

MINUTES
REGULAR MEETING
BOARD OF COMMISSIONERS
PORTSMOUTH HOUSING AUTHORITY
September 9, 2020 - 2:00 p.m.
Conference Call

Chair Griffin called the meeting to order.

I. ROLL CALL

PRESENT	LATE ARRIVAL	ABSENT
Chair Griffin		Commissioner Jewett
Vice Chair Ferrini		Commissioner Leith
Commissioner Pickering		
Commissioner Rodenhizer		
Secretary Craig Welch		

Members were present via conference call due to the COVID-19 pandemic.

Also present via Conference Call: Finance Director Valerie Labrie, Attorney John Bosen, Michael Griffin, Attorney Ken Viscarello, Executive Assistant Mary Kelliher

Chair Griffin declared a quorum present.

II. READING OF MEETING MINUTES

Commissioner Rodenhizer pointed out that her last name was omitted from the affirmative votes in the motion to approve the July meeting minutes. Ms. Kelliher stated that she will correct that.

Commissioner Ferrini motioned to waive the reading of the minutes dated August 12, 2020 and accept as amended. Commissioner Pickering seconded the motion. The votes were as follows:

AYES	NAYS	ABSTENTIONS
Vice Chair Ferrini		
Commissioner Pickering		
Commissioner Rodenhizer		
Chair Griffin		

The motion passed.

III. EXECUTIVE DIRECTOR’S REPORT

Mr. Welch summarized his report. We are still working towards a September 30 closing date. Attorney Viscarello will be joining the call to summarize the Resolutions that the Board is to vote on, which will allow us to close at the end of September. These Resolutions are The LTD. Board voted affirmatively for all the Resolutions.

We had a virtual meeting with all of the abutters for the Court Street project. One hundred thirteen individuals were invited; 9 people attended. This meeting was required as part of the CMMP. Individuals raised concerns such as noise and dust.

We don’t have final approval for the stormwater plan. We are working with the City to get that approval moving along.

We have confirmed we own the parking lot at 241 Middle Street. Mr. Welch recommends we do not sell it. The owner of the building at 241 Middle Street would like to buy it.

We have 176 between kindergarten and 12th grade between the properties of Wamesit and Gosling. Portsmouth kids can be at school 1 day a week. Kids with special needs or in poverty will be accommodated in school more than that 1 day a week.

Portsmouth Place Apartments has been sold to Paul Burton, a local real estate owner and developer. Mr. Welch reported that Mr. Burton does not intend to keep the Section 8 contract in place at the property. Mr. Burton did assure Mr. Welch that he will not be doing anything substantial to the property right away nor kicking tenants out. We will still be able to use PHA vouchers to subsidize the people in that building. When a Section 8 contract is not renewed, HUD will issue tenant protection vouchers for the residents so that they may be able to move to a different location. We are likely to be managing those. Commissioner Rodenhizer asked how the tenant protection vouchers would impact the current waitlist. Mr. Welch said these vouchers

would be issued directly to the residents and the residents would not be going on to our waitlist at all.

Vice Chair Ferrini motioned to accept the Executive Director’s Report as presented. Commissioner Rodenhizer seconded the motion. The votes were as follows:

AYES	NAYS	ABSTENTIONS
Vice Chair Ferrini		
Commissioner Pickering		
Commissioner Rodenhizer		
Chair Griffin		

The motion passed.

IV. NEW BUSINESS

Vice Chair Ferrini reported that the Directors of the PHA Housing Development, LTD. voted unanimously to name the new building at 160 Court Street after Chair Griffin, recognizing her exemplary 42 years serving the community, city of Portsmouth, the PHA, and doing things for other people for her whole life. A specific name has not been thought of as of yet. Vice Chair Ferrini noted to the Commissioners that he seeks for this Board to make a similar motion because Chair Griffin has done a wonderful job for so many years and it has been a privilege to work with her.

Chair Griffin passed the gavel to Vice Chair Ferrini to manage this motion.

Commissioner Rodenhizer motioned to name the new Portsmouth Housing Authority development at 160 Court Street after Mrs. Ruth L. Griffin, the Chairperson of this Board. Commissioner Pickering seconded the motion. The votes were as follows:

AYES	NAYS	ABSTENTIONS
Vice Chair Ferrini		Chair Griffin
Commissioner Pickering		

Commissioner Rodenhizer		
-------------------------	--	--

The motion passed.

Chair Griffin thanked Vice Chair Ferrini for his remarks and the Board, saying she loves what she does. Mr Welch said we will come up with an appropriate name for the building at a later date.

Mr. Welch summarized the Resolutions the PHA Board of Commissioners have been requested to approve related to the closing of the Court Street project.

Attorney Viscarello joined the meeting.

Attorney Viscarello further summarized the guarantees. He stated that what the PHA and the LTD. are being asked to do is no different than any tax credit deal he has ever worked on over the years. The guarantees are standard. He said he will be referring to the PHA and the LTD. generically as the “sponsors” of the project in his explanation, for ease of labeling. Attorney Viscarello detailed the Construction Lender guarantee and the five Equity Investor guarantees.

Commissioner Rodenhizer asked if the other guarantees that fall under the Equity Investor, besides the operating deficit guarantee, have a specific timeline. Attorney Viscarello stated they are in place as long as the Equity Investor is in the project. In year 15, we have the right to get the Equity Investor out of the project.

Vice Chair Ferrini asked Attorney Viscarello to speak to our right to make these guaranties in accordance with the laws which govern the funds we receive as a Housing Authority. Attorney Viscarello said there is nothing that would preclude the PHA from issuing the listed guaranties. The guaranties are unsecured, but we do have certain funding sources that would be able to satisfy the obligation if the guaranty is called. Vice Chair Ferrini recounted for the Board that we are not seeking to empower ourselves to anything that goes beyond our statutory mandate and our regulatory ability.

Vice Chair Ferrini motioned to approve the Resolutions as offered by the Executive Director for the purpose of providing guarantees required for the items on the Minutes of the Commissioners appendix that the Commissioners have been given, and empower him as indicated within that document. This includes Resolutions under the titles Acquisition of Tax Map 116, Lot 37; Court Street Workforce Housing Limited Partnership; The Court Street Workforce Housing Project; Guaranty of Construction Loan; Ground Lease; and Miscellaneous. Commissioner Rodenhizer seconded the motion. The voted were as follows:

AYES	NAYS	ABSTENTIONS
-------------	-------------	--------------------

Vice Chair Ferrini		
Commissioner Pickering		
Commissioner Rodenhizer		
Chair Griffin		

The motion passed.

Vice Chair Ferrini verbalized his thanks to everyone’s hard work on the project at 160 Court Street, saying he is glad that it is coming to fruition.

V. OLD BUSINESS

There was no discussion.

VI. OPERATIONAL REPORTS

A. ORGANIZATION CHART

Mr. Welch reported that we’ve hired a Security Associate, Regina Mills, to work evenings and weekends. Ms. Mills grew up at Wamesit and Gosling. She has been working as a Security Officer at the University of New Hampshire for the last several year and is proving to be tough and thorough.

B. WAIT LIST

Commissioner Rodenhizer verbalized noticing a significant difference in numbers among the different properties and wondered if that is because of the waitlist purge. Mr. Welch said that is correct. That is why there were 788 total applications in May and that number is now down to 629.

C. VACANCY REPORT

Commissioner Pickering referred to the notes column and asked if “applicant turn down” means that an applicant at the top of the list turned down an apartment that was offered to them, to which Mr. Welch said that is correct. He reported that recent applicant turn downs could be COVID-related. Additionally, some applicants are particular about what they are offered. He noted that the days vacant are important to look at in the report.

D. LANDLORD-TENANT

Attorney Bosen reported that there are a few pending evictions. The court system has been very slow, but we are doing what we can. Mr. Welch added that the government lengthened the ban on evictions for non-payment of rent.

E. FINANCIAL REPORTS

Vice Chair Ferrini referred to AMP 1 administrative expenses, saying he noticed that there’s a difference between the budget and actual. He said it appears to be administrative salary and is curious as to whether that is a vacancy that will be filled. Val – we’ve been reallocating administrative salary and frontline maintenance fees to the COVID expenses, so that we can apply those funds to those expenses. Essentially, we are tracking the expenses in a different place. Vice Chair Ferrini asked how long the COVID funding will go on for. Ms. Labrie reported that for AMP 1 and AMP 2, it is for only through end of this year; HCV CARES Act money is through June of 2021. Vice Chair Ferrini asked if that could that create some sort of surplus. Ms. Labrie said those monies are being put towards expenses that we have this year; it is not going to increase reserves. The money has to be spent or returned. The funding is over \$237,000 for Public Housing and over \$100,000 for Section 8.

Commissioner Rodenhizer asked if the Court Street project qualifies for CDBG funding. Mr. Welch said CDBG funding comes directly from HUD, which puts them in the category of funding we have ensured are not going to the project – that funding being direct HUD loans and federal funding. The reasoning is that it would open up other regulatory requirements we would have to follow. One example that we would have to abide by is the Uniform Allocation Act, which would add financial liability. For these purposes, we have not applied for CDBG funding.

**Vice Chair Ferrini motioned to approve the operational reports, as presented.
Commissioner Rodenhizer seconded the motion. The votes were as follows:**

AYES	NAYS	ABSTENTIONS
Vice Chair Ferrini		
Commissioner Pickering		
Commissioner Rodenhizer		
Chair Griffin		

The motion passed.

VII. COMMISSIONERS' COMMENTS

Chair Griffin announced to the Board that she plans to submit her formal resignation to the Portsmouth Mayor and City Councilors from the Portsmouth Housing Authority Commission prior to the next meeting. She has been a part of the Board for 42 years and believes it is time for somebody new to step forward.

Mr. Welch thanked Chair Griffin for her hard work and all that she has done in the last 42 year, the last 18 serving as Chairperson. All Board members thanked Chair Griffin for her service.

IX. ADJOURNMENT

Vice Chair Ferrini motioned to adjourn the meeting. Commissioner Rodenhizer seconded the motion. There was no further discussion. The votes were as follows:

AYES	NAYS	ABSTENTIONS
Vice Chair Ferrini		
Commissioner Pickering		
Commissioner Rodenhizer		
Chair Griffin		

The motion passed and the meeting adjourned.

APPENDIX

**PORTSMOUTH HOUSING AUTHORITY
MINUTES OF THE COMMISSIONERS**

A meeting of the Commissioners of Portsmouth Housing Authority (the “Corporation”) was held at 2:00pm on September 9, 2020 in Portsmouth, New Hampshire pursuant to a notice. The following Commissioners were present: Chair Griffin, Vice Chair Ferrini, Commissioner Pickering, Commissioner Rodenhizer, Secretary Craig W. Welch

The Executive Director of the Corporation, Craig W. Welch, gave a brief summary of Court Street Workforce Housing Project (the “Project”) located at 160 Court Street in Portsmouth, New Hampshire and indicated that certain related resolutions needed to be acted upon by the Board. After discussion, the Board unanimously voted to adopt the following resolutions:

I. ACQUISITION OF TAX MAP 116, LOT 37

RESOLVED: That the Corporation is hereby authorized to purchase Tax Map 116, Lot 37, located on Court Street, Portsmouth, New Hampshire (the “Property”) from PHA Housing Development Ltd., for a price, on terms and conditions acceptable to Craig W. Welch, the Executive Director of the Corporation, and to execute any documents and agreements related to the acquisition herein.

II. COURT STREET WORKFORCE HOUSING LIMITED PARTNERSHIP

RESOLVED: To authorize the Corporation to serve as the interim sole limited partner of Court Street Workforce Housing Limited Partnership (the “Partnership”), the general partner of which shall be PHA Court Street, Inc. or other entity established by the Corporation (“PHACS”); and to authorize Craig W. Welch, the Executive Director of the Corporation, to execute the Agreement of Limited Partnership, on terms and conditions deemed by the Executive Director to be in the best interest of the Corporation together with all exhibits and the subscription agreement and other attachments attached thereto.

RESOLVED: To authorize the Corporation to withdraw as Limited Partner of the Partnership at such time as The BankProv Bank (or one of its affiliates or subsidiaries) (collectively, the “Equity Investor”) is admitted as a substitute limited partner to the Partnership in accordance with an

amended and restated agreement of limited partnership (the “Partnership Agreement”).

III. THE COURT STREET WORKFORCE HOUSING PROJECT

RESOLVED: In connection with the Project, that Craig W. Welch, the Executive Director of the Corporation be, and he hereby is, authorized and directed to cause the Corporation to guarantee the obligations and the performance of PHACS and the Partnership to the Equity Investor, and others, with respect to the obligations of said parties in connection with the development of the Project and equity investments to be made by the Equity Investor, on terms and conditions acceptable to the Executive Director, including, but not limited to, the following guarantees and assurances: (i) a guaranty of PHACS’s and the Partnership’s, construction obligations and initial occupancy obligations to the Equity Investor with respect to the Project; (ii) a guaranty of the Partnership’s operating deficits, whereby the Corporation will satisfy certain shortfalls in the event that Project’s expenses and debt service exceed revenues; (iii) a guaranty to advance funds in the event that the Project generates less tax credits than anticipated; (iv) a guaranty of the Partnership’s costs and expenses necessary to complete the construction and development of the Project, arrive at cost certification, discharge partnership liabilities arising out of any casualty giving rise to insurance proceeds, obtaining certificates of occupancy and use permits, operating as an ongoing business and correcting latent defects; (v) a guaranty to repurchase the Equity Investor’s interest in in the amount of its capital contribution (plus interest, costs and expenses) if: (a) the Project has not been placed in service, does not meet the minimum set aside test or rent restriction test in accordance with the Internal Revenue Code; and (b) the Project does not receive IRS Form(s) 8609 by a date certain in the calendar year following the date in which the Project is placed in service; and (c) any other reason set forth in the Partnership Agreement; (vi) a guaranty of placed in service requirements set forth in the Partnership Agreement; (vii) a guaranty of the permanent financing requirements set forth in the Partnership Agreement; (viii) a guaranty of the reserve requirements set forth in the Partnership Agreement; (ix) a guaranty to advance funds in the event that the amount of low income housing tax credits allocated to the Partnership is less than projected low income housing tax credits for any tax year; (x) a guaranty to advance funds in the event that the Partnership or its accountants determine that the Partnership must recapture any low income housing tax credits claimed by the Partnership in previous years; (xi) a guaranty to advance funds if the Partnership is delayed in claiming low income housing tax credits; and (xii) a guaranty of any financial obligations, construction obligations

and general obligations to the Equity Investor ((i) through (xii), collectively the “Guaranties”).

RESOLVED: That Craig W. Welch, the Executive Director of the Corporation, is hereby authorized and empowered to execute and deliver the Guaranties and the agreements contemplated herein on terms and conditions that he believes are in the best interest of the Corporation, or to grant any consents or waive any conditions precedent to the Corporation’s obligations under, or enter into any other agreements or to take any other actions in connection with the Guaranties and the agreements contemplated herein or in the foregoing votes.

IV. GUARANTY OF CONSTRUCTION LOAN

RESOLVED: In connection with the Project, Craig W. Welch, the Executive Director of the Corporation, be, and he hereby is, authorized and directed to cause the Corporation to guarantee the obligations of the Partnership to BankProv, or one of its affiliates (“BankProv”) pursuant to a construction loan in the amount of \$11,500,000, which loan will convert to a permanent loan in the amount of \$4,840,000 (the “BankProv Loan”), said guaranty (or guaranties) (the “BankProv Guaranty”) to include all financial, payment, monetary, construction and other obligations of the Partnership to BankProv, all on terms and conditions acceptable to the Corporation; and that Craig W. Welch, the Executive Director of the Corporation, be, and he hereby is, authorized and directed to cause the Corporation to execute any and all documents necessary to effectuate said BankProv Guaranty.

V. GROUND LEASE

RESOLVED: To authorize the Corporation, as landlord, to enter into a 98-year ground lease, having an annual base rent of \$100, triple net, with the Partnership, as tenant (the “Lease”) for a portion of the property owned by the Corporation located on Court Street for the purpose of the construction and operation by the Partnership of approximately 64 units to be rented to persons with incomes at or below 80% of area median income with underground parking, which land is adjacent to the so-called Feaster Apartments in Portsmouth, New Hampshire at a location acceptable to Craig W. Welch, the Executive Director of the Corporation.

RESOLVED: That Craig W. Welch, the Executive Director of the Corporation, is hereby authorized and empowered to execute and deliver the Lease and to enter into any other agreements or take any other actions in connection with the Lease or the foregoing votes.

VI. MISCELLANEOUS

RESOLVED: To ratify, confirm, adopt and approve all acts of the Commissioners, the Executive Director in his capacity as Executive Director and as agent of the Corporation and the Officers of the Corporation performed for and on behalf of the Corporation up to and including the date of these Resolutions.

RESOLVED: That Craig W. Welch, the Executive Director of the Corporation is hereby authorized and directed to take any and all actions, as they may deem necessary or appropriate to implement the foregoing Resolutions.

A true record.