

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
January 28, 2015

1. ROLL CALL

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:05 a.m. by Chair Caprice Hover. Upon roll call, the following Commissioners were present: Mary Miller, Vice Chair; Jo Ann Troiano; Cory Richardson; and Linda Ryan. Caryn Feinberg was absent.

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

2. PUBLIC PARTICIPATION

There was no public participation.

3. MINUTES – REGULAR MEETING, NOVEMBER 12, 2014

Hover inquired as to discussion, corrections, or omissions. Troiano moved to approve the Minutes of the Regular Meeting of November 12, 2014 and Richardson seconded. Hover inquired as to further discussion, there being none a vote was taken. All voted in favor and the motion passed.

4. SECRETARY'S REPORT – DECEMBER 2014 / JANUARY 2015

Williams began his update. The U.S. Department of Housing and Urban Development (HUD) just communicated about the Continuum of Care program and the funding that was recently awarded. Most of that is renewal funding for existing programs.

The Point In Time Homeless Count is currently underway in Vermont. It goes from midnight last night to midnight tonight.

State of Vermont Budget – For the current fiscal year (July 1, 2014 through June 30, 2015)

Back in the fall of 2014, Governor Shumlin implemented some cuts since there wasn't enough revenue to support the appropriations bill that was passed last year by the Legislature. The Legislature indicated that as per the Budget Adjustment Act, those adjustments need to be presented to the Legislature in January; that has now been done. It came out of committee and is going to the House floor on Thursday, January 29, 2015.

One of the housing-related cuts is to the Vermont Department of Mental Health (DMH) vouchers. The Vermont State Housing Authority (VSHA) has been administering those vouchers for DMH. The proposed cut is for \$437,000. That \$437,000 was actually left over from a previous \$1.5 million appropriation since eligibility requirements had been narrowed, making it more difficult to get one of those vouchers. It will be difficult to get that money reallocated for DMH vouchers.

There was also funding in the budget for Pathways Vermont. Although the funding – approximately \$611,000 – was promised last year, it is going through the Budget Adjustment Act.

Also, \$1 million is going through the Budget Adjustment Act for the Low Income Heating Energy Assistance Program (LIHEAP). Oil prices have plummeted since last year, so these funds are being scrutinized.

The House General Committee has been receiving testimony from Vermont's housing partners, including The Affordable Housing Coalition and Champlain Housing Trust. A federal delegation testified before the committee last week on housing issues at the federal level, including the success of the Support and Services at Home (SASH) program.

There are conversations going on at the House Ways and Means Committee. The Legislature requested a report on the Renter Rebate program from the Department of Housing and Community Development (HCD). Jen Hollar, Deputy Commissioner of HCD, presented the report to the Committee. The Committee came up with some possible changes to the program.

Another issue at the House Ways and Means Committee is the Miscellaneous Tax Bill. The Vermont Department of Taxes is interpreting that a current tax law that affects affordable housing is set to expire. There's a provision in the Miscellaneous Tax Bill that will renew that provision, although it will tie it to municipal approval. We will need to run some scenarios to determine what this means for our partnerships.

There is a youth homeless hearing today at which the Vermont Coalition of Runaway and Homeless Youth programs will be testifying.

Pathways Vermont will be presenting an update on their program activities to the House General Committee on Thursday, January 29, 2015.

Ryan noted that Pathways New York has had some bad press recently as mentally ill clients faced eviction after the organization stopped paying rents.

The budget of the Agency of Human Services and the Department of Children and Families is being presented to the Human Services Committee tomorrow.

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. FINANCIAL REPORT THROUGH DECEMBER 31, 2014

Peterson presented the Financial Report through December 31, 2014, which is the first three months of the fiscal year. Some large expenditures, such as benefits and insurance, tend to come early in the year, but those line items should balance out over the course of the year.

The Administrative line item is over budget. One reason is that we pay our computer service agreements early in the fiscal year. Also, there were some significant computer equipment expenditures.

The Section 8 Administrative Fees proration is expected to be moved down to around 75%. However, the budget was based on a 75% proration, so we should be fine.

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.

6. APPROVAL OF THE FY 2014 AUDIT

Peterson presented the FY 2014 Audit. The Audit report arrived the first week of December. There were no issues.

Richardson indicated that the auditors should be presenting the audit directly to the Board. Peterson noted that he will arrange for the auditors to come to the March 25th VSHA Board meeting to present the report and ask any questions about audit. The Board will put off final audit approval until then.

7. UPDATE - HOUSING PROGRAM ADMINISTRATION

Berk presented the Housing Program Administration update.

Section 8 Voucher Utilization

When we received our budget for the Section 8 Housing Choice Voucher (HCV) program last year, we established a voucher utilization goal to have 3,300 vouchers leased by the end of the calendar year; there were around 1,400 applicants on the Section 8 wait list at that time. At that point, we hadn't been issuing vouchers for well over a year. In fact, we had been taking vouchers off line as a result of the federal government Sequester.

We then started issuing vouchers and worked hard to issue vouchers throughout the 2014 calendar year. When Berk spoke to the VSHA Board in October, we established a utilization goal to have 3,200 families leased by the end of the calendar year based on our funding and the number of vouchers issued; we met that goal. As of January 15, 2015 we had 3,265 vouchers leased. This includes the 65 vouchers that we assumed through the St. Albans City Housing Authority.

The number of authorized units we have under contract with HUD is 3,736. Because of the federal funding formula, we have never been able to assist that number of families. Based on expected funding, we anticipate serving up to 3,405 families by the end of this calendar year.

We anticipate opening the Section 8 waiting list on March 1st. We have around 80 of our own applicants on a waiting list. We also have another 80 applicants from a waiting list we assumed from the St. Albans City Housing Authority that will be merged with our existing wait list prior to the Section 8 wait list opening in March. There will be public notices announcing the opening of the wait list.

Supportive Housing Preference

We have been talking with Angus Chaney at the Agency of Human Services (AHS) about a possible new preference for the Section 8 Housing Choice Voucher program. This is related to AHS's initiative to end family homelessness by 2020. Chaney has been meeting with the heads of state housing agencies. He is proposing a supportive housing preference, the draft text of which was included in the Board packets for today's meeting.

In order for us to adopt any additional preference, we would have to open the annual planning process.

Williams noted that when supportive services are offered, people are much more likely to be successful than when they are issued a housing choice voucher without any supportive services.

Some discussion followed on where the AHS Supportive Housing programs are available, with the concern being that they aren't available in all Vermont communities.

Berk noted that the idea behind this preference is to serve those folks who are falling through the cracks and who typically have a difficult time getting housed. Williams added that the preference is also a way to focus limited resources on certain homeless populations in the state. The AHS Supportive Housing program preference recommendation is a way to open the discussion about how VSHA can focus those resources. Berk noted that the supportive services wouldn't have to come solely from AHS.

Berk indicated that it would be helpful to continue this discussion with the Board after today's meeting, with the hope of getting final Board approval at the March 25th VSHA Board meeting. While this would be after VSHA's Section 8 wait list opens in early March, the applicants could be re-ranked once the preference is approved and implemented.

Project-Based Voucher Awards

We had a couple of project-based initiatives last year. One of those initiatives included receiving requests for project-based assistance from apartment owners who had competed in another funding round. We made a commitment of 25 vouchers under that initiative. There was also a formal request for proposals for which we set aside 45 subsidies for that competitive award; we had a request for 90 vouchers. Those vouchers were then awarded based on need. Those commitments are in the process of being finalized.

Berk distributed to the Board a spreadsheet detailing those project-based commitments. Berk has a couple of more contracts for projects that have not yet been added to that list.

HUD caps our project-based authority at 20% of our total voucher allocation. Our current project-based authority is 747 vouchers. At this time we have 675 vouchers committed to projects throughout the state, so we have the authority to project-base an additional 72 units. And since we are getting close to our project-based authority limit, we have begun conversations with HUD and Senator Leahy's staff about the possibility of requesting a waiver from HUD to exceed the 20% project-basing authority.

We are anticipating several requests for project-based vouchers in the coming years. One is for Melrose Terrace Apartments in Brattleboro, which is a Brattleboro Housing Authority property. The Board has already agreed to provide 55 vouchers to the Brattleboro Housing Authority. The Brattleboro Housing Authority will receive enhanced vouchers from HUD since there is a demolition of a public housing project involved. They will transfer those vouchers to VSHA, and we'll then turn around and project-base the 55 vouchers and administer those subsidies.

We had a conversation with Kevin Loso at the Rutland Housing Authority (RHA) about doing something similar to Melrose Terrace for phase three of RHA's public housing project, though that would likely be an initiative for 2016 or 2017. Both of these initiatives would help to grow our program as well as our administrative fee capacity.

The Rutland Housing Authority is looking to team up with Housing Vermont on a 29-unit building on Hickory Street in Rutland. Williams noted that unless RHA does something different with the building, such as Shelter Plus Care or supporting the homeless, they won't be eligible for any community development block grants because the maximum has already gone into the earlier phases of the Hickory Street project. Depending on what happens there, it could be an opportunity for VSHA to put some project-based vouchers into the building and grow our program.

There are at least two projects that want project-based vouchers: one in downtown Barre and one at the former state hospital in Waterbury. Williams recommends denying any additional project-based voucher applications at this time since it is such a limited resource. If we get the HUD waiver to go above the 20% project-basing authority, then we could commit to more project-based units. However, the decision will then be whether it's more important to have the flexibility of a housing choice voucher or the security of a project-based unit.

The Board recessed for lunch at 12:15 p.m.

Kelly Pembroke, Assistant Director of Finance and Information Systems, joined the meeting at 12:15 p.m.

The Board returned to session at 12:45 p.m.

Pembroke provided an update to the Board on pending litigation.

Williams distributed a letter from attorney Frank Kochman, who has been representing us on this case until now. Shap Smith has been assigned to the case by our insurance company. There was consensus among the Board to continue retaining Frank Kochman for legal advice on this case.

Pembroke left the meeting at 1:00 p.m.

Berk continued the Housing Program Administration update.

Continuum of Care Awards

We recently received a \$32,000 planning grant that we have applied to for a couple of years. This grant is to support the Continuum of Care by building administrative capacity. We are hoping that HUD will provide renewal funding for this grant going forward, but that's not yet known.

What is being seen as a new award in Rutland County is just renewal funding, though that renewal money is funding new projects.

Staffing – Section 8 Field Representative Position

A memo to the Board that was included in the Board packets presents the justification for creating a new Section 8 Field Representative position. Between 2000 and 2014 we more than doubled the size of our programs, so there is a strong need for an additional Field Representative. This position will likely serve areas of southern Vermont, though the exact areas will be dependent on workload.

Troiano moved to approve the hiring of an additional Field Representative; Miller seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

The Board skipped to Agenda Item #9.

9. UPDATE – DEVELOPMENT

Adams presented the Development update.

Windemere Mobile Home Park, Colchester: There were a few issues while wrapping up the project of replacing the drinking water and sewer systems in this 83-lot park. There were a few instances of pipe freeze-ups under some homes, but those have since been addressed.

Dogwood Glen I Apartments, Northfield; Fairground Apartments, Moretown; Colonial Manor Apartments, Morrisville: We recently submitted a preliminary application for the USDA Rural Development Multi-Family Housing Preservation and Revitalization (MPR) program loans and grants to perform extensive energy efficiency work at these older properties. That preliminary application has now been approved, so we now move on to stage two of the application process.

Vermont Housing and Conservation Board (VHCB) Online Funding Application: Adams has been invited to provide feedback on VHCB's new online funding application.

Olcott Falls Mobile Home Park, Wilder: We are planning to rehabilitate the entire water distribution system in this 40-lot park.

Williams presented some additional Development updates:

Mobile Home Park Acquisitions

State funding agencies are looking to adopt a policy about the acquisition of mobile home parks. They are looking to bring criteria into the HUD consolidated plan. Williams will be meeting with Adams and Kuegel to review that criteria. The issue came up during the acquisition of Roy's Mobile Home Park in Swanton. At the time, state funding agencies were reluctant to provide financing for Roy's because the park was actually in relatively good shape. Williams noted that even mobile home parks in good condition are still a source of affordable housing and should be preserved as such.

Farrington's Mobile Home Park, Burlington

This 117-lot mobile home park in the north end of Burlington is for sale for \$5 million. The park is on city water and sewer, though the distribution systems for water and sewer may need some work.

Several of the area housing agencies attended a recent meeting about the park's sale. In addition to those agencies, a representative from Cooperative Development Institute/Resident Owned Communities USA (CDI/ROC) attended the meeting. CDI/ROC has access to capital that the Housing Foundation, Inc. (HFI) does not have access to. CDI/ROC also has their own loan program – they are able to do a 110% loan-to-value – as well as pre-development money and money to deal with infrastructure issues. It would take HFI 18-24 months to find funding from all of the funding sources. Since there is some open space at Farrington's, there is an opportunity for additional development on the property. While this would require a zoning change, it would definitely be possible to put additional housing on the property.

The residents of this park have now formed a co-op and elected an interim Board.

Katy Winn Mobile Home Park, Johnson

There mobile home park in Johnson is for sale. The residents in that park are also forming a co-op in an effort to buy the park.

The Board returned to Agenda Item #8.

8. UPDATE - PROPERTY AND ASSET MANAGEMENT

Williams presented the Property and Asset Management update.

Valley View II Apartments, Vergennes: Property and Asset Management is making an effort to fill all of the units at this 12-unit property before the end of the year because it affects the low-income housing tax credit.

Village Apartments, Swanton: We are working to make more of the apartments at this 16-unit property more ADA accessible.

Dogwood I Apartments, Northfield: We are installing monitor cameras in the laundry room of this 32-unit property due to some repeated damage to the laundry room.

Dogwood II Apartments, Northfield: We are in the process of making some capital improvements at this 20-unit property, including new roofs, doors, exterior lighting, and remodeling the community and laundry rooms to be more ADA accessible.

Green Mountain Apartments, Northfield: We are installing monitor cameras in the hallways at this 30-unit property since there have been some personality conflicts amongst some of the residents there.

Support and Services at Home (SASH) program: We received notice from Cathedral Square that they are reducing their grant by \$1,400 per year, effective February 1st.

A new wellness nurse has been hired at the panel in Northfield and will be starting in February.

10. OTHER BUSINESS

At 1:26 p.m., Troiano moved that the meeting be adjourned; Miller seconded. There being no other business, the Chair adjourned the meeting.

Respectfully Submitted,


Richard M. Williams
Executive Director/Secretary

