

VERMONT STATE HOUSING AUTHORITY
PUBLIC HEARING and REGULAR MEETING MINUTES
July 12, 2017

PUBLIC HEARING

• **ROLL CALL**

The Board of Commissioners commenced a Public Hearing at 11:05 a.m. and the following Commissioners were present: Chair Caprice Hover, Vice Chair Mary Miller; and Jo Ann Troiano. Robert Lees was present via teleconference. Caryn Feinberg and Linda Ryan were expected. Cory Richardson was unable to attend.

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

Zach Karas, Retirement Plan Advisors was also present.

1. COMMENTS AND DISCUSSION: VSHA'S SECTION 8 ANNUAL PLAN / ADMINISTRATIVE PLAN

There was no public participation.

At 11:10 a.m. Caryn Feinberg joined the meeting.

Berk began the discussion on VSHA's Annual/Administrative Plan update.

The Annual Plan was made public on VSHA's website for the last 45+ days, has been shared with Vermont Legal Aid; with the Affordable Housing Coalition; with its membership; and no adverse comments were received.

The first page of the plan refers to Section 8, PHA information and the number of housing vouchers VSHA has under contract with HUD. Under Annual Contributions Contract (ACC), VSHA has a combined number of vouchers, which adds to a total of 4046 mainstream and housing choice vouchers. This number is not the total number of families VSHA is serving and should Congress fund the program, VSHA could serve up to that number of households.

The second page refers to the elements of the plan that are being updated this year. The Section 8 updates for the administrative plan are included in the Annual Plan. The updated memo sent via email to the Board a few days ago explains chapter by chapter the updates proposed.

The third page refers to data regarding families and demographics on VSHA's Section 8 tenant-based waiting list and a statement of financial resources for FY 2017. The following page refers to new activities that comprehend the conversion of public housing to project-based assistance under RAD and project based vouchers. The Depot Square project in St. Johnsbury, VT that has been discussed in previous meetings is one of the projects that VSHA plans to convert the units to project-based vouchers.

The last page refers to VSHA's progress report and achievements for this past year.

Berk said the Board Chair will be asked to sign the Annual Plan in order to certify compliance with the 5 year Annual Plan process with the addition of the incorporation of the policy amendments that will hopefully be approved.

- **CLOSE PUBLIC HEARING**

At 11:15 a.m. Troiano moved to close the Public Hearing; Miller seconded. All voted in favor and Hover closed the public hearing.

BOARD MEETING

2. ROLL CALL

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:15 a.m. and the following Commissioners were present: Chair Caprice Hover, Vice Chair Mary Miller; Jo Ann Troiano; Caryn Feinberg and Robert Lees via teleconference. Linda Ryan was expected and Cory Richardson was unable to attend.

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; Krister Adams, Housing Development Specialist; and Laura Macieira, Office Services Coordinator.

Zach Karas, Retirement Plan Advisors was also present.

3. MEETING AGENDA

Williams mentioned Allison Bell and Tim Palmer won't be coming to the meeting because the HFI directors will be conducting a one-day retreat to focus on strategic planning in August. They will be present at the September 27, 2017 VSHA Meeting.

4. PUBLIC PARTICIPATION

There was no public participation.

5. MINUTES – REGULAR MEETING, MAY 24, 2017

Hover inquired about scheduling a tour to visit the properties that VSHA manages. Williams suggested to schedule a tour that would not interfere with a scheduled VSHA Board Meeting and suggested to narrow down an area for the visit since the properties are scattered throughout the state.

Feinberg moved to approve the Minutes of the Regular Meeting of May 24, 2017 and Miller seconded. Hover inquired as to further discussion, there being none a vote was taken. All voted in favor and the motion passed.

At 11:30 a.m. Linda Ryan joined the meeting.

7. RETIREMENT PLAN – PRESENTATION, ZACH KARAS, RETIREMENT PLAN ADVISORS

Karas presented the updates on the VSHA's retirement accounts. All funds from the former carrier, Life Associates, have come over and have been applied to current Mass Mutual Plan. Since all assets are in one place, VSHA is eligible for a price reduction as a result of the increased balances. It is expected to have all plan changes in place by October 2017. The plan, through fees revenue returned and overpayment to the Retirement Plan Advisors (RPA) has generated excess dollars above what is needed for plan expenses that needs to be used by December 31, 2017.

Karas proposed to use the excess funds to pay the remainder of RPA fees for 2017; to correct the plan participant portion of the shortfall reflected in their accounts as a result of funds missing from the LA bankruptcy and resulting IRS resolution process; and to return the remaining assets to participants in the plan on a pro-rata basis. We are also looking to enter a new contract with RPA.

Lees motioned to approve the payment of RPA fees for the remainder of 2017; to return to the participants in the 457 and 401 Plan the bankruptcy's shortfall reflected in their accounts with the balance of the funds to be returned on a pro-rated basis to all plan participants; and to approve the new contract with Retirement Plan Advisors. Troiano seconded the motion. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

At 11:45 a.m. Karas left the meeting.

6. SECRETARY'S REPORT – MARCH 2017

Williams began his update.

The House Appropriations Transportation-HUD (THUD) Subcommittee is expected to vote/approve a \$56.5 billion FY 2018 spending bill this week. Funding level represents \$1.1 billion (two percent) less than FY 2017 but \$8.6 billion (18%) more than FY 2018 request by President Trump's administration. For HUD, the bill is a decrease of \$487 million (1.3 percent) less than FY 2017. The level represents about \$1.5 billion less than what's needed to renew HUD rental assistance funding needs during FY 2018.

Williams shared with the Board the FY 2018 Budget Chart for selected HUD and USDA Programs. The tenant-based rental assistance program is proposed to be funded at approximately \$20.5 billion and \$18.7 billion of that amount is for the Section 8 Housing Choice Voucher contract renewal. This is about 1.9% more than in FY 2017. The sub-committee asserts that this funding level is sufficient to renew funding for all vouchers in use. However, the National Low Income Housing Coalition claims that this funding level will result in a loss of funding for 140,000 vouchers. The bill rejects the budget request's proposals to establish \$50 minimum rents, require increased tenant contributions toward rent - reportedly from 30 to 35 percent of adjusted family income - and institute other proposals to achieve savings from HUD's rental assistance programs. The homelessness and supportive housing programs; the McKinney-Vento Homelessness Assistance Grant are proposed to be funded at \$2.38 billion, which is level to FY 2017.

Williams added that the House Committee is embracing Trump's proposal to eliminate the US Interagency Council on Homelessness (USICH), which coordinates the federal response to homelessness across 19 federal agencies, which have been credited with helping to reduce homelessness.

Troiano moved the Secretary's Report as presented and Feinberg seconded. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

Lees left the meeting and the Board recessed for lunch at 12: 10 p.m. and returned to session at 12:20 p.m.

7. FINANCIAL REPORT THROUGH MAY 31, 2017

Pembroke presented the Financial Report and commented it is looking good.

VSHA received about \$35,000 for two years of management incentive fees for three of the property managed projects. We have collected \$21,000 more than budgeted for fraud recovery. These two coupled together makes up the majority of the additional money in the other income category. The benefits line item reflects \$35,000 that VSHA had to put as a deposit on the health reimbursement account in order to keep the balance required.

Pembroke has added a building line item that reflects the work the VSHA office building needs. Referring to the earn contribution line item, Pembroke mentioned that HUD has cut the Administration fees again and currently we are down to a 74.25% proration which, according to the Public Housing Authorities Directors Association, is the second lowest ever in the history of the voucher program. Pembroke added that considering the \$300,000 cut this lower admin fee proration will create the \$580,062 on the reserve accounts line item which is not a huge margin based on the \$35 million in expenses to date.

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

8. HOUSING PROGRAM ADMINISTRATION

- PHA Plan Amendments
- Acceptance of VSHA's Section 8 Annual Plan for Fiscal Year 2017 and Authorization to Sign Certification

The following Resolution was presented to the Board for consideration.

RESOLUTION Section 8 Annual Plan for Fiscal Year 2018

NOW THEREFORE, be it resolved that the Vermont State Housing Authority Board of Commissioners accepts the PHA Annual Plan for Fiscal Year 2018 (October 1, 2017 - September 30, 2018), including the Amendments to Chapters 2, 3, 6, 7, 8, 10, 11, 12, 15 & 17 of the Section 8 Administrative Plan, the PHA Certifications of compliance with the PHA Plan and related regulations, as presented, and authorizes the Chairman to sign the certifications and approve the submission of the PHA Annual Plan for PHA Fiscal Year 2018.

Miller inquired if any organization ever complimented the plan presented and Berk answer Vermont Legal Aid is very supportive of VSHA's work.

Hover inquired if Berk had an idea of participation on the VSHA's homeownership program and Berk answered there are about 100 folks that are in this particular program.

Berk mentioned the more substantial policy change refers to the project-based vouchers policy and they are a result of the recent Housing Opportunity Through Modernization Act (HOTMA) legislation that went into effect at the end of April 2017; which allows VSHA more flexibility and capacity to do more project-basing.

Hover asked for a motion to accept the above Resolution as presented. The motion was made by Troiano and seconded by Feinberg. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Updates

Berk presented a draft solicitation for VSHA to increase project-based voucher utilization. The non-competitive solicitation proposed can be integrated to VSHA's administrative plan and Berk hopes to bring units that meet the Housing Quality Standards under contract this year. In addition, there are projects being developed that will be ready for occupancy in 2018. Berk mentioned a particular number of units have not been identified as part of this solicitation however, the goal is not to exceed VSHA's ACC authority approved by HUD since this will be subject to funding availability.

Ryan inquired if this action will take away the issuance of housing vouchers and Berk answered it will limit the vouchers issued for folks on the waiting list. Williams added that the people on the waiting list will be referred to the project-based voucher properties.

Berk shared with the Board a projection of VSHA's spending and leasing for 2017 to date and the projections for the remaining months of 2017.

Berk described how operating under a Continuum Resolution limited the vouchers VSHA was able to issue in the beginning of the year. VSHA issued vouchers to folks that were on the preference list and will continue to issue vouchers to folks on the waiting list. The staff time needed in order to accomplish this process and the limited housing supply in Vermont makes it hard to accomplish the goal to fully utilize the funds available for FY 2017. The project-based proposal is a strategy to increase utilization quickly so next year's base can increase. For purposes of assumption and projection, Berk hopes to bring under contract beginning September 1st, 2017, 50 new project-based voucher units and in October 1st, 2017, other additional 50 new project-based voucher units, with a total of 100.

Hover asked for a motion to accept that VSHA increase the issuance of project-based vouchers as presented. The motion was made by Troiano and seconded by Ryan. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

10. OTHER BUSINESS

There being no other business, Troiano made a motion at 1:10 p.m. to adjourn the meeting, seconded by Miller and all voted in favor.

Respectfully Submitted,

Richard M. Williams
Executive Director/Secretary