

VERMONT STATE HOUSING AUTHORITY
PUBLIC HEARING and REGULAR MEETING MINUTES
July 9, 2014

PUBLIC HEARING

• ROLL CALL

The Board of Commissioners commenced a Public Hearing at 11:10 a.m. and the following Commissioners were present: Chair Caprice Hover, Vice Chair Mary Miller; Cory Richardson; and Caryn Feinberg. Linda Ryan was expected. Jo Ann Troiano was absent.

There was no public participation.

Staff personnel present: Richard Williams, Secretary/Executive Director; Kathleen Berk, Director of Housing Program Administration; Thomas Peterson, 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 Jim Gallagher, Office Services Coordinator.

• COMMENTS AND DISCUSSION: VSHA'S SECTION 8 5-YEAR / ANNUAL PLAN

An outline of the updates to the 5-Year Plan were included in the Secretary's Report. There weren't any major changes from the prior plan.

The most significant proposed change is to administrative plan policy. This change would result in the adoption of a local preference for vouchers to folks transitioning from a Section 811 project. Provided that an application is funded that the Vermont Housing Finance Agency (VHFA) submitted, VSHA has agreed to provide Housing Choice Vouchers to disabled individuals who will move from an 811 property after a successful 12-month tenancy. The funding will provide for up to 33 vouchers over the term of the program.

HUD's Section 811 Supportive Housing for Persons with Disabilities program is a competitive, national application for the development of housing for disabled individuals. VHFA applied last year but wasn't funded. We collaborated with VHFA again this year and submitted another application. Berk is proposing that the VSHA Board adopt the policy in the hopes the application will be funded.

We are establishing goals and objectives for 2015 through 2019. For the most part, the new goals mirror ones we've adopted in the past:

- applying for new vouchers and continuing to expand the affordable housing options
- increase the supply and availability of decent, safe, and affordable housing
- promote economic independence and self-sufficiency of families and individuals
- ensure equal opportunity and affirmatively further fair housing
- continue collaborative work with the Vermont Agency of Human Services around the administration of the Family Unification program, the Mainstream Housing Program, Shelter plus Care Program, Agency of Human Services' Homeless Prevention and Rapid Re-Housing Program, and Department of Mental Health Subsidy Plus Care program

Miller suggested adding to Section 9.0 of the 5-Year / Annual Plan the date that the Section 8 waiting list closed.

We are currently issuing vouchers as quickly as we can but the response has not been good. People currently on the waiting list originally applied in 2010 or 2011. We currently have only 900 people on the waiting list. The waiting list has been closed since 2010. Berk indicated that we will likely need to open the Section 8 waiting list by the end of the summer in order to increase the applicant pool for issuing vouchers. We will need to include this possibility in the 5-Year / Annual Plan.

Hover inquired regarding the Miscellaneous Income line item in Section 6.0 of the 5-Year / Annual Plan. Peterson noted that most of the \$1,131,031 on that line item comes from HAP payments from the Department of Mental Health (DMH). Williams suggested specifically labeling that income as DMH HAP payments to avoid confusion.

Richardson noted that the Goals in section 5.2 were mislabeled (there are two #3 goals). That correction will need to be made.

- **CLOSE PUBLIC HEARING**

At 11:20 a.m. Hover asked for a motion to close the Public Hearing. Miller moved to close the Public Hearing 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.

BOARD MEETING

1. ROLL CALL

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:20 a.m. by Chair Caprice Hover. Upon roll call, the following Commissioners were present: Vice Chair Mary Miller; Cory Richardson; and Caryn Feinberg. Linda Ryan was expected. Jo Ann Troiano was absent.

Staff personnel present: Richard Williams, Secretary/Executive Director; Kathleen Berk, Director of Housing Program Administration; Thomas Peterson, 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 Jim Gallagher, Office Services Coordinator.

2. PUBLIC PARTICIPATION

There was no public participation.

3. MINUTES - REGULAR MEETING, May 28, 2014

Hover inquired as to discussion, corrections, or omissions. Feinberg moved to approve the Minutes of the Regular Meeting of May 28, 2014 and Richardson seconded. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

4. SECRETARY'S REPORT - JUNE 2014 / JULY 2014

Williams began his update. Not much has been accomplished in the U.S. Congress since June 19th. They were working on an omnibus spending bill. It looks like there won't be a budget by October 1st and we'll be functioning under a continuing resolution again.

There are real concerns about the federal government's ability to support housing vouchers in the future. Plus, sequestration is returning in 2016.

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

We used to be able to keep our Section 8 reserve accounts locally, but HUD has been actively pulling that money back to Washington, D.C. The money is still held in reserve accounts for us, but it's no longer in a local bank that we have immediate access to.

It's possible that a fair housing audit could be coming our way from HUD, as well as a remote review of our programs.

Ryan is the Co-Chair of Governor Shumlin's Council on Pathways from Poverty. That council will be meeting with Doug Racine on July 10th. The state is looking into reorganizing the Vermont Department for Children and Families (DCF) after some recent incidents involving children. A report on DCF has come out from the Attorney General's office.

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

5. REVISED FY 2014 BUDGET

Peterson presented the revised FY 2014 Budget.

Things are looking slightly better than previously anticipated, moving from a deficit of \$54,000 to a surplus of \$97,000. Some of that comes from savings in health insurance.

Miller inquired as to what comprises the jump in the Other Income line item. Peterson noted that VSHA is a limited partner in several partnerships, so if things go well we receive return-to-owner income. We are also receiving a little more money on Section 8 inspections we perform for the state.

Williams noted that under Expenses, the Legal line item had the biggest jump in the revised budget. Peterson noted that much of that comes from the lawyers being used on the retirement fund issue.

Under General Expenses, both Consulting and Programming went up in the revised budget. Peterson noted that a housing needs assessment, bed bug inspections, and the fair market rent survey which was recently conducted make up the bulk of the consulting increase, while the iPad inspection software makes up the bulk of the Programming increase.

Looking ahead, the income side of the organization is basically frozen. HUD administrative fees are prorated down to 75% and USDA Rural Development is not providing any increases in management fees.

Hover asked for a motion to approve the Revised FY 2014 Budget as presented. The motion was made by Richardson 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.

6. FINANCIAL REPORT THROUGH MAY 31, 2014

Peterson presented the Financial Report through May 31, 2014. This is the original budget which reflects the estimated expenditures for the year.

Hover asked for a motion to approve the Financial Report through May 31, 2014. The motion was made by Miller and seconded by Richardson. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

7. HOUSING PROGRAM ADMINISTRATION

Berk began the Housing Program Administration update.

PHA Plan Amendments

The amendments to the Administrative Plan were detailed in a document which was included in the Board packets. The most significant recommendation is the adoption of a new local preference (detailed above during the Comments and Discussion portion of the Public Hearing, and found on page 4-14 of the plan). This is an addition to the Transitional Housing Preference as follows:

“Individuals transitioning from VHFA’s Section 811 Project Rental Assistance program – up to a maximum of 33 Housing Choice Vouchers. To be considered for this preference, individuals must have been in occupancy for at least twelve consecutive months, be a tenant in good standing and otherwise in compliance with their lease.”

Some of the other changes to the plan are minor and are an effort to clean up or clarify some of the language so it complies with current policy.

Another change of note is the language on page 3-25 regarding background checks for applicants. As background checks are performed, we get notified when an applicant has out-of-state criminal activity. Although we don’t receive details during the initial check, it prompts us to ask the applicant about that criminal activity. The new language makes note of this request to the applicant. If the applicant does not disclose what that criminal activity is, we have the tool in the existing policy of fingerprinting the applicant and requesting information from the National Crime Information center (this is a \$75 charge per check to VSHA, so it is used sparingly).

There are a few programs which VSHA administers where background checks are not conducted.

For the past four months, we have been doing background checks on existing program participants as part of the recertification process. So far the data is showing that clients already on our programs are not turning to criminal activity.

Miller asked for a motion to approve the Amendments to VSHA’s Section 8 Administrative Plan as presented. The motion was made by Richardson 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.

Acceptance of VSHA’s Section 8 Five-Year / Annual Plan for Fiscal Years 2015–2019 and Authorization to Sign Certification

The amendments to the Administrative Plan which came out of the discussion portion of the Public Hearing are summarized as follows:

- Correcting the numbering of the goals in Section 5.2
- In Section 6.0, expanding the description of the Miscellaneous Income line item to show that it comes from HAP payments from the Department of Mental Health (DMH)
- Adding to Section 9.0 of the 5-Year / Annual Plan the date that the Section 8 waiting list closed.
- Updating the Waiting List statistics in Section 9, Part A
- Indicate that VSHA will likely open the Section 8 waiting list in late summer/early fall of 2014

The following Resolution was presented to the Board for consideration.

RESOLUTION Section 8 5-Year / Annual Plan for Fiscal Years 2015–2019

NOW THEREFORE, be it resolved that the Vermont State Housing Authority Board of Commissioners accepts the PHA 5-Year / Annual Plan for Fiscal Years 2015–2019 (October 1, 2014 – September 30, 2019) as amended and 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 5-Year / Annual Plan for PHA Fiscal Years 2015–2019.

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

Project Based Voucher Submissions

Over the past couple of months, we have been receiving requests for project-based rental assistance from various property owners. A spreadsheet was included in the Board packets which details those requests.

We are only focusing on existing housing units that will be available for occupancy this calendar year, mostly because we don't know what our funding is going to be for next year. There are 29 units that have been requested for units which will be available this calendar year. We are considering requests for assistance on a first come, first served basis subject to funding availability. The goal is to increase our voucher utilization so we are better positioned for next year, though it isn't happening as quickly as we had anticipated.

Williams inquired as to whether there has been any response to the RFP that we are currently running and which is posted on the VSHA website. Berk noted that the RFP doesn't close until the end of July, though initial feedback has indicated that there is some strong interest. That RFP is making available up to 40 vouchers for project based assistance for existing units that will be available for occupancy this calendar year.

Ryan inquired as to whether residents in the project based units at Lower Welden Apartments are able to move with a portable voucher after living there for a year. Berk noted that they are not able to move with a portable voucher.

Budget Projection and Utilization for the Housing Choice Voucher Program

We have an overarching goal to have 3,300 vouchers leased by the end of the calendar year. As of June 1st, we had 3,112 units under contract. We are getting vouchers on the street as quickly as we can, and the project-basing of vouchers will help us reach our goal as well. However, we have had some staffing challenges which is making it a bit more difficult to get some of the work done as quickly as we'd like.

We have 876 active applicants on the Section 8 waiting list. We are working with 300 applicants to ready them for voucher issuance. We anticipate opening the Section 8 waiting list by the end of the year.

Housing Opportunities for Persons with AIDS (HOPWA) Program

Since the early 1990's, VSHA has been administering the rental assistance portion of the Vermont Housing and Conservation Board's (VHCB) HOPWA grant. This federally funded grant comes into the state to VHCB and the rental assistance money then comes to VSHA from VHCB. VHCB maintains a portion of the grant funds to administer directly to the AIDS service organizations around the state. This year, VHCB decided that we have to account for how we earn our administrative fee differently. This change was immediate and VHCB simply stopped paying VSHA the administrative fees, so we have now been administering 30 HOPWA vouchers without pay for the past couple of months.

Peterson noted that the sub-grantee contract that VSHA has with VHCB on the rental assistance portion of the HOPWA grant will expire March 2015. We will recommend to VHCB that we no longer be considered a sub-grantee on the HOPWA rental assistance funds, and instead VSHA is to be listed as a contractor. We are working to quickly resolve this issue with VHCB.

HUD has also asked us to begin accounting for our time differently regarding our work on administering Shelter Plus Care funds, though they aren't being punitive about it and are working with us to make this change. Unlike the HOPWA funds, the Shelter Plus Care funds come directly to VSHA from HUD.

Vermont Department of Health

VSHA was asked to participate in a meeting with representatives from the Vermont Department of Health, the Vermont Agency of Human Services (AHS), and VHCB regarding a program to help support individuals with AIDS. We are in the process of developing a program with the Vermont Department of Health which will mirror the HOPWA program. Funding for the program will come directly from the Vermont Department of Health to VSHA. Williams noted that it will likely be a 5-year arrangement.

The Board recessed for lunch at 12:25 p.m. and returned to session at 12:50 p.m.

Daniel Blankenship, Grants Administrator, joined the meeting at 12:50 p.m.

Continuum of Care Funding

Blankenship began an update on Continuum of Care (CoC) Funding. A document detailing all of the various CoC and homeless programs in Vermont was included in the Board packets. The first page lists various programs which are mostly funded under the McKinney/Vento Act (AKA, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act), which is legislation to direct how we try to end homelessness. HUD funds a lot of the anti-poverty and homeless programs, including the CoC programs. Continuum of Care is a competitive program, so we have to apply for it every year.

The formula grants are Emergency Solutions Grants (ESG), which pay for shelter services, prevention, and rapid rehousing.

In Vermont, there are two federally recognized Continuums of Care: The Burlington/Chittenden County Continuum of Care and the Vermont Balance of State Continuum of Care (VT BOS CoC). A CoC is a group of community members collaborating to end homelessness. This includes submitting grant applications as a group.

The Vermont Coalition to End Homelessness is the primary decision making group in the VT BOS CoC. The CoC collaborative applicant for the VT BOS CoC is VSHA. We work on behalf of the CoC to submit the yearly application, point-in-time count, etc.

HMIS is the database for homeless systems that all CoC and ESG programs are required to use.

We work closely with the Burlington/Chittenden County CoC so we don't duplicate our efforts. The two CoCs also work closely together on the point-in-time count and other initiatives.

We had to go through Sequestration with the homeless programs. This process was difficult, but it forced us to evaluate our priorities. A summary of the VT BOS CoC Homeless Programs (FFY2013) was included on page 4 of the handout to the Board.

There are three main grantees in the VT BOS CoC: Brattleboro Housing Authority, Vermont State Housing Authority, and HOPE (in Middlebury). Blankenship detailed some of the bonus grants received by VSHA.

One of the bonus homeless grants was a one-year Shelter Plus Care grant of \$117,741 for 14 units in Rutland County. Rutland County has one of the highest homeless needs in the VT BOS CoC, as well as the lowest Shelter Plus Care capacity. Pathways Vermont is the local sponsor agency, though Pathways isn't currently operating in Rutland County. Efforts are underway to try to authorize Pathways to operate in Rutland County. Ryan suggested identifying another designated sponsor agency in case Pathways isn't able to operate in Rutland County.

Blankenship gave a quick overview on the funding for the various Supportive Housing Programs and briefly touched on the funding for the Burlington/Chittenden CoC Homeless Programs.

Blankenship left the meeting at 1:15 p.m.

8. DEVELOPMENT

Adams began the Development update.

Windemere Mobile Home Park, Colchester: The contractor is onsite to begin work on the water/sewer upgrades. Kingsbury Companies has been hired to do the construction work. Work will include paving the roads and putting in fire hydrants. Adams will be attending the first job meeting on July 10th.

Valley View II Apartments, Vergennes: We are nearing the half-way point on the rehabilitation work at this 12-unit property. Construction is going well.

Hollister Hill Apartments, Plainfield: This 4 building, 16-unit family property was built in the early 1970's and has been managed by VSHA since 1991. The property is in need of some rehabilitation work. We have begun planning and feasibility studies in order for that work to take place in the summer of 2015.

Colonial Manor Apartments, Morrisville: This 20-unit family property is in need of some energy efficiency retrofits and modernization. We hope to do this work in 2015.

Dogwood I Apartments, Northfield: This 32-unit property is also in need of some energy efficiency retrofits and modernization. We hope to do this work in 2015.

Morse Block Apartments, Barre: A roofer is now under contract to replace the roof at this 16-unit project in Barre. The property manager, Alliance Property Management is coordinating this work.

Hillcrest View Apartments, St. Albans: We are going to be installing all new sidewalks at this 34-unit property. In addition, repairs will be made to the parking lot, drainage system, and playground. We are out to bid on this work.

Ryan left the meeting at 1:17 p.m.

9. PROPERTY AND ASSET MANAGEMENT

Kuegel began the Property and Asset Management update.

Brightwood House Budget

The Brightwood House budget was submitted to USDA Rural Development by the July 1st deadline. We asked for a \$33 per month per unit increase in the rents at this South Royalton property. This increase, if approved, will not affect the residents. Instead, it will mean a higher subsidy from USDA RD. Due to the age of the building, we are anticipating upcoming expenses to replace large ticket items such as roofs, heating system, etc. Since the reserve account won't be healthy enough over the next ten years to handle those expenses, a rent increase is needed to bump up the reserve account to \$15,000 per year from the current \$11,556 per year.

USDA Rural Development Management Fees

After three years of no increases in management fees, we will likely see one as of January 1, 2015.

USDA Rural Development VAWA

Around one year ago, USDA RD adopted the Violence Against Women Act (VAWA). Prior to that, it didn't apply to USDA RD programs. Unfortunately, USDA RD hasn't publicized their adoption of VAWA, so most folks don't know they are covered. USDA RD also hasn't published any documents or forms to use. Kuegel serves on the management committee of the Council for Affordable and Rural Housing, which is looking to USDA RD for guidelines on how to comply.

USDA Rural Development Accessibility Standards

USDA RD is moving from the Uniform Federal Accessibility Standards (UFAS) to the Architectural Barriers Act Standards (ABAS). If a property owner owned a property that was built by USDA RD before June 1982, they did not have to comply with the 5% rule (to have 5% of the units at the property and no less than 1 unit fully accessible). That is going to be changing under USDA RD.

Under the new standards, if you have a USDA RD property that does not have that 5% of the units accessible and you modify the kitchen or bathroom and you improve any other element in another room, you will then trigger the need to bring that entire unit up to the fully accessible standard. This would continue at the property until 5% of the units are accessible.

10. UPDATE - RETIREMENT / LIFE INSURANCE - BILLINGS & COMPANY (LIFE ASSOCIATES)

Shorten-Goodrich began an update on VSHA's Pension Plan. At some point there was some overpayment of life insurance proceeds to Life Associates. The previous owner of Life Associates went to court in an attempt to take those proceeds, but he lost his case. Those proceeds have now come back to the new owner which will have to sort through and figure out what money may be due to the agencies who participate in the plan.

The former life insurance company of Principal had an accounting of the funds and the previous owners of Life Associates had an accounting of the funds, but they don't match. They will have to look through source documents and sort through that issue.

It looks like the IRS won't look at the potential plan to sort out the pension fund until September, so we may not see a resolution until the fourth quarter of this year.

11. OTHER BUSINESS

Office Renovations

Shorten-Goodrich provided an update on the One Prospect Street office security upgrades. We are fine-tuning those plans with the contractor, E.F. Wall & Associates, Inc. We don't yet have a contract with E.F. Wall since we don't have their final numbers for the project. But in anticipation of moving ahead, we emptied out some offices and moved some employees around the building in order to have the space ready for when we sign the contract and the demolition work begins. We were hoping for the work to begin next week, but it might not happen that quickly.

We are fine-tuning the specifications for the glass walls, sliding doors, and furniture we will be getting through Office Environments, and fine-tuning what security cameras/equipment we will be getting through E.F. Wall.

Williams will be on vacation from July 14th to July 28th. In the event that he is unavailable to sign contracts with E.F. Wall and/or Office Environments for the office renovation project, he is asking the Board to authorize Arlene Shorten-Goodrich to sign these in his absence.

The contracts will be for work that Williams and Shorten-Goodrich have worked on with the architect and contractor(s), the total cost of which will not exceed the amount of \$264,000 which was authorized by the Board of Commissioners at their last meeting of May 28th. The authorized amount includes the cost of any furniture/workstations.

Miller moved to authorize Shorten-Goodrich to sign the E.F. Wall and/or Office Environments contract as noted above for the One Prospect Street office security renovation project in the event that Williams is not available; Richardson seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Executive Session

At 1:30 p.m. Miller made a motion to enter Executive Session for the purpose of discussing the current Collective Bargaining Agreement negotiations; Richardson seconded. Upon call for a vote all voted in favor.

Adams and Gallagher left the meeting.

At 1:45 p.m. Feinberg motioned to leave Executive Session, seconded by Richardson, and upon call for a vote, all voted in favor.

There was no action during Executive Session.

Adams and Gallagher returned to the meeting.

Hollister Hill Refinancing

Williams began a discussion on refinancing Hollister Hill Apartments in Plainfield, which is owned by The Housing Foundation, Inc. and managed by VSHA. Before we can apply for other funding, HFI would need to transfer the property back to VSHA. That might mean that HFI needs to use its own money to pay off the remaining balance on the mortgage, which is around \$286,000. The issue of tenant leases then comes up. We're looking at ways of signaling the tenants that the property is going to transfer from HFI to VSHA and so the current leases will have to terminate, but there will be a new lease with VSHA.

There is a similar issue in Deepwood Mobile Home Park in Brattleboro. One of the new Manufactured Home Replacement Program homes is going into the park, but they need a 30-year lease for the financing. Unfortunately, we can't enter into a lease that goes out that far. However, the home is already ordered and construction has begun on the home in the park. We are trying to find ways that will be acceptable to the tax-exempt financing, such as allowing VSHA to become a party to the lease. We are working with our legal counsel, George Nostrand, on these issues.

VSHA Board of Commissioners Meetings

Hover noted that the bimonthly VSHA Board of Commissioners meetings are routinely running from 11 a.m. until 1:30 p.m., so Commissioners and attending VSHA staff members should make every effort that their schedules accommodate this schedule.

Anniversaries

The following employees are celebrating anniversaries with VSHA:

- Daniel Blankenship: 5 years
- Jane Dougherty: 25 years
- Paul Butler: 30 years
- Richard Williams: 40 years

The following Resolution was presented to the Board for consideration;

RESOLUTION

WHEREAS, on July 8, 1974, Richard M. Williams was hired by the Vermont State Housing Authority (VSHA) as an Accountant; and

WHEREAS, on October 1, 1978, Richard became the Fiscal Director; and

WHEREAS, on June 27, 1980, Richard was promoted to Deputy Director; and

WHEREAS, on July 1, 1984, the VSHA Board of Commissioners named Richard as the Executive Director of the agency in which capacity he continues to serve; and

WHEREAS, Richard serves on a number of statewide committees dedicated to ensuring that housing policies and programs meet the needs of Vermonters and he is well respected by his peers throughout the state; and

WHEREAS, Richard has faithfully and responsibly executed his responsibilities as the Executive Director ensuring that the Mission of VSHA is carried out, all the programs administered by VSHA provide the appropriate services to meet the needs of all participants, and that the Authority's employees are valued; and

NOW THEREFORE BE IT RESOLVED, that the VSHA Board of Commissioners recognizes Richard's leadership, dedication and accomplishments on his 40th Anniversary on July 8, 2014 with the Vermont State Housing Authority.

Miller moved to accept the above Resolution as present 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.

At 1:55 p.m., there being no other business, Hover called for a motion to adjourn, such motion was made by Miller and seconded by Feinberg; the meeting was adjourned.

Respectfully Submitted,


Richard M. Williams
Executive Director/Secretary

