



## Regular Board Meeting of the Cambridge Redevelopment Authority

Wednesday, March 15, 2023 at 5:30 p.m.

Due to the COVID-19 pandemic, this meeting was held virtually via Zoom

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### APPROVED Meeting Minutes

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#### **Meeting Files**

- [Agenda and Notice](#)
- [Minutes of the Annual CRA Board Meeting on February 13, 2023](#)
- [Staff Program Report](#)
- [Financial Report](#)
- [Memo regarding Financial Procedures including revisions to the Internal Controls Policy](#)
- [Margaret Fuller Memo with Proposed MOU](#)
- [Memo regarding Danny Lewin Park improvements and the Adapter Project](#)
- [Strategic Planning Update Presentation](#)

#### **Presentations & Handouts**

- [Binder of Withum accounting services](#)
  - [Presentation on MFNH project](#)
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#### **Opening Statement**

At 5:30 p.m., Ellen Shore, CRA Operations Director, said that on July 16 2022, Governor Baker signed a law which extended provisions to the Open Meeting Law to March 31 2023. In accordance, tonight's CRA board meeting will be held remotely. There will be opportunities for public comment at the start of this meeting and at the discretion of the chair. She then explained how to provide public comment. Reading materials can be found on the CRA's next meeting webpage. This meeting is also being recorded, including all video, audio, and chat messages.

#### **Call Roll**

Chair Kathleen Born called the regular meeting of CRA Board. A roll call of Board members and the Executive Director was taken.

Vice Chair Conrad Crawford – present  
Treasurer Christopher Bator – present  
Asst. Treasurer Barry Zevin - present  
Asst. Secretary Margaret Drury – present  
Executive Director, Tom Evans - present

Other CRA staff members were also present. Ms. Born said that because this is a remote meeting, all votes will be taken by roll call and that Mr. Evans will repeat the responses.

#### **Public Comment**

No requests for public comment were offered at this time.

#### **1. Review of the minutes of the Annual Meeting of the Board on February 15, 2023**

No comments were offered.

***A motion was moved by Ms. Drury to accept the minutes of the Annual Meeting of the Board on February 15, 2023 and place them on file. A roll call was taken by Mr. Evans.***

***Chris Bator – yes***

***Kathy Born – yes***

***Conrad Crawford – yes***

***Margaret Drury - yes***

***Barry Zevin – yes***

***The motion carried.***

## **Communications**

### **2. Written communications received since the publication of this meeting notice.**

No communications were received.

## **Administrative Items**

### **3. Staff Program Report**

Kyle Vangel, Director of Projects and Planning, summarized the staff report in the Board packet.

Ms. Born spoke highly of the three people – Marvin Gilmore, Denise Simmons, and Artis Spears – shown in the picture associated with the 2023 Black History Poster Exhibit. Mr. Evans added that he was pleased that this was the first event in the public lobby.

Mr. Zevin asked if it would be appropriate for the CRA to write to the MBTA prodding them into letting the CRA finish the head house as he feels it is becoming an embarrassment. Mr. Evans said that staff could do that and copy the Secretary of Transportation. Ms. Born suggested contacting the governor, who is a Cambridge resident.

### **4. Monthly Financial Report**

Mr. Evans said that revenue is coming from rents in both buildings but there is a loss of investment income. He added that David Javaheri, from Morgan Stanley, who recently met with staff, the CRA Treasurer, and the Assistant Treasurer, said that the CRA portfolio is outperforming most other portfolios during this turbulent time. The operating expenses are primarily office and personnel expenses, and a Q1 quarterly payment to the Foundry Consortium which, for now, is falling under Property Management. A separate Foundry budget was created and approved by the Board and staff is working on getting that translated into the QuickBooks accounting system. As this report is only for one month, there have not been many professional services expenses. There have not been any Forward Fund grants. The \$600,000 budgeted for real estate acquisitions is for easement agreements with Just-A-Start, which aren't expected until later in the year. Mr. Evans noted that since there have not been many consultant invoices in January, the Total Expenses by Project pie chart shows primarily the staff time and how it is distributed across the range of projects.

### **5. Internal Controls and Financial Oversight**

Mr. Evans proposed some adjustments to the Internal Controls Policy, as well as getting consulting backup for staff in response to Hema Kailasam's departure. He stated that it is also a best practice to have an outside review of the financial management plans for the upcoming year. He reviewed the memo in the Board packet which highlights the changes and includes a red-lined revision of the policy. Mr. Evans spoke about using a financial contractor, Withum, via the Massachusetts Statewide Contract program, COMMBUYS. The program allows government agencies and state departments to select vendors that are pre-approved by the state. This is often set up as a benefit to help agencies get services quickly and to help smaller agencies and towns who do not have a robust procurement office. The state had sets up the COMMBUYS contract PR F 78 with Withum, which expires at the end of 2024.

Mr. Bator said that this is entirely appropriate. It reflects the growth of the agency and the complicated financial situations. It is important to support the growth while appropriate guardrails and controls are put into place to manage it.

***A motion was moved by Ms. Drury approving minor revisions to the CRA Internal Controls Policy. A roll call was taken by Mr. Evans.***

***Chris Bator – yes***

***Kathy Born – yes***

***Conrad Crawford – yes***

***Margaret Drury - yes***

***Barry Zevin – yes***

***The motion carried.***

***A motion was moved by Mr. Crawford authorizing the Executive Director to negotiate a scope of services through a purchase order under existing State of Massachusetts COMMBUYS contract PRF 78 with Withum for financial accounting services. A roll call was taken by Mr. Evans.***

***Chris Bator – yes***

***Kathy Born – yes***

***Conrad Crawford – yes***

***Margaret Drury - yes***

***Barry Zevin – yes***

***The motion carried.***

## **Projects and Programs**

### **6. Margaret Fuller Neighborhood House (MFNH) Memorandum of Understanding (MOU)**

Mr. Vangel summarized his memo in the Board packet. He gave a background of the project which began in 2018. With the departures of key MFNH staff, in addition to their announcement to close their after-school program, CRA staff feel it is important to create a fourth Memorandum of Understanding (MOU) between the CRA and MFNH. The schematic design that had been advancing throughout 2022 was significantly predicated on delivering the after-school space. Their financial plan also assumed access to state grants that were earmarked for child care facilities. The CRA's intent remains to create 10,000 to 12,000 square feet of affordable homeownership on MFNH's rear surface parking lot to fill a significant part of the CRA's affordable homeownership commitment that was made as part of the MXD zoning amendment.

Mr. Vangel said that the project started with the CRA providing a financial lifeline to the MFNH via a line of credit. This led into conversations on the possibility of a land sale and an agreement with the CRA to advance planning and design of the MFNH facility. With the support of the CRA, the MFNH has also been able to secure other significant financial support, particularly \$2 million from Biomed Realty. In addition, the CRA led the process for obtaining a \$500,000 Community Preservation Act grant last fall.

Mr. Vangel said that the 2022 plan for the project included a rehab of the historic building and an addition for a food pantry and meeting rooms. The affordable homeownership project, which is the CRA portion of the project, would be located where the current surface parking lot exists. The renovation and expansion plan needs to be reconsidered as it included a childcare program which will soon cease to exist. Mr. Vangel said that the housing design for homeownership opportunity is primarily one- and two- bedroom units, as recommended by CDD. Regarding the financial mechanics of the agreement, the CRA would continue to lead the team in the design of the new facility with a 50-50 cost sharing mechanism. The MFNH portion of this would depend on the loan that the CRA has provided previously. Mr. Vangel said that it is important to advance the project incrementally to reach a point where all partners are comfortable with the direction of the transaction and then agree on a MOU, giving the CRA an option to purchase the land, regardless of whether the MFNH wants to proceed with their portion of the project. The MFNH will need to do fundraising. It may require the CRA to provide a partially forgivable loan or other financial tools to support the MFNH's ability to deliver on their portion of the project.

Mr. Vangel presented a proposed sources-and-uses financial plan for the MFNH portion of the project, which assumes a smaller addition without a childcare facility, and accordingly, no state grants dedicated to child services.

MFNH currently has a \$250,000 CRA loan, of which they have spent about \$168,000. There is \$81,500 to contribute to continued design iteration through schematic design. Before the MFNH decided to remove their after-school program, the CRA received a cost estimate of \$177,000 to proceed through the schematic design phase and be prepared to execute an option agreement. Staff expects the MFNH to max out their CRA loan to support the design process. The CRA portion to get through schematic design is calculated at \$95,000.

Mr. Vangel said that the MFNH Board was scheduled to meet and discuss this topic tonight but that meeting was postponed due to some absences and will not be taking place until next month. The goal is to execute an option agreement by October which would allow the CRA to purchase the land and proceed accordingly, regardless of the MFNH's decision on their portion of the project. The hope is that both parties would move together into design development and create a final development agreement, followed by a purchase and sales agreement. The Memorandum of Understanding should be executed by both parties to continue expending funds on the project.

The MOU in the Board packet memorializes much of the content discussed tonight, reflecting to 2020 and where things stand now in 2023 and how the parties want to proceed together.

Ms. Born asked if a Board vote was needed tonight. Mr. Evans said a vote is not necessary if the Board would like more time to review. He added that this MOU is a continuation of previous letter agreements. This more formal MOU strengthens the commitment, although there are potential future decision points. As each of those points are reached, the documents get more formal. The document includes a draft of the option agreement. This is a big project with lots of commitments.

Mr. Zevin asked why handicap access throughout the old MFNH is not being shown. He also noted that the residential aspect of the MFNH program is physically separated from the other programmatic pieces. Regarding the handicap accessibility, Mr. Evans said that the intent of the previous design was to make the programmatic space of the historic house on the first and second floors accessible. This is where MFNH staff and clients are expected. The basement and the third-floor attic would become storage. It is unclear if the third floor even has the height to function as an office. The elevator would live in the addition with connections across. However, the elevator design needs to be explored further. The ground-floor food service is still an essential part of the MFNH mission. The second floor would be open meeting space.

Mr. Evans said that there were several reasons to separate the housing. A decision was made to offer homeownership with a simpler title process. In addition, the MFNH was not interested in maintaining housing. To do the desired density, the affordable housing overlay would be needed and, in discussions with CDD, it was not clear that the overlay could be used in mixed-use projects. In addition, the MFNH portion of the project sits in a city right-of-way, so there might be some entitlement issues regarding variances.

Ms. Drury asked about the future of MFNH programming. Mr. Evan said that they will have community support programs. They are just eliminating the formal after-school childcare program as they were having a hard time staffing it. The addition will double the capacity.

Mr. Zevin restated his understanding that the access and egress are contingent on connecting the new and the old MFNH buildings. Mr. Evans said that the plans are very conceptual. Circulation will need to be looked at again since the design decisions based on the after-school programming are no longer an issue.

Mr. Bator suggested that particulars of the design be discussed in a different format than at tonight's Board meeting. Mr. Evans said that there would be several opportunities. Mr. Zevin agreed but felt it was important to set the goals and to agree on expectations. Mr. Evans said that MFNH sets its goals. Mr. Bator said that as an interested party, the CRA can support the MFNH but their Board needs to tell the CRA their plans.

Ms. Born agreed with Mr. Bator. She would like more information before moving forward with an MOU. Before committing to increasing the amount of the project and spending \$3.5 million, she would like an evaluation of the land cost and a selling price for the units. She understands the CRA's commitment to provide affordable housing and feels passionately about that. However, since this is basically a reset on the project, she would like to review this in more detail. She would like a better grasp on the MFNH's strategic plan.

Mr. Evans explained that the MOU lays out the budget needed for the project. The option agreement, which would be the next document, sets the real estate transaction price. With an option agreement, one pays some money for the option to buy. If one decides against building something there, the money is forfeited. Otherwise, a purchase price is negotiated. A second layer of options would arise when the CRA goes back to the MFNH with a design and an offer to help them build their portion at a cost. If the MFNH does not want to proceed, the CRA would just pay the MFNH for the land.

There was a discussion about the increased CRA commitment. Mr. Evans said that he does not want to spend more money designing a new cost estimate until he knows that the MFNH wants to do a project. He wants to know if the CRA can buy their parking lot and what their price is.

Mr. Evans said that he needs to have this document executed within the next six weeks in order to get the designer started again.

There was a discussion about offering to buy the land without supporting MFNH as a project manager designing their facility. Ms. Born said that the CRA has a relationship with the MFNH. They are long-standing in the community and the CRA is invested in their future. However, the MFNH is in flux. There has been a change of leadership and a change of vision for the organization. In order to go forward with this, she would like to get some sense of their board. She suggested that a joint meeting between the boards to ensure that visions and expectations are clearly aligned before the CRA gets more into this project. She realizes that the CRA needs the land to build on, but she wants to be sure that the CRA is not stepping into something with pitfalls that have not been anticipated.

Mr. Bator suggested that staff come back to the Board next month.

Ms. Born said that she would be happy to speak with the MFNH Board and asked Mr. Evans to arrange a meeting. Mr. Bator said that the change in leadership and the MFNH Board is affecting the goals and clarity of the project. Mr. Crawford said non-quorum setting meetings occurred previously with the MFNH Board.

### **The proposed motion was tabled.**

#### **7. Danny Lewin Park Redevelopment and Main Street Adapter Letter of Credit**

Alexandra Levering, CRA Senior Project Manager, explained that this item involves two Kendall projects. The first is the 255 Main Street retail project, The Adapter, and the second is the Daniel Lewin Park project. The Adapter Project was originally a commitment in the 2015 Infill Development Concept Plan (IDCP), linked as a mitigation to 145 Broadway, to build a retail space in the narrow void between the 255 Main Street exterior facade louvers and the internal MBTA substation that exists within the building. In 2019, Boston Properties (BXP) designed the space for retail, which was approved by the CRA Board that same year. But after that, the designs were then reviewed by the MBTA due to its adjacency to the MBTA substation. Concerns were raised by the state building inspector relating to egress and ventilation issues. At this point in time, CRA staff and BXP do not believe creating an occupiable space in The Adapter area is feasible. Additionally, the CRA has developed an agreement amendment for the Eversource project mitigation with BXP where BXP agreed to design and reconstruct Daniel Lewin Park up to a limit of \$1.2 million. BXP bid out the project earlier this year and construction prices came back at roughly \$1.9 million. To cover the difference, staff proposes shifting funds that were once earmarked for The Adapter project, which the CRA is holding via a letter of credit, to cover the construction difference for Danny Lewin Park. Staff recommends using the remaining funds for other public realm improvements with a retail and entrepreneurship focus. Ideas for improvements will be informed by the CRA strategic planning process and staff would come back to the Board at a later date.

Ms. Levering's memo summarized the memo in the Board packet.

Mr. Zevin asked why it took BXP so long to find out that they could not do The Adapter. Ms. Levering said that there was hope that something smaller could be undertaken. There are a lot of lessons learned when dealing with the MBTA.

Mr. Crawford had been optimistic but understands the need to move on. He asked if Cambridge Street could be eligible for programmatic attention. Ms. Levering said that staff had similar discussions. However, since this was mitigation for an MXD project, connecting it to the MXD is important.

Ms. Born asked how the cost overrun for Danny Lewin Park would be handled if the Board did not approve the motion. Ms. Levering said that the park design would need to be altered substantially. Ms. Levering added that BXP has agreed to look at the overall cost and see where line items can be cut. Staff has already made some suggestions.

Ms. Born asked for the price for the Danny Lewin Park construction and remaining funds in the letter of credit. Ms. Levering said that the construction cost for Danny Lewin Park is roughly \$1.9 million. BXP has agreed to pay \$1.2 million for design and construction. To date, \$150,000 has been spent on design work. The financial gap is \$850,000 before any type of value engineering, which would reduce the \$1.5 million letter of credit by that amount. The funds are coming out of the letter of credit, not CRA funds. Ms. Born summarized by saying that the funds are being diverted from one BXP project to another BXP project.

Ms. Born recognized Erik Thorkildsen from the Community Development Department, who has been involved in some of the park's design review and asked him to comment. Mr. Thorkildsen suggested that some degree of simplification might improve the design although it would not make a big difference to the cost.

***A motion was moved by Ms. Drury, authorizing the Executive Director to amend the conditions of the 145 Broadway Escrow Agreement requiring the delivery of the 255 Main Street Retail Project (The Adapter) and repurposing the funding commitment toward Danny Lewin Park construction and public realm improvements in the MXD District. A roll call was taken by Mr. Evans.***

***Chris Bator – yes***

***Kathy Born – yes***

***Conrad Crawford – yes***

***Margaret Drury - yes***

***Barry Zevin – yes***

***The motion carried.***

## **8. Strategic Plan Update**

Mr. Vangel said that no motion will be take tonight. The plan is in its final stages. Last month, two major chapters of the strategic plan were presented – the financial strategy, and external activities or types of projects the CRA would pursue. Tonight, he will discuss the internal operations and engagement. After receiving Board feedback, the goal is to present a final draft to the Board next month and to adopt a final strategic plan at the May Board meeting.

Mr. Vangel explained some challenges with the current CRA organizational structure. He noted that the CRA currently has four open positions. After working with consultant Rainmaker, a revised structure was proposed to address these issues. The human resource function is specifically defined, potentially with external support. The real estate finance function would sit under the Director of Finance and be more tightly integrated with the finance, operation, and administrative portfolio. In addition, a third director position will be created to oversee project construction processes and the asset management function of the organization when there are a bulk of projects which have moved through the planning and design phase and are teed up for construction. Talent management will exist under the Director of Planning. This could be accomplished via an on-call procurement, as the size of the current CRA organization does not warrant a full-time or even part-time position.

Mr. Bator said given the future growth of the organization and the demands on staff, he suggested that staff need not wait to hire the new director.

Ms. Born asked for a clarification of the term talent management. Mr. Vangel said that talent management is a portion of human resources. Another portion lives under the Admin bucket and a third portion, which could involve compliance, reporting, or strategic advice, in a new bucket with a direct line to the Executive Director and the Board. Mr. Vangel said that he would be responsible for talent management rather than hiring someone externally

to cover those tasks. Ms. Born cautioned this direction because human resource responsibilities can be difficult and awkward at times.

Mr. Bator added that the time is coming when the CRA would need a dedicated staff to run all the personnel functions for the executive director. Similarly, he said that there will come a time when it makes sense to have in-house legal support for routine matters as well, while seeking outside counsel for more complex issues. He agreed with Ms. Born as human resource issues are more demanding and complicated and unpleasant situations can occur in a small organization.

Mr. Vangel said that the CRA is a project-based organization. He spoke about four projects or initiatives that the CRA will be undertaking, each with its own lifecycle. He presented a project workflow for a real estate development project.

Mr. Vangel said that out of the engagement with Rainmaker, various recommendations have been suggested, some of which staff have begun to implement. Staff have adopted a software project management platform called Smartsheet for developing and tracking project schedules which will save staff time in managing projects and being more efficient. Another idea from Rainmaker that is being implemented is setting regular project specific times for in-depth conversations. Staff have formalized professional development and established a professional budget for each staff member to help each member reach their goals which will prove benefit to the organization. There has been an enhanced focus on check-ins and mentoring. Staff is also focusing on implementing a DEI action plan. Rainmaker is designing a new annual review process that will be more directly tied to professional development. Although the team is growing, staff will continue to rely on outside expertise for various services including legal support, design, engineering, real estate, etc.

Mr. Bator emphasized his support to hire consulting help where needed and that staff should not hesitate to come to the Board with such requests.

Mr. Vangel said that the CRA, like all organizations, is confronting a new permanent hybrid reality after three years of intense disruption to the work way staff had worked. To emerge stronger from that, a permanent hybrid work policy, with three days in the office and two remote days, has been adopted. There is a new structure for staff meetings to make them more engaging. Weekly lunch and learn sessions have been implemented to discuss various projects as well as administrative issues or organizational policies issues in detail. All staff have an opportunity to lead these sessions

Mr. Bator agreed that morale building is important, especially after going through the COVID pandemic. He is supportive of anything that makes life better, more pleasant, and more collegial. The Board wants to support the staff for all the good work that it does.

Mr. Vangel said that the strategic plan discusses the Board structure and the function of the Strategic Advisory Group (SAG). He mentioned the possibility of creating a personnel committee, in addition to the finance and the design committees. As future vacancies on the board present themselves, he noted specific expertise that would be beneficial, although the ultimate member selection rests with the state and the city manager. A certain work style is also expected for those interested.

Mr. Zevin said that design, architecture, engineering, and construction should be added to the list as they are fundamental aspects of the CRA's work. Mr. Bator said that with a limit of five people on the Board, a secondary committee is needed that has expertise that the Board does not have. He suggested the possibility for SAG members to provide the missing expertise. He would like to invite them to a CRA Board meeting. Ms. Born agreed that the SAG could provide missing expertise. It is a good way for community members to contribute without it being as heavy a lift as it is to be on the Board.

Mr. Vangel said that relationship with partners is another key aspect of the strategic plan. It is important to realize shared interests and minimize redundancy, to fill gaps, and to cultivate strong long-term relationships. The strategic plan maps out an engagement ecosystem, and notes the potential players for the various work spheres.

Mr. Vangel explained that the SAG came about from this strategic planning process to amplifying CRA's networks. The group has 12 members and a one-year term. Because the strategic plan has taken longer than a year, that

term has been extended by a couple of meetings. The current cohort has been told that at the next meeting, a draft strategic plan will be discussed and their one-year commitment will have been fulfilled. However, the strategic plan intends to make the SAG permanent with a new core of cohorts with potentially staggered terms, who can provide advice. Mr. Evans said that, unless the Board disagrees, he would like to discuss the future of SAG with the current cohort. Staff is open to members staying on. Mr. Bator would like the new cohort to come to a board meeting early on to ensure that there is a relationship between that group and the board.

Mr. Evans said that the SAG role needs to be better defined.

Mr. Vangel said that staff will incorporate the feedback received tonight and create a final draft of the plan which will be provided to the CRA Board next month and to the SAG during its last meeting next month. In the May Board meeting, staff will ask for a motion adopting the strategic plan as the organization's guiding document.

Mr. Evans said that a primarily text version of the strategic plan would be presented to the Board in the April meeting for any last-minute edits. A visually laid out final plan, like the annual report, will be presented to the Board in May.

Margaret Drury said that her last meeting will be April unless a replacement has not been found. In which case she will be a holdover. Mr. Evans will talk with Ms. Born regarding a non-Zoom sendoff for Ms. Drury.

Ms. Shore asked for confirmation on changing the date of May's meeting from the 17th to the 10th. It was confirmed that there will be a quorum.

### **Other Business**

At 8:14 p.m. Ms. Born said that the Board had concluded all the business set forth on the regular agenda so it would not be reconvening in an open session after the executive session.

***A motion was made to adjourn the regular meeting and enter into Executive Session for a strategy session to discuss personnel matters. A roll call was taken by Mr. Evans and each member's vote was repeated.***

***Chris Bator – yes***

***Kathy Born – yes***

***Conrad Crawford – yes***

***Margaret Drury - yes***

***Barry Zevin – yes***

***The motion carried.***

Ms. Evans will send a new Zoom link to the Board for the Executive Session which will start at 8:30 p.m.