas and New Year’s Day. There were scheduling difficulties. Then the second of the three candidates also withdrew their application. With only one candidate remaining, Search Consultant Rich Leco recommended that the Board not proceed with the interviews right now based on his knowledge of how things go with DHCD’s approval process. Chair Foster referenced Rich Leco’s email which was forwarded to the Board earlier this afternoon. He stated that Rich Leco is recommending that the Board repost and re-advertise the position at some time towards the end of January.

Chair Foster stated that one other thing transpired a week later which is that Rick Leco called and said another candidate had inquired about the Executive Director position and might be interested. He noted that there may be a potential good quality candidate, according to Rich Leco, but that the candidate has not agreed to formally submit their application for consideration.

Commissioner Scheideler stated that the memo from the Search Consultant, Rich Leco, was dated December 21, 2022, and that it is unsatisfactory that the Board is hearing about on January 5, 2023. He is disappointed with Mr. Leco and Chair Foster. Chair Foster and apologized for not forwarding the email promptly. Chair Foster stated that he accepts that criticism. He stated that at the time the holiday season was upon us and that at the December 15 meeting the Board had accepted the final report from the Search Committee were moving forward to Board interviews and that the Search Committee was not actively searching at the time.

Commissioner Scheideler stated that four out of five committee members had unanimous support for the one remaining candidate, and in his opinion, we don't want to and don't need to continue searching. He added that we have a strong candidate that has a lot of support and that he rejects Rich Leco's suggestions to start the search process over. Commissioners Kirk and Bennett concurred with Commissioner Scheideler's remarks.

### **Motion and Vote**

Upon a motion duly made by Commissioner Scheideler and seconded by Commissioner Bennett that the Board schedule the interview, discussion, and a vote on the remaining candidate of the Executive Director position at the NHA January 19, 2023, Board meeting.

#### **Discussion:**

Chair Foster stated that the Mr. Leco expressed the following concern: that the one remaining candidate we have does not meet DHCD's minimum requirements for the Executive Director position. He added that the Board should invite Mr. Leco to the next Board meeting to explain his recommendation.

Vice-Chair Evans asked for clarification about the process in terms of DHCD's approval of candidates. She asked if the process is that the Board votes on a candidate and then it goes to DHCD or is there some sort of process that would have resumes submitted to DHCD to determine if candidates are qualified.

Chair Foster responded that the Board decided to have a Search Committee to screen the candidates and make recommendations to the Board, which happened last month, and the Board received those recommendations to interview one or more finalists. He added that if the Board extends an offer of employment to a candidate, that person would sign the employment contract and DHCD would have up to sixty days to review the contract and decide as to whether to approve it or not. Chair Foster added that he does not think it advisable to not follow the recommendations of the Search Consultant.

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

Commissioner Scheideler voted, yes; Commissioner Bennett voted, yes; Commissioner Kirk voted, yes; Commissioner Evans voted, yes; and Commissioner Foster voted, no.

**The motion carried. The vote was 4 in favor, 1 opposed.**

**Repositioning-** Discussion to determine which repositioning strategy the NHA will take for Cook's Bridge (Captain Robert Cook Drive and Seabeds Way) and High Rock Estates

Chair Foster opened this item for discussion and welcomed Cambridge Housing Authority (CHA) Consultants, Margaret Moran, and Nathalie Janson and invited them to present their report.

Ms. Janson presented a high-level summary on the repositioning tools and strategies for NHA's federal properties. She recapped the timeline on repositioning strategies that began in the summer of 2021. She referred to the Property Conditions Report (PCR) prepared by Dietz and Company Architects, Inc., for the NHS's three federal properties. She added that CHA has been analyzing the reports.

Ms. Janson summarized what repositioning achieves. She stated that it takes federal public housing units and moves them from the Section 9 Public Housing Platform, which has historically been underfunded, to a better funded Section 8 Platform. Ms. Janson referred to the Board approved NHA Guiding Principles of Development as a way of understanding what the NHA's goals are for repositioning and using those goals as a lens of how to think about what repositioning can do in terms of the additional resources it provides in order to meet NHAs goals.

Commissioner Bennett asked for more clarity on Resident Services as it relates to repositioning. Ms. Janson replied that it is the NHA's goal to continue to provide resident services and expand those where possible using funding that is coming from the properties to be able to fund those resident services. Ms. Janson added that if construction occurs and if relocation is needed the NHA would develop a Resident Relocation Plan to determine relocation options for residents.

Chair Foster further clarified that repositioning is the process of moving the NHA from a Section 9 funding stream to a Section 8 funding stream. He added that the Property Conditions Report (PCR) outlines how renovations and upgrades would improve the Seabeds Way and Captain Robert Cook Drive properties. He also clarified that if construction and renovation was to occur a relocation plan would need to be in place with resident input on how the relocation is to be achieved.

Ms. Janson pointed out that the NHA is not at a place yet to have a strategy for resident relocation. She added that the design process needs to happen to understand the scope of work and how it would be phased. Ms. Janson briefly summarized what CHA has done where tenant relocation has been required as well as the resident engagement process around the development of a tenant relocation plan.

Margaret Moran emphasized that the only way construction happens is if a solid and careful relocation is in place and ensures that the residents continue to have affordable housing in place. She added that this is a critical element in the ability to move forward and to do it in a way that is respectful and considerate of residents so that they continue to have an affordable home.

Ms. Janson recapped the repositioning tools that have been evaluated by NHA and CHA and outlined repositioning strategies. She referred to Strategy 1B and Strategy 2. She explained that Strategy 1B for SBW, CRCD and HRE (136 units) is a RAD/Section 18 Blend, which would result in 20% of these units converting under RAD (based on existing public housing rents) and 80% converting under Section 18 (which is based on fair market value rent). Ms. Janson stated that the economic benefit of Strategy 1B to the NHA is \$4.5M in income after repositioning. She also stated that Strategy 1B would give the NHA the ability to fund 10

years of modernization needs.

Ms. Janson explained that Strategy 2 for SBW, CRCD and HRE (136 units) is a Section 22 streamlined voluntary conversion, which is available as a right to housing authorities who have a federal public housing portfolio with less than 250 units. She stated that this would convert all the 136 units to fair market value rent, which is substantially higher than current public housing rents and RAD rents. She added that the economic benefit of Strategy 2 to the NHA is \$4M in income after repositioning and the revenue stream begins immediately after HUD approves the Section 22 application and would take a year to fully implement.

Ms. Janson described the increase in operating income for Strategy 1B and Strategy 2. She stated that for Strategy 1B, new operating income would increase by 106% and for Strategy 2 new operating income would increase by 131%. She added that Strategy 2 yields the greatest increase in new income before Faircloth as 100% of units would receive full-value Section 8 vouchers, but zero value in the number of Faircloth units. Ms. Jansen explained that Faircloth Authority is the amount of public housing units a local housing authority can own, assist, or operate. She stated that the NHA's Faircloth Authority is 136 units.

Ms. Janson explained the impact of retaining or losing the federal Section 9 federal subsidy units (otherwise known as Faircloth units). She stated that the retention and reuse of Faircloth Authority would provide additional future operating subsidy (estimated at ~\$728/per unit, per month) that could help support the redevelopment of existing properties and the creation of new housing. She added that any Faircloth Authority generated by a repositioning could be used to subsidize the operations at Linden/Chambers or new High Rock Estates. Ms. Janson summarized the value of the Faircloth to the NHA and spoke about the economic benefits. Discussion by all attendees continued on an analysis on the timing of revenue streams associated with Strategy 1B and Strategy 2 and the ability to meet eligibility thresholds. Ms. Janson summarized the manageability of the execution for Strategy 1B and Strategy 2. She provided additional information on tenant-based vouchers for Section 22 and provided the pros and cons of partnering with a developer. Ms. Janson summarized next steps. A lengthy discussion followed with Margaret Moran favoring Strategy 1B as more beneficial for the NHA and Steve Merritt favoring Strategy 2 as more beneficial for the NHA.

To conclude the meeting, Chair Foster summarized his sense of the current discussion. The Board is not yet ready or prepared to make a final decision between the two recommended repositioning strategies. Commissioner Scheideler added that he would find it extremely helpful to receive the final, updated written repositioning analysis report. Chair Foster requested that the CHA Team and Interim Executive Director Merritt continue to meet offline, with the objective of seeing if they could achieve a consensus recommendation to Board. When both these things have happened, he would convene a special board meeting promptly to make the final decision as to the optimal repositioning strategy for the NHA.

### **III. Adjournment**

#### **Motion and Vote**

Upon a motion duly made by Commissioner Scheideler and seconded by Commissioner Bennett to adjourn the NHA and HRH LLC January 5, 2023, Board meeting at 9:50 pm.

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

Commissioner Kirk votes, aye; Commissioner Scheideler votes, aye; Commissioner Bennett votes, aye; Commissioner Evans votes, aye; and Commissioner Foster votes, aye.

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

Respectfully Submitted by:

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Cheryl Gosmon  
January 5, 2023