

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
May 24, 2017

BOARD MEETING

1. ROLL CALL

At the Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority beginning at 11:25 a.m., the following Commissioners were present: Cory Richardson, Jo Ann Troiano, Caryn Feinberg and Linda Ryan. Chair Caprice Hover, Vice Chair Mary Miller and Robert Lees were absent.

Staff personnel present: Richard Williams, Secretary/Executive Director; Kathleen Berk, Director of Housing Program Administration; Kelly Pembroke, Director of Finance and Information Systems; Arlene Shorten-Goodrich, Director of Human Resources and Administration; Susan Kuegel, Director of Property and Asset Management; Krister Adams, Housing Development Specialist; and Laura Macieira, Office Services Coordinator.

• **ELECTION OF INTERIM BOARD CHAIR**

Since both the Board Chair and Vice Chair were unable to attend today's meeting, the election of an interim Board Chair to conduct the meeting was held.

Williams opened up the meeting to nominations. Feinberg moved to nominate Troiano as interim Board Chair; Richardson seconded the motion. Williams inquired if there were further nominations and there being none, nominations were closed. Williams cast one vote. All voted in favor and the motion passed.

2. MEETING AGENDA

Williams mentioned Allison Bell and Tim Palmer won't be coming to the meeting because the full Board of Commissioners was not going to be present. They will be doing their presentation at the July 12, 2017 VSHA Meeting which is also a public meeting.

Troiano mentioned that if Commissioners want tours of any properties they should schedule those separately from Board Meetings.

3. PUBLIC PARTICIPATION

There was one public participant, Chair of the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association, Nathan Schmechel.

4. MINUTES – REGULAR MEETING, March 22, 2017

Richardson moved to approve the Minutes of the Regular Meeting of March 22, 2017 and Feinberg seconded. Troiano inquired as to further discussion, there being none a vote was taken. All voted in favor and the motion passed.

5. SECRETARY'S REPORT – APRIL/MAY 2017

Williams began his update.

The 2017 Housing and Urban Development (HUD) budget was approved a few weeks ago. The \$48.1 billion FY 2017 budget approved is \$1.1 billion more than the FY 2016 budget nationwide and this represents a 2.2% increase. There is \$870 million to renew Housing Choice Voucher in the Project Based Rental Assistance program.

There will be 7,000 new vouchers for Veterans Affairs Supportive Housing, Family Unification and Section 811. If the WRJ/VA medical center can address staffing for caseload management then VSHA may be able to apply for additional VASH vouchers. There is also \$10 million set aside for 1,000 vouchers for the Family Unification Program and VSHA may be able to apply for additional funding.

The Section 8 administrative fees are the same as the FY 2016 and will fund 75% to 80% of the VSHA administrative fee.

Public Housing Authorities (PHA's) will be eligible for some set aside funds but Williams doubts that VSHA will be eligible to apply as it is only available for PHA's that don't have reserves.

The Trump administration announced a \$6.2 billion cut for the HUD FY 2018 budget including cutting the CDBG program. Rental assistance reform is being proposed and a cut of \$3.7 million will affect these programs. This proposal also mentions policy changes that encourage work and self-sufficiency; increase of tenant rent contributions from 30% to 35%; elimination of utilities allowances and a minimum of a \$50 rent. Rental programs make up 85% of the agencies \$41 billion budget requests. This is only a starting point and much work needs to be done. Final Budget will be determined by Congress.

Troiano asked for a motion to approve the Secretary's Report. The motion was made by Richardson and seconded by Ryan. Troiano inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

6. LEGISLATURE

- **Changes to Powers of VSHA, 24 V.S.A., Section 4005**

Williams informed the Board that the VSHA statute change passed the legislature and awaits the Governor's signature. Without the statute change, VSHA does not have the authority to operate outside the State of Vermont. This change will be effective on passage and it is not tied to a July 1st effective date, like most laws passed. Williams added there is no reason for the Governor to not sign S.135, the Economic Development bill. With this change the VSHA will have the authority to compete for PBCA and enter regional agreements for administration if required.

- **Updates**

The State of Vermont FY 2018 budget passed the legislature, but the Governor has said he will veto the budget bill over savings required for education spending. The \$35 million revenue bond for producing more affordable is included in the budget. Williams continued mentioning the updates on the upcoming budget changes and its implications on affordable housing programs.

7. VSHA FINANCIAL REPORT THROUGH APRIL 30, 2017

Pembroke started by mentioning the Financials are looking good and we are right on track where we were last year.

Property and Asset Management hit all of their Return to Owner's (RTO) this year. VSHA was able to collect some funds due from prior years as well.

Pembroke will present the FY 2018 budget at the July Board Meeting.

For the administrative fees, VSHA will collect 77 % versus the 84 % of last year. Pembroke will be planning this change for the upcoming budget.

- **Farrington Mobile Home Park Financial Report**

The Farrington MHP financial report looks great and there are funds in the reserve. Next month, five homes are moving into the park and filling empty lots, which will be very beneficial.

Troiano asked for a motion to approve the Financial Report, including Farrington. The motion was made by Feinberg and seconded by Ryan. Troiano inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

8. AUTHORIZATION TO SUBMIT RURAL DEVELOPMENT BUDGET

Kuegel asked the Board for permission to submit the budget for Brightwood House Apartments in Windsor, VT. Budget preparation can only be started after the close out of the financials at the end of May 2017 and the budget is due July 1st, 2017. At the July Board Meeting, a copy of the draft will be presented.

Troiano asked for a motion to approve the submission of the budget. The motion was made by Feinberg and seconded by Richardson. Troiano inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

9. AUTHORIZATION TO SELECT LIFE INSURANCE VENDOR

Shorten-Goodrich informed the Board about the expiration of the Life Insurance contract with Prudential at the end of June 2017 and the need to find a new vendor since Prudential will no longer insure groups with less than 100 employees.

Three of the four bids received are very close in service and price and the fourth, could not match what we have for coverage. Shorten-Goodrich recommends Mutual of Omaha because their voluntary options are less expensive and their plan is more closely matched to our current plan. In addition, new features offered this year include Short and Long Term Disability coverage.

Troiano asked for a motion to approve Mutual of Omaha as VSHA life insurance vendor. The motion was made by Feinberg and seconded by Richardson. Troiano inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

11. HOUSING PROGRAM ADMINISTRATION

- **Housing Choice Voucher Funding Projections**

Berk mentioned that until a couple of weeks ago, VSHA has been issuing vouchers based on the assumption that our funding would be based on last year's base plus and inflation factor of 8% and a 94% proration. HUD informed Berk VSHA can now issue vouchers based on last year's base plus and inflation factor of 8% and a 97% proration, which leaves more funds available. However, we are several months into the fiscal and the calendar year and Berk is concerned about VSHA's ability to fully utilize the extra funding because of the time involved to process applicants and the impact to staff. VSHA is currently issuing vouchers to 80 applicants that have claimed preference status. The issuance of vouchers will continue with non-preference applicants that are on the waiting list.

Berk mentioned there have been changes around housing legislation, which provides more flexibility around Project Based vouchers. This will give VSHA the ability to make more commitments - - potentially project-basing up to 450 additional subsidies. If VSHA makes a commitment for a Project Based subsidy, HUD will count it in the VSHA budget allocation for FY 2018. Berk mentioned this is a good strategy to increase voucher utilization this year putting us in a better position for next year.

- **Discussion Annual Plan/Administrative Plan**

Berk presented the draft of VSHA Annual Plan for FY 2018, which will need action from the Board at the next meeting in July.

- **Point in Time**

Berk shared with the Board the January 2017 Point in Time Count of the Homeless Summary for the state of Vermont. The final official report has not been published yet. On the data provided there is a 19% increase of homeless persons compared to 2016. This point in time happens during one night in January, where a lot of effort is put into counting the homeless population.

- **Performance-Based Contract Administrator (PBCA) Program, Proposed Operating Agreement - Proposed Executive Session**

Richardson stated the Regional Dialogue around the Performance-Based Contract Administrator (PBCA) Program includes potential contractual undertakings and legal strategies; and the Authority finds that general public knowledge of the contracts and legal strategies contemplated by the parties to this dialogue would clearly place the Authority at a substantial disadvantage; and therefore motioned to enter Executive Session. The motion was seconded by Ryan and at 12:12 p.m. the board voted to enter Executive Session.

Macieira, Schmechel and Adams left the meeting.

Macieira returned to the meeting and at 12:25 p.m., Richardson motioned to leave Executive Session, seconded by Ryan and upon call for a vote, all voted in favor.

No action was taken during Executive Session.

Williams introduced the following resolution:

VERMONT STATE HOUSING AUTHORITY
RESOLUTION PERTAINING TO PARTICIPATION IN REGIONAL LIMITED
LIABILITY COMPANY

WHEREAS, for many years the Authority has been and is currently the HUD-designated Project Based Contract Administrator (“PBCA”) for the State of Vermont; and

WHEREAS, on information and belief, HUD contemplates issuing, in the near future, a new PBCA solicitation that will authorize or require a regional response (the “Expected HUD Solicitation”); and

WHEREAS, in recent months, staff and counsel of the Authority have conferred with PBCAs of other States in the northeast region (the “Regional Conferees”) with a view to developing a joint strategy for responding to the Expected HUD Solicitation; and,

WHEREAS, the Regional Conferees have recommended that the participating States form a limited liability company (the “LLC”) for the purpose of responding to the Expected HUD Solicitation, and, to that end, that they enter into an Operating Agreement (the “LLC Operating Agreement”) having the following essential characteristics: (1) membership in the LLC for each participating State; (2) in the event that the LLC is awarded the applicable regional PBCA contract pursuant to the Expected HUD Solicitation, the opportunity for each participating State to subcontract with the LLC for the purpose of administering project-based Section 8 funds in that member’s State (the “LLC Operating Agreement”); (3) confirmation of the right of each member to compete directly in its own name in response to the Expected HJD Solicitation; and,

WHEREAS, the Authority finds that, in the absence of its participation in the LLC, the Authority would at best be at a significant competitive disadvantage and at worst disqualified from responding with respect to the Expected HUD Solicitation;

NOW THEREFORE, in consideration of the foregoing premises and findings, it is hereby RESOLVED:

1. In furtherance of the Authority’s statutory purpose, the Executive Director is authorized to enter into the LLC Operating Agreement at such time and on such additional terms as he deems necessary or convenient to best position the Authority to continue to administer project-based Section 8 funds for the State;
2. If so required in order to participate in the LLC, the Executive Director may contribute funds of the Authority in consideration for its membership interest in the LLC; provided, however, that the amount of such contribution shall not exceed \$10,000.00 except upon further authorization.

Feinberg moved the Resolution as presented, seconded by Richardson. The Chair called for a vote and all voted in favor and the resolution was adopted.

11. OTHER BUSINESS

There being no other business, the Chair adjourned the meeting at 12:30 p.m.

Respectfully Submitted,

Richard M. Williams
Executive Director/Secretary

DRAFT