

Minutes of the Manchester Affordable Housing Trust Joint with Manchester Housing Authority

Date: May 10, 2023
Time: 6:30 PM
Location: Hybrid – Town Hall Room 7 and Virtual Meeting through Zoom as posted
Present: MAHT: John Feuerbach, Joan McDonald, Chris Olney, Sarah Mellish, Muffin Driscoll, Peggy Hegarty-Steck, Gretchen Wood. Staff: Helene Shaw-Kwasie
Present: MHA: Beth Heisey, Elaine Persons, Gretchen Wood. Staff: Irene Fronteiro
Absent: Craige McCoy, one empty seat.

Call to order

Mr. Feuerbach called the MAHT meeting to order at 6:30 p.m.

Ms. Parsons called the MHA meeting to order at 6:31 p.m.

KJP Partners and Kurt James met with MAHT and MHA to discuss engaging KJP Partners on a limited discreet basis.

Chairman Feuerbach introduced Atty. Kurt James who has experience working with Affordable Housing Trusts and towns that are trying to develop affordable housing. Mr. James disclosed that he is on the Board of Harborlight Community Partners.

Mr. Feuerbach noted that the MAHT issued an RFP in 2022 and did not get any response except to be told we asked for too much. MAHT hired Bev Gallo as a consultant and looked at three public housing sites and town sites. It was suggested MAHT put out an RFQ. The RFQ was drawn up and MAHT paused to have Town Counsel look at it. Town Counsel was stretched then and MAHT approved a motion to engage outside counsel. The objective is to bring in a development partner.

Mr. James said he is very familiar with RFPs/RFQs. An RFQ gives an early sense from a developer of what their qualifications are. MAHT should get responses back but that will not translate into their being the developer. This does not address the concern of their spending their money. To the extent that the property is sold to the developer then it will not trigger public procurement. To the extent that MAHT and the developer work as a team, MAHT needs to continue in the procurement process. If MAHT does not sever the tie it becomes both of you doing everything together including the wages which are a considerable amount and a major hurdle for development. You could also lease all the parcels to a developer. The lease could be paid as a note. DHCD has to approve if MAHT keeps some of the money. The developer can sell it or ground lease the structure. Developers are busy now.

Responding to Ms. Frontiero who asked which towns gave up their whole property to a developer, Mr. James named Medfield, Marblehead is in the process, and Agawam. Generally they do not give up all control. He said that MBTS will probably have to give up some level of control to attract a developer.

Mr. James said we just want to structure something that is feasible. He explained ground lease benefits. MAHT would be there not as a partner but having some control without triggering the wages MAHT would have some control over the permitting of the development. There would be maximum 70% local occupants for local preference. MAHT would have to abide by the funding requirements. A full joint venture would still be subject to prevailing wages. You could still participate in development fees. You could split the overhead. You could split revenues from the project if there is cash flow. In return for the fees the developer would come up with pre-development money.

Mr. James discussed the Agawam project.

Mr. James suggested pre-development money; design and construction oversight; personal guarantee for developer and lender. If there is a shortfall MAHT might be on the hook. Depending on the size of the project splitting the project makes sense. There would be less interest in a smaller project. It would take 3 – 4 – 5 years. Financing takes 2 – 3 years.

Mr. Feuerbach said we have been very open. Folks are waiting for something. We would like rehab as well as new construction.

Mr. Olney said half of the existing units for seniors are walk-ups. That must be fixed.

Mr. James said that different participants would own different parts of the project. From the RFQ you would get expressions of interest and a list of qualified developers. They are not going to spend any money until they are sure of getting the project. Figure out what you want. Get someone on board.

Mr. James said issues are: size of project; some general design approach; local preference; what structure you are proposing; do you want to be the property manager; do you want to be the joint venture project; prevailing wage; how much money you want and what you are going to call it Land and relationships in the town are the most critical such as the Trust and CPC. Ask developers what are the things that would work for them. Get funds from MA Housing Partners Mr. James will look at the RFQ again and comment. Ask developer what would work for them.

Mr. Olney said a long term lease would be a really good idea.

Mr. James said get funds from MHP.

Responding to Ms. Fronteiro who said it is very important for MHA to maintain its identity and not give it away to a developer, Mr. James said some developers would like that and some would not.

Mr. Feuerbach said an RFQ says we are open for business We want to get the word out. Relook at the RFQ and get it back to us.

Ms. Persons said the HA needs to get together with Ms. Fronteiro.

Mr. James said he will prepare a list of fundamental questions. Mr. Feuerbach said MAHT/MHA would continue the conversation after KJ's edits.

Adjourn MHA.

At 7:44 p.m., upon motion made by Ms. Heisey and seconded by Ms. Persons, it was voted by roll call vote with Beth Heisey, Gretchen Wood, and Elaine Persons voting in the affirmative to adjourn the MHA portion of the meeting.

Review and Vote on Memorandum of Understanding re Administrative Staff

Upon motion made by Mr. Olney and seconded by Ms. Mellis, it was voted by roll call vote with Members Feuerbach, McDonald, Olney, Mellish, Driscoll, Hegarty-Steck, and Wood voting in the affirmative to authorize Mr. Feuerbach to sign the revised MOU between the MAHT and the Town. He will submit the signed MOU to Town Accountant.

Next meeting

The next meeting will June 14 at 6:30 p.m.

Mr. Feuerbach will ask Mr. James about his availability for the June 14 meeting..

Adjourn MAHT.

At 7:52 p.m., upon motion made by Ms. Driscoll and seconded by Ms. McDonald, it was voted by roll call vote with John Feuerbach, Joan McDonald, Chris Olney, Sarah Mellish, Muffin Driscoll, Peggy Hegarty-Steck, Gretchen Wood voting in the affirmative to adjourn the MAHT meeting.

Submitted,

Approved by MAHT on August 23, 2023

Helene Shaw-Kwasie
MAHT Administrative Assistant