

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
May 25, 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 11:05 a.m. and the following Commissioners were present: Chair Caprice Hover, Vice Chair Mary Miller; Cory Richardson; and Jo Ann Troiano. Caryn Feinberg was expected. Linda Ryan and Robert Lees were 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; Krister Adams, Housing Development Specialist; and Jim Gallagher, Office Services Coordinator.

2. MEETING AGENDA

There were no updates to the Agenda.

3. PUBLIC PARTICIPATION

There was no public participation.

4. MINUTES – REGULAR MEETING – MARCH 23, 2016

Hover inquired as to discussion, corrections, or omissions. Troiano moved to approve the Minutes of the Regular Meeting of March 23, 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 – APRIL / MAY 2016

Williams began his update.

Vermont Housing and Conservation Board (VHCB) was awarded \$14 million by the State Legislature in their annual budget, \$11.3 million of which will be in the general fund and \$2.8 million in the capital fund. Another \$1.2 million was added from the downtown revitalization bill. In addition, Senator Jane Kitchel put another \$1.2 million in VHCB's appropriation for distressed Northeast Kingdom downtowns.

Some housing-related appropriation highlights are:

- Vermont Rental Subsidy program funding stayed at \$1 million.
- The Housing and Opportunity grant program stayed at \$4 million.
- \$1.5 million was included for motel alternatives and \$1.8 million for motel vouchers.
- The Family Supportive Housing Program was funded at \$600,000.
- Housing First support program was level-funded.
- Funding for the Department of Mental Health included a 2% provider increase to all designated agencies.
- The Home Access program was level-funded at \$100,000 (Department of Disabilities, Aging and Independent Living).

- Vermont Home Sharing program was level-funded with \$327,000.
- Community Rehabilitation and Treatment Housing Support fund was level-funded at \$886,000.
- Transitional Housing for ex-offenders received \$7.2 million.
- Low Income Home Energy Assistance Program (LIHEAP) got \$18.7 million in federal funds and \$500,000 in fuel dealer rebates and from Suburban Propane.

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

On the federal level, the House and Senate have passed their FY 2017 appropriation bills.

The Transportation, Housing and Urban Development funding bill was approved for \$58.2 billion, which is \$889 million greater than 2016. Of the \$58.2 billion, \$38.7 billion of that is for HUD, which is \$538 million greater than 2016. The bulk of the money continues existing rental assistance programs. There was a small increase for the 202 program (housing for the elderly) and the Section 811 program (housing for the disabled).

A brief discussion took place on Veteran Affairs Supportive Housing (VASH) vouchers and the challenges encountered with getting those vouchers leased up in a timely manner. One facility in Plymouth, New Hampshire has been approved for 54 VASH vouchers. It will be administered by the New Hampshire Housing Finance Agency.

The Community Development Block Grant (CDBG) program was level-funded at \$3 billion, and the HOME program was level-funded at \$950 million.

The grants for homelessness was funded at \$2.5 billion, which is an increase of \$237 million. Those will only be going to high performing homeless programs.

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.

6. FINANCIAL REPORT THROUGH APRIL 30, 2016

Pembroke presented the Financial Report through April 30, 2016.

VSHA is doing quite well this year.

The 'Other Income' line item is quite a bit over budget. We have begun receiving the bond service charge of \$746 per month for Farrington's Mobile Home Park. We will be receiving this amount for the next 30 years.

The return to owner for the partnerships has been calculated for 2015. VSHA received an annual return for Williamstown Housing Associates (Meadowbrook Place) of \$3,168. Two other partnerships, Hillcrest Views L.P. and Middlebury Housing Associates, did not meet the surplus cash calculation. Susan Kuegel, Director of Property and Asset Management, has contacted USDA Rural Development to try to get a waiver. There were large rehabilitation projects at these properties for which we used operating funds. Had reserves been used, we would have met the surplus cash calculation.

We are coming in under budget on most of the expenses. We are going to start replacing some of the servers in the computer room.

Overall, we're showing a gain going into the final months of the fiscal year.

The Office Replacement reserve has not been funded on an ongoing basis, but that will change in the future as we try to build up reserves for repairing various building issues.

Hover asked for a motion to approve the Financial Report through April 30, 2016 as presented. The motion was made by Troiano and seconded by Feinberg. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Farrington's Mobile Home Park

We have received the first quarterly profit/loss statement from Farrington's Mobile Home Park Co-Op and it's looking pretty good.

One of the Co-op's first challenges was getting rid of the seven or so abandoned homes in the park. They are also looking into putting a couple of the highly energy-efficient VerMod homes in the park.

7. COLLECTIVE BARGAINING NEGOTIATIONS

Shorten-Goodrich indicated that the Vermont State Housing Authority Staff Federation of the Vermont State Employees' Association has expressed their desire to negotiate a successor collective bargaining agreement.

The following Resolution was presented to the Board for consideration:

RESOLUTION AUTHORIZING COLLECTIVE BARGAINING NEGOTIATIONS

WHEREAS, the Collective Bargaining Agreement ("Agreement") between the Vermont State Housing Authority ("VSHA") and the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association ("Federation") terminates on September 30, 2016, and

WHEREAS, Article 35 of the Agreement provides that "This Agreement shall be automatically renewed from year to year thereafter until either party notifies the other at least one hundred twenty (120) days prior to the termination date of this Agreement of its intent to terminate or amend this Agreement.", and

WHEREAS, VSHA anticipates the Vermont State Housing Authority Staff Federation of the Vermont State Employees' Association intends to notify us of its intent to negotiate amendments to the Agreement and that it would like to begin contract negotiations;

NOW, THEREFORE, BE IT RESOLVED by the VSHA Board of Commissioners that the Executive Director and/or his designee(s) are authorized to bargain on behalf of the Board of Commissioners with the Federation, to reach tentative agreement on the terms and conditions for an agreement between the parties, and to submit the same to the Board of Commissioners for final acceptance and approval.

Troiano moved to approve the above Resolution as presented; Miller seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

Williams indicated that he, Pembroke, Shorten-Goodrich, and Scott Cameron will represent VSHA on the negotiating team.

8. ROAD MAP TO END HOMELESSNESS

Williams began a discussion on the Road Map to End Homelessness initiative. There was a \$40,000 general fund appropriation made to the Agency of Human Services. In addition, a total of another \$45,000 has been committed by Vermont Housing and Conservation Board (VHCB), Vermont Housing Finance Agency (VHFA), Vermont Community Fund, and NeighborWorks Alliance of Vermont. VSHA has been asked to participate in this process of reducing homelessness.

9. UPDATE – HOUSING PROGRAM ADMINISTRATION

Berk began the Housing Program Administration update.

The Annual Plan for the next fiscal year will be approved at the July VSHA Board meeting, as well as any necessary Administrative Plan Amendments.

Discussion of the Draft Section 8 Annual Plan

There is a new format for the Annual Plan, which is designed for high performing PHAs.

The draft Annual Plan will be posted on the VSHA website and circulated among various advocacy groups. Berk will also be meeting with our Resident Advisory Board in the next couple of weeks. There will also be a Public Hearing at the July VSHA Board Meeting in order to get additional public input on the draft Annual Plan.

Berk stepped the Board through the draft Annual Plan, a copy of which was included in the Board packet for today's meeting.

One of the items listed under New Activities is the conversion of public housing to project-based assistance under RAD. This would allow us to provide owners with a longer-term 20-year contract.

The other New Activity item is to continue to increase our Project Based Voucher program. HUD allows us to set aside 20% of our budget authority for project-basing; we are currently at our cap. If there was change in the legislation to raise the cap, then we would move forward with additional project-basing.

Berk reviewed some of VSHA's October 1, 2015 through May 1, 2016 achievements listed under the Progress Report section. After an inquiry by Richardson, a brief discussion followed on whether non-Section 8 VSHA achievements/activities should be included in the Annual Plan.

Hover inquired as to why the Continuum of Care dollar amounts dropped \$200,000 from 2015 to 2016. Berk noted that it was a reallocation of resources and combining grants.

Administrative Plan Updates

Berk reviewed the recommended Administrative Plan updates that were provided to the Board:

Chapter 3, Eligibility: Amended to comply with HUD Notice 2015-19, Violence Against Women's Act (VAWA) 2013

1. Implements policy around use of arrest records – establishes that arrest records will not be used as the basis for denial; however, may trigger an investigation.
2. Implements changes to policy as a result of VAWA 2013 – establishes that we will not deny an applicant admission to the HCV program “*on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance*” and incorporates a standard “notice” that will be incorporated into correspondence relating to denial / termination.

Chapter 5, Briefings and Voucher Issuance: Amended to comply with Portability Rule and VAWA 2013

1. Policy provides necessary updates to the briefing process / handbook – including providing a list of participating landlords to all voucher holders for all jurisdictions, maps of areas of high concentration – and requires families be counseled to lease units outside of areas of high-poverty concentration.
2. Incorporates VAWA notification requirements / certifications in the briefing handbook.

Chapter 7, Verification Procedures: Amended to comply with Streamlining Rule

1. Sets forth revised verification hierarchy to accept third-party verification (original documents) from family, and established self-certification is acceptable when not available.

Chapter 8, Housing Quality Standard Inspections and Rent Reasonableness: Amended to adopt provisions of Streamlining Rule.

1. Establishes that VSHA will inspect units at least every 12 months **except** for units meeting specific criteria will be inspected at least every 24 months (biennially).

Chapter 11, Recertifications: Amended to adopt provisions of Streamlining Rule.

1. Establishes that VSHA will elect streamlined income determinations for family members with fixed source of income.

Chapter 12, Termination of Tenancy: Amended to comply with VAWA 2013 and PIH Notice 2015-19,

1. Establishes that we will not terminate assistance to a program participant “*on the basis that the participant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the participant otherwise qualifies for assistance*” and incorporates a standard “notice” that will be incorporated into correspondence relating to denial / termination.

Chapter 16, Program Administration: Amended to adopt provisions of Streamlining Rule, and VAWA 2013.

1. Exception Payment Standards. Establishes that a family that requires a reasonable accommodation may request a higher payment standard (up to 120% of published FMR) at the time the Request for Tenancy Approval (RFTA) is submitted.
2. Incorporates the use of a Standard VAWA Notice that will be sent to voucher applicants and participants regarding the Violence Against Women’s Act (VAWA).

The Board broke for lunch at 12:10 p.m. and returned to session at 12:25 p.m.

10. HOLLISTER HILL REDEVELOPMENT / HUD WAIVER

Williams began an update on Hollister Hill Apartments redevelopment.

Tim Palmer, the Executive Director of The Housing Foundation, Inc. has been taking the lead on this redevelopment; a lot of progress has been made. This rural property in Marshfield has always lacked family/social services. Palmer has been meeting with various organizations to put those services in place once the property is redeveloped. In addition, he is investigating arranging periodic bus service from the property to areas with more significant shopping options.

Adams has been working with the architects to incorporate a community space in the redeveloped property. This will include office space for organizations like Capstone Community Action and Pathways Vermont to meet with the residents as needed.

The redeveloped property will include two buildings that will replace the four existing buildings on the six-acre site. The two new buildings will be built around the existing buildings, avoiding the need to relocate the tenants during construction. Those tenants who decide to leave will be given vouchers.

Units that are vacated during redevelopment will not be filled, so the vacancy rate at the property will be high until the redevelopment is complete.

The property was awarded an allocation of 9% low-income housing tax credits from Vermont Housing Finance Agency, which is 63% of the total financing needed for the redevelopment. We are working hard to make sure everything is in place for a November start.

We went before the Vermont Housing and Conservation Board and were awarded funds from the National Housing Trust Fund, which is the first time those funds have been appropriated. We will probably still apply to the Federal Home Loan Bank of Boston for grant monies. If needed, we'll submit an application by July; awards for those grants will be announced in December.

A roadblock has come up during the redevelopment effort. Under the tax-exempt bond that VSHA did with The Housing Foundation, Inc., any time the property is either discharged, the mortgage is paid off, or the mortgage is prepaid, that property has to come back to VSHA for 90 days; that triggers some conflict of interest issues with HUD. Williams has sent in a request to Marilyn O'Sullivan, Director of Public Housing at HUD's regional office in Boston to try to resolve the issue.

Under the regulations, public housing-owned property would traditionally stay with the housing authority. In those situations, the housing authority has to find another entity to manage the Housing Assistance Payments (HAP) contract because of a potential conflict of interest. If an entity can't be found, then HUD would administer the HAP contract directly. In an effort to get around this, Williams is suggesting that VSHA not receive any HAP payments on the property for the 90 days that it is required to own the property.

Multifamily Preservation and Revitalization (MPR) Program

Adams provided an update on the use of USDA Rural Development's Multifamily Preservation and Revitalization (MPR) program at three properties that VSHA manages. The program provides funding mechanisms for redevelopment of aging properties. The three properties are:

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

We have now gone out to bid for construction on Colonial Manor. Construction at the other two properties is not going to happen until spring 2017. A challenging timing issue is that once the MPR documents are signed, the projects must be completed within twelve months.

11. HEATING / VENTILATION / AIR CONDITIONING UPGRADES - ONE PROSPECT STREET

Williams began a discussion on proposed upgrades to the heating, ventilation, and air conditioning systems at VSHA's central office at One Prospect Street in Montpelier. Steve Beloin, an energy consultant and designer of HVAC systems, was hired to take a look at One Prospect Street and make recommendations for improvement. Chuck's Air Conditioning of Colchester was then asked to provide quotes on the recommended upgrades. The total for all recommended upgrades was \$148,000.

Williams is recommending we do around \$50,000 of the recommended HVAC upgrades this summer. The funding for the upgrades would come out of replacement reserves, of which there is currently around \$83,000.

Troiano moved to approve spending up to \$50,000 to improve the heating, ventilation, and air conditioning systems at VSHA's central office at One Prospect Street in Montpelier; Miller seconded. Hover inquired as to further discussion; there being none a vote was taken. All others voted in favor and the motion passed.

12. OTHER BUSINESS

HUD Physical Conditions Demonstration Program

Williams provided an overview of HUD's announcement of their Physical Conditions Demonstration Program for assessing the voucher assisted housing program. This demonstration program will include the participation of 250 housing authorities from across the country for a one- to three-year period.

The goal of the program is to upgrade HUD's Housing Quality Standards (HQS). Current HQS standards are considered minimal when compared to other state and local inspection standards. HQS has not kept up with life/safety codes over the years.

If VSHA participates in this demonstration program, we would be able to provide input regarding any stricter standards that are proposed. VSHA has not yet been invited to participate, though we have expressed our interest; we will know one way or the other by July 15th.

Miller inquired as to whether participating in this demonstration program would require extra VSHA staff. Williams indicated that the goal was to use existing staff. Berk added that HUD would provide the software needed for the demonstration program and the housing authorities will have to provide the platform to run it. HUD would provide training to field staff.

July VSHA Public Hearing and Regular Board Meeting

There was consensus among the Board that the July 6th Public Hearing and Regular VSHA Board meeting would be moved to July 13th.

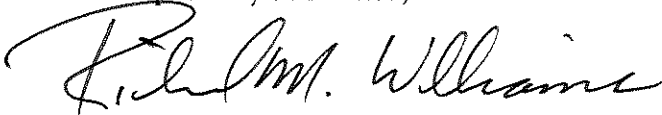
VSHA Board of Commissioners Site Visit

Miller inquired as to whether the Board would be doing a site visit to one of the properties that VSHA manages for one of its upcoming Board meetings. Since the July meeting includes the public hearing, the Board will look at the possibility of doing a site visit for its September 28th meeting.

At 1:00 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

