

**Minutes of the Regular Meeting of the Board of Commissioners
of the Hudson Housing Authority
November 14, 2018**

1. **Roll Call/Establishment of Quorum:** The meeting was called to order at 6:00pm by Executive Director Tim Mattice. Members in attendance were: Chairperson Weaver, Treasurer Polenberg, Commissioners Mary Decker, and Robert Davis, Marie Balle. Legal Counsel Michael Bruno and Development Counsel Dan Hubbell. Vice-Chair Martin arrived late. A quorum has been established.
2. The Executive Director welcomed new board commissioner Marie Balle. Commissioner Balle was appointed by the mayor to fill the seat vacated by Tracy Brown. Welcome and thank you for your commitment to serve as a commissioner on the HA board.
3. The Executive Director announced that Commissioner Anthony Pastel submitted his resignation to the board effective immediately. The ED has provided Commissioner Pastel's resignation letter in their packet. A motion and vote to approve Commissioner Pastel's resignation is required.
Motion to accept Commissioner Pastel's resignation was made by: Treasurer Polenberg.
Seconded by: Commissioner Decker. Motion approved unanimously.
4. **Approve Meeting Minutes for October 10, 2018:** Reading of the minutes from the Regular Board meeting held on October 10, 2018: The minutes of the previous meeting were ready. Motion to approve the minutes was made by: Treasurer Polenberg. Seconded by: Commissioner Balle. Minutes were approved unanimously.
5. **Board approval of Accounts Payable and Monthly Financial Review for October 2018:** Board review of monthly expenses for October, 2018. Motion to approve accounts payable and financials for October was made by: Commissioner Decker. Seconded by: Treasurer Polenberg, Accounts Payables were approved unanimously.

New Business:

6. **State Street and Bliss Towers Project Development Up-Date, (Dan Hubbell)**
Dan Hubbell project development legal counsel for the housing authority explained that the board had approved a project term sheet agreement a few months ago that included ownership, financial and management responsibilities for the project and is essentially an outline to the Master Development Agreement (MDA). The Final MDA will be presented to the board for approval in December. HHA's ED and Legal counsel are currently negotiating the final MDA terms with the developer hopefully before the next board meeting. HHA is also reviewing a forum management agreement document submitted by PRC outlining the roles and responsibilities between HHA and PRC in the management of the project, post construction. The board will have a draft copy of the MDA to review before the December meeting.
Dan Hubbell explained to the board the new ownership and management structure that the HA will be entering into. HHA and PRC will be co-owners in the project and major decisions will require approval by both owners. There will also be defined management roles that each owner will be responsible for as outlined in the MDA and management agreement. There will be new entities created for this project too, but the HA will remain a separate corporation with its own finances. There will be a Housing Development Fund Corporation created that will hold ownership of the project. HHA will be the sole member of the HDFC. There will also be a project development LLC which will include PRC and HHA for the purpose of the construction and management of the project. Dan Hubbell concluded by explaining that there are a few important matters that need to be addressed and negotiated,

the HDPC. There will also be a project development LLC which will include PRC and HHA for the purpose of the construction and management of the project. Dan Hubbell concluded by explaining that there are a few important matters that need to be addressed and negotiated, specifically mechanisms included in the MDA that protect the HA in the event PRC dissolves or goes bankrupt so the project is preserved.

7. Rental Assistance Demonstration (RAD) Resident meeting.

The ED opened up the RAD resident meeting and discussed the information in the notice letter that was sent out to all residents. (Please see attached letter sent to residents). The ED explained the history of RAD and the purpose of RAD as a means to preserve public housing not only in Hudson but throughout the country. RAD is intended to preserve public housing by allowing HA's to enter into a 20-year section 8 HAP contract with the federal government.

After the contract period is up the government requires HA's to renew its contract. A Use Agreement will encumber and restrict use of the land for low-income housing, pursuant to HUD program requirements. Not only does this Use Agreement automatically renew every 20 years, with a renewed HAP contract, it also survives foreclosure. That means that even in the worst case scenario, if for some reason something goes wrong with the development and there needs to be a work-out or other refinancing, any new plans are still subject to the Use Agreement.

The ED answered a number of questions from residents with the following responses:

First and foremost, HHA retains underlying ownership of the assets through a ground lease.

HHA remains the sole owner of the land. That means HHA gets to say who and what that land is used for. That doesn't change through this program. Although there are complex financing arrangements that do give private parties some interests in the development, when the ground lease terminates, full ownership of the buildings transfer back to HHA. This is required by HUD.

HHA will be a member of the ownership structure, no private developer can purchase or remove the HHA in 2033 or any other year without HHA consent. This is also a HUD requirement.

While it is true that LIHTC program has a 15-year compliance period, in this deal and in the RAD program, there is a 20-year HAP contract.

RAD was developed because public housing has been significantly under-funded for decades. Because of this under-funding, the country was losing 10,000-15,000 public housing units every year, because PHAs aren't able to maintain the units and they become uninhabitable.

RAD isn't perfect, but it has allowed PHAs to complete \$5 BILLION in hard construction costs since 2012. It would have taken PHAs 47 years to accumulate that much funding through Capital Fund funding.

The RAD program also creates a more stable funding platform, more dependable and less prone to budget shortages.

There was a lot of concern (from resident advocates, HUD, Congress and others) at the inception of the RAD program about the potential to lose scarce public resources in the long-term. In response to these concerns, these protections were built into the program from the beginning to ensure long-term preservation of these public resources.

8. Report of Resident Commissioners:

- Commissioner Decker: On October 31 Robert Davis organized a Halloween party for the children of Bliss Towers. Commissioner Decker stated she would be organizing a Christmas Party for the children of Bliss Towers on December 22. Commissioner Davis stated that there were approximately 20 children for the Halloween party.
- There was a discussion among the commissioners about the resident association forming a separate not-for-profit so they can maintain their own funding and hold various fundraisers. The commissioners directed Michael Bruno to assist in preparing the necessary paper work for setting up a not-for-profit. Tom DePietro, city council president and member of the Hudson Development Corporation suggested having the HDC sponsoring the resident association and allowing the resident association to use HDC not-for-profit 501c3 status rather than setting up a new entity. Mr. DePietro stated he will bring it to the HDC

allowing the resident association to use HCD not-for-profit 501c3 status rather than setting up a new entity. Mr. DePietro stated he will bring it to the HDC board for their review and approval.

9. Other Business:

- Public Comment: None.

10. Chairperson Weaver called a motion to move to executive session at 7:12 pm to discuss employee health insurance benefit annual renewal and employee personnel matters. Motion to approve executive session and to include Michael Bruno was made by: Commissioner Decker Seconded by: Vice-Chairperson Martin. Motion was approved unanimously.

Executive Session concluded at 7:35pm.

Regular meeting reconvened at 7:35pm.

11. **Resolution # 454 Executive Director.**

Motion to approve Resolution #454 was made by: Commissioner Decker.
Seconded by: Commissioner Davis. Motion was approved unanimously.

12. **Adjournment:** Motion to adjourn made by Chairperson Weaver and seconded by Commissioner Decker. Motion approved unanimously. Meeting adjourned at 7:37pm.

Respectfully submitted,

Timothy M. Mattice, Secretary