

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
March 23, 2016

BOARD MEETING

1. ROLL CALL

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:00 a.m. and the following Commissioners were present: Chair Caprice Hover, Vice Chair Mary Miller; Cory Richardson; Jo Ann Troiano; and Linda Ryan. Caryn Feinberg was expected. Robert Lees was 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 Jim Gallagher, Office Services Coordinator.

2. MEETING AGENDA

Williams added an update to the agenda on this year's Point-in-Time data as well as information on Continuum of Care awards. Daniel Blankenship, Grants Administrator, will join the meeting after lunch to provide this update.

3. PUBLIC PARTICIPATION

There was no public participation.

4. MINUTES - REGULAR MEETING - JANUARY 27, 2016

Hover inquired as to discussion, corrections, or omissions. Troiano moved to approve the Minutes of the Regular Meeting of January 27, 2016 and Miller seconded. Hover inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

5. SECRETARY'S REPORT - FEBRUARY / MARCH 2016

Williams began his update.

Bill H.R. 3700, Housing Opportunity through Modernization Act of 2016, passed the U.S. House of Representatives on February 2nd by a vote of 427 to 0. Included in the bill was an amendment added by Vermont Representative Peter Welch. Several of the bill's benefits were noted in the Secretary's Report. The bill will go to the U.S. Senate next.

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

Ryan provided a brief overview on a proposal in the Vermont Senate to break up the Agency of Human Services. The Governor's Council on Pathways from Poverty, which Ryan co-chairs, wrote a letter in opposition to the proposal.

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

6. FINANCIAL REPORT THROUGH FEBRUARY 29, 2016

Pembroke presented the Financial Report through February 29, 2016.

The 'Other Income' line item is coming in higher than anticipated due largely to income from Section 8 inspections and fraud recovery. The money coming in from the tax setoff program will continue to increase that line item over the next couple of months.

The 'Salary' line item continues to be under budget. This is because we had some staff turnover and the new employees started at a lower pay rate.

Benefits are over budget, but we pre-pay the health and dental bills, so that line item will balance out as the year progresses.

The 'General Expenses' line item is under budget by \$7,500. In the past we had contracted out our computer services, which would be tracked under this line item. We've recently hired a Network Administrator, so that expense will now be tracked on the 'Salary' line item. As a result, the 'General Expenses' line item will continue to be under budget throughout the year.

The 'Assistance Payment' and 'Earned Contribution' line items offset each other. We are taking in a little more earned contributions. We had budgeted a proration rate of 79%, but we are currently earning 81%.

Hover asked for a motion to approve the Financial Report through February 29, 2016 as presented. The motion was made by Miller 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.

7. UPDATE - HOUSING PROGRAM ADMINISTRATION

Berk began the Housing Program Administration update.

Performance-Based Contract Administration (PBCA) - Industry Questionnaire / Solicitation

The U.S. Department of Housing and Urban Development (HUD) will be publishing a solicitation for performance-based contract administration work. That solicitation will likely go out in the next year or so on the Federal Business Opportunities website (<https://www.fbo.gov/>).

Berk recently attended a HUD-hosted Industry Day in Washington, D.C. It provided an opportunity to communicate questions and concerns to HUD regarding the upcoming PBCA solicitation. Written comments were also provided to HUD. Included in the Board packet for today's meeting were comments submitted jointly to HUD by VSHA and Vermont Housing Finance Agency (VHFA).

2016 Voucher Allocation

Berk provided several handouts to the Board, including a spreadsheet of VSHA's voucher allocation for the year. Voucher utilization and spending is on the rise. We are dipping into reserves to support our monthly Housing Assistance Payments (HAP). As we move through the calendar year, our goal is to maintain our voucher utilization at approximately 3,400 vouchers.

We will be monitoring our HAP costs closely as we go through the year since this will determine how many vouchers we can support. Pembroke built in a 4% increase in the HAP cost projections, though Berk feels the actuals will likely be closer to 1 or 2 percent. Based on the projections, we anticipate a year-end reserve of around \$374,000.

Richardson inquired as to whether VSHA has a policy regarding the size of the reserve fund. Berk and Williams indicated that there isn't a formal policy. However, Williams noted that there isn't an advantage to having a large reserve, since it likely won't be enough to pay even one month's worth of HAP payments. Plus, funding for the following year is based on the units under contract this year, so it's best to use the reserves to fund as many units as possible.

Project-Based Voucher Authority

We have made two commitments for project-based subsidy in the form of an agreement to enter into HAP contracts. The obligation for those commitments (detailed on the sheet distributed to the Board) is around \$354,000.

- **Melrose Terrace in Brattleboro:** This a public housing project that the Brattleboro Housing Partnerships (BHP), formerly the Brattleboro Housing Authority, is in the process of redeveloping. BHP will be receiving tenant protection vouchers for the families who will be relocated from the public housing development. BHP has asked HUD to assign 55 of those tenant protection vouchers to VSHA; VSHA will then project-base them at this property. Since this doesn't follow HUD's process, it will need to be done a certain way. BHP will be giving VSHA vouchers, and in turn we have offered an agreement to enter into a HAP contract under our own allocation. We haven't received the tenant protection vouchers yet, but we had to make an agreement to enter into a HAP contract based on funds that we have available. HUD would only allow us to do this if we could demonstrate through available budget authority or reserve that we have the cash to do this. Williams noted that this project won't come online until around November 2016 due to construction delays.
- **Bridge and Main in White River Junction:** This project won't be completed until summer 2017. We are making a commitment for four project-based vouchers.

Streamlining Administrative Regulations for Housing Choice Voucher Program

A couple of weeks ago, HUD published a streamlining rule that allows public housing authorities who administer voucher programs to adopt streamlining measures. Berk provided to the Board a list of those areas of the streamlining rule being recommended to the Board for possible adoption at the July 2016 VSHA Board meeting.

- **Verification for Reexams:** For families on fixed incomes, we would only be required to third party-verify their income initially and then every three years and "apply verified cost of living adjustment or interest rate to previously verified or adjusted amount."
- **Self-Certification of Assets:** Third party-verify all assets at admission. When net family assets are \$5,000 or less, PHA may accept self-certification. Third party-verify all assets every 3 years.
- **Biennial Inspections:** This rule allows for biennial inspections across the board, so a policy could be implemented within our voucher program that we conduct HQS inspections every two years (all units have initial inspections). However, knowing the quality of some of our housing stock, Berk doesn't feel comfortable with this approach. Another approach for a new policy would be biennial inspections for units that meet a certain housing quality based on recommendations from our field staff using a biennial inspection determination form (included in the Board packet).

Homeless Preference for Families

Since October 2015 we have issued 12 vouchers under this preference, of which 6 have leased. We have 22 families with whom we are working to issue vouchers and another 30 on our waiting list who qualify. This preference is capped at 100 vouchers per year; we are getting close to that cap. The Board may want to revisit the cap at some point.

8. MEMORANDUM OF UNDERSTANDING, VERMONT STATE HOUSING AUTHORITY AND THE HOUSING FOUNDATION, INC. (HFI)

Alison Bell, HFI Board President, and Timothy Palmer, HFI Executive Director, joined the meeting at 11:40 a.m.

After some introductions, Bell described the strategic planning process that The Housing Foundation, Inc. (HFI) undertook last year which led to the hiring of Tim Palmer as HFI's first Executive Director. Palmer will be looking to explore a variety of opportunities for HFI's future. And since over 50% of VSHA's staff provide management and accounting services to HFI, this will be taken into consideration as HFI looks to explore those opportunities.

The new Memorandum of Understanding between Vermont State Housing Authority and The Housing Foundation, Inc. is for a three year term. Palmer plans on being with HFI during the transition period.

HFI recently expanded its Board of Directors to include up to nine board members, plus Richard Williams as a non-voting ex-officio.

Richardson inquired as to the communication framework between the two organizations as HFI goes through its transition period. Palmer noted that the meeting minutes of non-profit organizations are public documents, so HFI's Board meeting minutes could be one communication tool that would help keep the VSHA Board informed of HFI's direction and actions. In addition, Williams' role as HFI's Secretary/Treasurer means that there is a constant communication link between the two Boards.

Troiano moved to approve the Memorandum of Understanding between Vermont State Housing Authority and The Housing Foundation, Inc. and authorize Chair Caprice Hover to execute that document on behalf of VSHA; Ryan seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Bell and Hover signed the MOU between HFI and VSHA, along with witnesses. Bell and Palmer left the meeting at 12:15 p.m.

The Board broke for lunch at 12:15 p.m. and returned to session at 12:40 p.m.

Daniel Blankenship, Grants Coordinator, joined the meeting at 12:20 p.m.

POINT-IN-TIME DATA

Blankenship began an update on this year's point-in-time homeless count. The Vermont State Housing Authority helps coordinate the annual one-day count, working closely with the Chittenden County Continuum of Care (CoC) as well as the Balance of State CoC.

VSHA is working with the Institute for Community Alliances (ICA) with data management in the Homeless Management Information System (HMIS). This includes incorporating homeless youth programs. With the help of ICA, we were able to put together preliminary data one month earlier than last year, though this data has not yet been authorized by the CoCs for release.

A full report for the entire state along with narratives will be released by April 6th.

CONTINUUM OF CARE AWARDS

VSHA applies every year to the Notice of Funding Availability (NOFA). This year we received the notice of Tier 1, which includes all of our renewals as well as a new HMIS grant. Combined with Chittenden CoC's HMIS grant, this brings us to full funding statewide for the first time.

Blankenship provided to the Board a detailed breakout of all of the funding awards for the BOS CoC as well as Chittenden County CoC. One of those items is \$81,826 in funding for a planning project, which could include a collaboration with the Agency of Human Services on a position to support the local continuums with planning, provide board development of the Vermont Coalition of Homelessness, and pay for an AmeriCorps member.

We don't yet have information on the Shelter Plus Care grant since it straddles Tiers 1 and 2.

We are likely to get awarded a new rapid rehousing project in Franklin, Washington, and Lamoille counties based upon reallocated transitional housing projects from last year; that totals \$155,000, or twelve units.

There is another rapid rehousing project, which would be a bonus project. While uncertain at this point, that \$407,000 in funding for 62 beds/37 units would expand rapid rehousing for the rest of the area that is not served currently.

Blankenship distributed to the Board a Continuum of Care Rapid Rehousing Program guide.

Blankenship left the meeting at 1:05 p.m.

9. DEVELOPMENT

Bridge and Main, White River Junction and Hollister Hill Apartments, Marshfield

Williams began updates on the new Bridge and Main development in White River Junction and the redevelopment of Hollister Hill Apartments in Marshfield. The Vermont State Housing Authority wanted to be the applicant on these development projects, but the Vermont Housing and Conservation Board (VHCB) has indicated that VSHA is not an eligible applicant. VHCB's statute is very specific as to what state agencies can apply to their programs, which doesn't include VSHA. As a result, we are going to have to modify those applications so that The Housing Foundation, Inc. (HFI) is the applicant.

VSHA is going to be the management agent on the Bridge and Main project. The four project-based units will be intended to house the homeless; we will work closely with Upper Valley Haven and the Veterans Administration regarding these units. We will also be working with Twin Pines Housing Trust, which runs the Support and Services at Home (SASH) program in that area.

One of the conditions of the VHCB funding was that the property would go to VSHA at the end of the tax credit period. However, that will need to change to HFI since VSHA will no longer be the applicant. This is also the case at Hollister Hill Apartments in Marshfield, where HFI will replace VSHA as the applicant.

Adams continued the Development update.

Fairgrounds Apartments, Moretown; Colonial Manor Apartments, Morrisville; Dogwood I Apartments, Northfield

All three properties need deep energy efficiency work, cosmetic enhancements, and life/safety construction. Adams has been working with USDA Rural Development (USDA RD) on utilizing their Multi-Family Housing and Revitalization Demonstration Program (MPR) for funding these improvements. The projects are in various stages of design and planning. We are still hopeful to begin work in 2016, contingent on final funding approval.

Williams noted that the MPR program enables you to either refinance or defer loans with USDA. There are some concerns about deferring loans for twenty years, since they will come due right around the time you need to put more money into an aging property.

10. GOVERNOR'S EXECUTIVE ORDER - GOAL TO MAKE 15% OF AFFORDABLE HOUSING AVAILABLE TO HOMELESS

Williams began a discussion on Governor Shumlin's Executive Order on homelessness, a copy of which was included in the Board packet. It's expected that the Governor will announce the Executive Order in the next week or two.

The goal of the Executive Order is to increase opportunities for homeless. The Executive Order is based on recommendations that came from the Governor's Council on Pathways from Poverty.

Since 33% of VSHA's management portfolio includes USDA RD properties and USDA RD doesn't allow for a homeless preference, it will be difficult to track compliance with the new Executive Order. In addition, there's disagreement among different organizations on the definition of homelessness, so that will also make it difficult to comply with this Executive Order.

11. UPDATE – PROPERTY AND ASSET MANAGEMENT

Kuegel began the Property and Asset Management update.

USDA RD Budgets

All but two of the January 1st Limited Partnership USDA Rural Development budgets for FY 2016 have been held up because of a difference of opinion on a mileage reimbursement issue. USDA RD has now indicated that they will approve the budgets if Kuegel makes some wording changes in the budgets. This is good news since we have been operating under FY 2015 budgets.

Staffing

Kate Reilly-FitzPatrick has been hired as a new Service/SASH Coordinator. This will enable us to reinvigorate a large part of our support services program in central Vermont which had been put on hold after the passing of a previous employee.

Kuegel and Pembroke have also reached out to HUD to explain why the grant money for the position hadn't been spent as quickly as originally planned. And while that grant money expired, HUD has been understanding of the situation and has been working with us on the issue.

USDA Rural Development Memorandum of Understanding (MOU)

Williams and Kuegel met on March 22nd with USDA Rural Development staff, including Ted Brady, USDA Rural Development State Director for Vermont and New Hampshire. Williams signed an MOU between The Housing Foundation, Inc. (HFI) and USDA RD which will enable more mortgage products to be used in HFI mobile home parks (managed by VSHA) on certain types of manufactured homes. These mortgage products could bring interest rates from 3% all the way down to 1%, as well as benefits of zero down payment and 100% financing. Cooperative Development Institute also attended the meeting to enter into an MOU with USDA RD for their cooperative-owned mobile home parks.

Support and Services at Home (SASH)

In the St. Albans/Swanton area there are currently three organizations providing SASH services. We are working with Cathedral Square and Champlain Housing Trust to develop a different model.

Under the new model, all of the same services that are currently being provided will still be provided, but hopefully in a way that will save some money. This will mean, however, that within the next few months VSHA will no longer be doing supportive services in that area, and for a short period of time we will increase our supportive services presence in Milton where VSHA has a SASH coordinator based. That SASH coordinator will be leaving VSHA in July and Cathedral Square has expressed an interest in hiring a SASH coordinator at that time. VSHA will then no longer provide any supportive services in the St. Albans/Swanton/Milton area.

VSHA's Service/SASH coordinator for central Vermont may temporarily help out in southern Vermont until a part-time person can be brought on to handle that region. This will depend on approval from HUD to use existing funds from Welden Villa Apartments in more southern Vermont instead.

Bridge and Main Development, White River Junction

We are working with the owner of that property on a document that is new to us. It is a support services budget and plan that has to be submitted with their tax credit application. Kuegel has reached out to Upper Valley Haven and Twin Pines Housing Trust to see if they can help provide some of the required data.

12. OTHER BUSINESS

At 1:35 p.m., there being no other business, Troiano motioned to adjourn; Miller seconded and all voted in favor.

The Chair declared the meeting adjourned.

Respectfully Submitted,



Richard M. Williams
Executive Director/Secretary

