

**VERMONT STATE HOUSING AUTHORITY**  
**REGULAR MEETING MINUTES**  
May 27, 2015

**1. ROLL CALL**

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:00 a.m. by Chair Caprice Hover. Upon roll call, the following Commissioners were present: Mary Miller, Vice Chair; Jo Ann Troiano; Caryn Feinberg; and Robert Lees. Linda Ryan was scheduled to join the meeting via conference call. Cory Richardson 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; Susan Kuegel, Director of Property and Asset Management; Kathleen Berk, Director of Housing Program Administration; Krister Adams, Housing Development Specialist; and Jim Gallagher, Office Services Coordinator.

**2. MEETING AGENDA**

Williams proposed adding two items to the Development section of today's Meeting Agenda:

- White River Junction Housing Development - "Bridge and Main"
- Farrington's Mobile Home Park, Burlington

**3. PUBLIC PARTICIPATION**

There was no public participation.

**4. MINUTES - REGULAR MEETING, MARCH 25, 2015**

Hover inquired as to discussion, corrections, or omissions. Miller moved to approve the Minutes of the Regular Meeting of March 25, 2015 and Troiano seconded. Hover 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 2015**

Williams began his update.

The Transportation Housing and Urban Development (THUD) appropriations bill for FY 2016 is not looking good as far as housing-related funding is concerned. There is no new funding for the chronically homeless or for vouchers for veterans who are homeless.

Sequestration has been left in place. Nearly 85,000 vouchers have been lost since Sequestration went into place in 2013.

On the state level, we hope to have a better idea of the funding levels by July. Overall, the programs that serve the populations we work with came through the funding process quite well. The Governor had committed last year to not cut funding for those programs and he has lived up to that commitment.

There was some concern about the cuts for energy assistance that goes through community action agencies since we access those funds through many of the properties that we manage.

One of the biggest budgetary challenges for the state are motel vouchers, which account for around \$4 million of the Agency of Human Services (AHS) budget. It was a particularly cold winter, resulting in many more people than usual using this emergency housing option. Under AHS policy, motel vouchers are automatically approved when temperatures get below a certain level.

Hover asked for a motion to approve the Secretary's Report. The motion was made by Troiano 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.

## 6. FINANCIAL REPORT THROUGH APRIL 30, 2015

Peterson presented the Financial Report through April 30, 2015. We are seven months into the fiscal year which runs October 1<sup>st</sup> to September 30<sup>th</sup>.

Things are in pretty good shape. VSHA has a surplus to-date of around \$494,000. \$288,000 of that surplus is a one-time payment that came back to VSHA that had been loaned out to Valley View II, Limited Partnership.

Around half of VSHA's revenue comes from the Section 8 Housing Choice Voucher program administrative fees. The Department of Housing and Urban Development (HUD) is studying a new way of calculating those administrative fees. This new calculation could have the effect of boosting our administrative fees a little. A draft report has been issued and will likely go through a comment period.

Williams added that the study was commissioned at the request of Congress, so any recommendation made by the third party hired to do the study will ultimately be up to Congressional approval/funding.

Hover asked for a motion to approve the Financial Report. The motion was made by Miller 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.

## 7. UPDATE - HOUSING PROGRAM ADMINISTRATION

Daniel Blankenship, Grants Administrator, joined the meeting at 11:20 a.m.

Board Commissioner Linda Ryan joined the meeting via teleconference at 11:20 a.m.

### Point-in-Time presentation - Daniel Blankenship

Blankenship provided information from the draft 2015 Point-in-Time (PIT) report, a copy of which was distributed to the Board.

Chittenden County had 471 homeless Vermonters on the night of the Point-in-Time count (January 27, 2015) and there were 1,052 homeless Vermonters in the Balance of State (BOS), for a total of 1,523.

The homeless definition for the PIT count includes people who are unsheltered, in an emergency shelter, or in a transitional housing program dedicated to the homeless.

There was a slight increase in the BOS homeless count over last year, while the number of homeless in Chittenden County decreased. Within the Balance of State, Rutland has the highest homeless numbers. Rutland will be getting some new programs to address the chronically homeless, including wrap-around services to address some of the underlying issues that contribute to and prolong homelessness.

There is also a rapid rehousing program coming online in Rutland to help homeless families. This program will also be implemented in Brattleboro, White River Junction, and St. Johnsbury.

The Transitional Housing category has increased a little this year because HUD has encouraged us to include youth and veterans' programs.

The largest category and the biggest concern is the hotel vouchers paid for by the Agency of Human Services.

The Balance of State has focused a lot of resources, such as Shelter Plus Care, on addressing the chronically homeless. This year the BOS count of the chronically homeless was half of what it was last year – 65 versus 132 in the 2014 PIT count. Chittenden County has seen a rise in this category.

Veteran homelessness in the BOS was very similar to last year.

Managing and sharing homeless data has been a challenge over the years for both the Chittenden County and BOS Continuums of Care. This is why the BOS has chosen a new lead Homeless Management Information System (HMIS) agency to oversee the administrative side of the data system – the Institute for Community Alliances (ICA), with offices in the Midwestern United States. Chittenden County CoC is also considering changing their HMIS lead agency, but they are going to wait to see how successful BOC is with ICA first.

The statewide Shelter Plus Care wait list will likely be reopening in September 2015, with the chronically homeless given priority for that assistance. Blankenship believes that the BOS CoC should be able to eliminate chronic homelessness within a year or two.

#### **Authorization to close Section 8 Wait List**

Berk indicated that the Section 8 wait list reopened on April 1, 2015 after being closed since the fall of 2010. Prior to the wait list reopening, we didn't have any applicants on the wait list. Since April 1<sup>st</sup> we have taken in approximately 1,500 applications.

VSHA's Section 8 Administrative Plan states that we must keep the Section 8 waiting list open until we have a supply of applicants sufficient enough to manage our monthly turnover (around 50 vouchers per month) for a two-year period. Since we already have enough applications to manage the turnover for two years, Berk is recommending that we close the Section 8 wait list effective June 1, 2015. However, we would still keep the wait list open for certain targeted populations, as we have done in the past. This includes families who qualify for our Family Unification program, those applicants referred to us directly from the Agency of Human Services (AHS) under a Memorandum of Understanding we have in place with AHS, and our transitional housing preference.

If the Board agrees to close the wait list, we are prepared to publish public notice in a variety of statewide newspapers, as well as on the VSHA website and our various housing partners.

Hover expressed concern that the June 1<sup>st</sup> closing date does not provide a great deal of notice, and instead recommended giving at least two weeks' notice in order to allow applicants time to get their applications in before the wait list closes. There was Board consensus that a wait list close date of June 15<sup>th</sup> would provide adequate notice to agencies and individuals.

Troiano moved that VSHA close the Section 8 wait list effective the close of business on June 15, 2015; Feinberg seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

#### **Final version of homeless preference for families with minors**

At VSHA's July Board of Commissioners meeting, the Board will be asked to take action on a new preference as part of the annual planning process. A copy of the latest version was included in the Board packets for today's meeting.

Our Resident Advisory Board and the affordable housing community will be asked to provide comment, and the new policy will be open to public comment.

This preference will initially be capped at 100 applicants. A brief discussion followed on the cap and about revisiting that number in the future after we have some experience with the preference.

## **Transitional Housing Preference**

We currently have a Transitional Housing Preference as part of our Housing Choice Voucher program admission policy. The language in the preference is being cleaned up to be more consistent with HUD policy. A copy of the edited policy was distributed to the Board. While no Board action is required on these minor changes, the updated document will be subject to public comment.

Blankenship suggested editing the list of Permanent Supportive Housing programs so that the "Shelter Plus Care and Rapid Rehousing" item reads "VSHA's Shelter Plus Care and Rapid Rehousing." This will help avoid confusion with other Shelter Plus Care programs in the state.

## **Length of Debt issue**

Berk received a letter from Vermont Legal Aid earlier this month regarding how far back VSHA considers outstanding debts to Public Housing Authorities (PHA) when screening applicants for the Section 8 Housing Choice Voucher program. Currently, VSHA does not limit how many years back it looks for those debts. Vermont Legal Aid is requesting that VSHA limit that look back period to only six years.

During the applicant screening process our Administrative Plan calls for us to look back only five years at certain behaviors, such as violent criminal activity and drug-related criminal activity, whereas if an applicant owes a debt, we don't have a limit to how far back we will look. HUD does not mandate how far back we should look for those debts; it's a policy decision that VSHA makes.

Berk is recommending that VSHA change the look back period to seven years, not only when checking for outstanding debts, but also when identifying past criminal behavior which would deny an applicant from being accepted into the Section 8 program (this does not apply to our Managed Properties). Williams added that this time period is also consistent with VSHA's Tax Setoff program, under which outstanding debts are sent to the Vermont Department of Taxes for potential collection from the debtor's tax refund or renter's rebate.

This proposed policy change will be in the Annual Plan Update, so it will be part of the public process.

## **Update on Lease Up / 2015 spending projections for voucher programs**

A subsidy utilization report for all of VSHA's Housing Program Administration programs was provided to the Board. This includes subsidy utilization information for:

- Moderate Rehabilitation
- Shelter Plus Care
- Department of Mental Health Subsidy Plus Care
- Housing Opportunities for Persons with AIDS (HOPWA)
- Main Stream Housing
- Housing Choice Voucher program

Over the last several months we have had a goal of increasing voucher utilization. While challenging, the utilization numbers have been slowly going up.

Our Housing Assistance Payments (HAP) costs have also been increasing, running a little higher than anticipated. If HAP costs continue to increase beyond our projections, we will be able to serve fewer families. Overall, however, we are doing well at getting new families leased, with utilization expected to continue to climb throughout the calendar year.

## **Veterans Affairs Update**

We have received an award announcement for 23 new HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers. These new vouchers are effective June 1<sup>st</sup>. These additional vouchers grows VSHA's VASH program to 197 units.

We are also in the process over the next 30 to 60 days of bringing under contract a project-based HUD-VASH project in White River Junction along with Twin Pines and the Veterans Affairs Medical Center.

Williams added that because of the ongoing efforts to combat veteran homelessness, we are close to successfully ending homelessness for veterans in Vermont.

The Governor's Poverty Council, of which Ryan is co-chair, will be meeting with the Governor on June 23<sup>rd</sup>. Ryan noted that the Council has invited other agencies to present at the Council's next meeting. Also, there's an effort to get the private sector more involved in the fight against poverty. The Governor continues to meet with the Poverty Council every three to six months.

Ryan left the meeting at 12:20 p.m.

The Board recessed for lunch at 12:20 p.m.

Blankenship left the meeting at 12:40 p.m.

The Board returned to session at 12:42 p.m.

The Board skipped to Agenda Item #9.

## 9. UPDATE – PROPERTY AND ASSET MANAGEMENT

Kuegel presented the Property and Asset Management update.

### Approval to create/submit the Brightwood House budget to USDA RD by 7/1/15

Brightwood House Apartments, a 15-unit elderly project in South Royalton, is still the only property owned by the Vermont State Housing Authority. It is a USDA Rural Development property. The start of its operating year is October 1<sup>st</sup>. If we anticipate that we may have to ask for any rent increase in the subsidies for FY 2016, Kuegel needs to have that information into USDA RD's state office by July 1<sup>st</sup>, which is prior to the VSHA Board of Commissioners' next meeting. In the past, the Board has permitted Kuegel to develop, with Williams' approval, that property's budget and submit it to USDA RD before the July 1<sup>st</sup> deadline and then bring the fully approved budget back to the VSHA Board at their September meeting.

Miller moved to allow Kuegel to develop and submit the FY 2016 Brightwood House budget prior to the July 1<sup>st</sup> USDA RD deadline and then bring the USDA RD-approved budget to the VSHA Board at their September 23<sup>rd</sup> meeting; Feinberg seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

### USDA Visits

USDA Rural Development will be conducting supervisory visits this summer for the majority of the properties that VSHA manages. There is a decent amount of paperwork that Kuegel needs to complete and get back to USDA RD in preparation for these site visits.

### USDA Rural Development – Performance-based Management Fees

Along with the Council for Affordable and Rural Housing (CARH), a national non-profit trade organization, VSHA has been watching a new management fee scheme being proposed by USDA Rural Development. USDA RD is likely moving towards a performance-based formula for determining management fees; currently this is a set fee. Under the proposed new system, there will still be a base fee, but depending on the performance/formula, USDA RD will be increasing or decreasing the fee paid. VSHA has provided input during the comment period for this proposed change.

### Mobile Home Park and Multi-Family Housing Budgets

Kuegel and her staff are working on the capital budgets for the HFI-owned mobile home parks which VSHA manages. These budgets must be done and submitted by July 1<sup>st</sup>. In addition, the budgets for the USDA RD multi-family housing properties that VSHA manages also need to be done by July 1<sup>st</sup>.

The Board returned to Agenda Item #8.

## 8. UPDATE - DEVELOPMENT

Adams presented the Development update.

**Windemere Mobile Home Park, Colchester:** Extensive rehabilitation of the entire water distribution network and wastewater disposal system within the park is complete. The new system seems to be working well. The contractor is coming back during the week of June 1<sup>st</sup> to finish up some landscaping restoration.

**Birchwood Manor Mobile Home Park, Milton:** This 172-lot mobile home park sits on approximately 51 acres of a 178.4 +/- acre parcel purchased by The Housing Foundation, Inc. (HFI) in December 2000. The remaining 127.4 acres of vacant land is located to the north/northwest of the mobile home park. HFI and VSHA have been considering this land's future.

One possible use is to put a large scale net-metering solar installation on a flat, abandoned leach field which occupies approximately four acres on this property. The land would be leased to a private solar developer who would install, own, and maintain the equipment, as well as own the electrical output. HFI would then have first rights on the power generated by the solar farm.

Adams has solicited around five proposals for this potential solar farm; they should be received soon.

**Shady Pines Mobile Home Park, Westminster:** We are planning on replacing the northern leach field in this 28-lot park. This leach field is in failure and has been closed since August 2014. We have an engineer working on this issue, and we hope to have the leach field replaced by the end of the summer.

**Lauredon Apartments, Greensboro:** We have hired an engineer to look at water infiltration issues at this property.

**Hollister Hill Apartments, Plainfield:** We have hired an engineer to look at septic leak issues at this property.

**Dogwood II Apartments, Northfield:** We recently refurbished the laundry and community rooms at this 20-unit property in order to meet ADA requirements. Adams is still working with an architect and contractor on a couple of issues.

**Village Apartments, Swanton:** We just completed work on a full ADA-compliant unit at this 16-unit property.

**Welden Villa Apartments, St. Albans:** We recently finished installing interior septic disposal lines. There are also a number of items at this 40-unit property that are being improved in order to meet ADA requirements.

**Multi-Family Preservation and Revitalization (MPR) program:** We submitted applications to the Multi-Family Preservation and Revitalization (MPR) program for the following properties: Dogwood I Apartments in Northfield, Fairground Apartments in Moretown, and Colonial Manor in Morrisville. These properties are in need of some major energy efficiency improvements. We are currently waiting for USDA Rural Development to get back to us regarding the status of these applications.

## White River Junction Development

A private developer has reached out to VSHA regarding a proposed 17-unit project in White River Junction called "Bridge and Main." To be located on Railroad Row, the 1-bedroom apartments will average around 612 square feet. The structure will be a 4-story mixed use building, with some commercial space on the ground floor. There will be no onsite parking.

The building will be built to very high energy efficiency standards, including a solar photovoltaic system on the roof. The building will be served by an elevator. Heat and hot water will be included in the rent, while tenants will pay for their own electricity. There will be onsite laundry rooms.

This project is in a designated Downtown, so it doesn't need an Act 250 permit. Bill Bittinger and his partners have received all of the necessary local approvals.

The developer has applied to Vermont Housing Finance Agency (VHFA) for Ceiling Credits, which are 9% tax credits. Tax credits get sold or are placed with a private financial institution in exchange for money. Unfortunately, the developer was not awarded the tax credits during this year's round of VHFA awards, so they'll have to apply again next year.

The developer has reached out to VSHA and HFI regarding the possibility of becoming a co-general partner in the project, as well as to possibly manage the units from a marketing and low-income housing tax credit compliance side of things. They would not need VSHA to perform property and asset management, since the developer has their own staff which performs those functions on other properties in the area.

## Farrington's Mobile Home Park, Burlington

Farrington's Mobile Home Park in Burlington is being sold because the owner passed away and the estate requires that the property be sold. There is strong support to keep the mobile home park intact, since it is a valuable source of affordable housing in the area. However, it also sits on valuable land, so there are also parties interested in developing the site.

The park residents met with VSHA staff as well as other non-profits regarding their options for the future of the park. They have decided to become a cooperative-owned mobile home park. They are now working with a couple of organizations to move in that direction: Cooperative Development Institute (CDI) out of Massachusetts and New England Resident Owned Communities (NEROC).

CDI has access to financing. They can provide acquisition money up to 110% of loan-to-value, as well as up to 30-year mortgage money with interest rates at around 5.5%.

CDI, the city of Burlington, and the Vermont Housing Conservation Board reached out to VSHA to see if we could offer the residents financing options that would be more attractive. After talking with local banks, we determined that we can access interest rates that are well below what CDI can offer.

The financing would be with an entity such as VSHA, and VSHA would be responsible for owning the park and paying back the loan to the bank. There would be a capital lease back to the cooperative. At the end of the lease period, the park would be turned over to the cooperative. VSHA wouldn't manage the park, but would be involved in a financial oversight role, making sure that there are adequate reserves.

We have been working with local legal counsel that have bonding experience. We are also looking at tax exempt financing, since VSHA would be able to access around 70% of current market rates.

The park residents recently met and voted, reaching agreement on a price with the park owner's estate. This gives them an additional 120 days to close on the deal.

Two acres of land on the Farrington's property will likely be sold to Champlain Housing Trust for the purpose of constructing new housing. The money from that sale will be used towards the acquisition of the mobile home park.

## 10. RETIREMENT PLAN UPDATE

Shorten-Goodrich provided an update on VSHA's Retirement Plan. We were able to successfully roll over \$3 million from certain retirement accounts based on age qualifiers. However, there is still no resolution to the IRS review of the funds that are locked up as a result of the Life Associates bankruptcy and related issues; this has now been going on for two years.

## 11. OTHER BUSINESS

### Board Meeting Changes

The date of the July VSHA Board of Commissioners meeting has been moved from July 8<sup>th</sup> to July 15<sup>th</sup>.

The location of the September 23<sup>rd</sup> VSHA Board of Commissioners meeting may be moved from Montpelier to a location in southern Vermont, possibly in the White River Junction area. Once the location is finalized, it will be communicated to the Board and advertised to the public via VSHA's website and the State of Vermont's weekly schedule of meetings.

At 1:20 p.m., Troiano motioned to adjourn, motion seconded by Lees and all voted in favor.

The Chair declared the meeting adjourned.

Respectfully Submitted,



Richard M. Williams  
Executive Director/Secretary

