

**VERMONT STATE HOUSING AUTHORITY**  
**REGULAR MEETING MINUTES**  
**November 16, 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 11:03 a.m. and the following Commissioners were present: Vice Chair Mary Miller; Jo Ann Troiano; Cory Richardson. Linda Ryan participated via teleconference. Caryn Feinberg was expected. Chair Caprice Hover 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; Susan Kuegel, Director of Property and Asset Management; Krister Adams, Housing Development Specialist; and Jim Gallagher, Office Services Coordinator.

**2) MEETING AGENDA**

There were no additions or changes to the Agenda.

**3) PUBLIC PARTICIPATION**

There was no public participation.

**4) MINUTES - REGULAR & ANNUAL MEETING - SEPTEMBER 28, 2016**

Miller inquired as to discussion, corrections, or omissions. Troiano moved to approve the Minutes of the Regular & Annual Meeting of September 28, 2016 and Richardson seconded. Miller inquired as to further discussion, there being none a vote was taken. All others voted in favor and the motion passed.

Caryn Feinberg joined the meeting at 11:05 a.m.

**5) SECRETARY'S REPORT - OCTOBER/NOVEMBER 2016**

Williams began his update.

There are a lot of unknowns surrounding how the recent presidential election will affect housing-related programs. A lot of it will depend upon who is appointed to the various funding posts. The president-elect has talked about reducing expenditures for various non-defense programs (by 1% per year), while increasing defense spending.

The new Administration may also look to roll back the Fair Housing Act. How that pans out will depend on who is appointed to lead the U.S. Department of Housing and Urban Development (HUD). There also may be a move to eliminate the National Housing Trust Fund.

The President-elect will need to make a decision on renewing the Continuing Resolution. Washington, D.C. will also have to deal with the Sequestration issue in 2017, since it comes back into play for fiscal year 2018. The debt ceiling limit issue will also be a major upcoming issue again.

The proposal for reducing the capital tax rate for business from 35% to 15% could have a negative impact on the low-income housing tax credit program. By reducing taxes, the government will have to look at various programs for reducing spending.

There is also uncertainty how housing programs/issues will be affected here in Vermont under the Scott Administration.

The Governor's Poverty Council report will be presented to Governor-elect Scott in December. There is some hope that the new Governor will continue the Poverty Council, since it has done some good work.

Miller asked for a motion to approve the Secretary's Report. The motion was made by Feinberg and seconded by Ryan. Miller 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 SEPTEMBER 30, 2016

Pembroke presented the Financial Report through September 30, 2016. The Fiscal Year books have been closed out. Audits should be received by early December. The auditors will be coming to the January 25, 2017 VSHA Board Meeting to present the audits.

Some highlights from the Statement of Revenue and Expenses:

- We earned more interest income than what was budgeted.
- Other Income came in over budget due to:
  - fraud recovery
  - inspections (received \$25,000 more than budgeted)
  - Farrington's Mobile Home Park service fee
- Salaries and Budgets line items are under budget since there were some employee transitions and we didn't fill all positions.
- Nearly half of the savings in the Administrative line item comes from underspending in office supplies. However, we will be making some purchases in 2017 in that category, including some equipment needed to install fiber optic Internet service at One Prospect Street.
- General Expenses are under budget - we no longer pay for a computer consultant since hiring a full-time Network Administrator.
- The Equipment line item is also under budget, since we had been conservative in our spending this past year.

Some highlights from the Balance Sheet:

- We ended the year with more cash than we started the year with (\$371,171).
- The Accounts Receivable line item looks high, but it's just from the administrative fee that's due for the Performance Based Contract Administration program. They work a few months behind so we book it at the end of the year, but expect that to come in no later than December.
- The Pre-Paid Expenses look high compared to where we started last year. We paid our Workers Compensation bill in September. We've always tried to push off paying that bill until the fiscal year for which it's due, but that doesn't go over well with the insurance company so we are now prepaying it.
- The Reserve for Replacement line item is the account we have begun making payments into for future One Prospect Street building upgrades.
- The bottom line is a little better than this time last year.

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

## North Avenue Cooperative (Farrington's Mobile Home Park) – Profit and Loss Budget vs. Actual

Pembroke presented the July to September financials for the North Avenue Cooperative. In general, Pembroke feels that the expenses aren't high; rather that the Cooperative under-budgeted in areas like Repairs and Maintenance. Overall, their financials look good and don't raise any red flags. The one question Pembroke will bring back to the Cooperative is where on their financials they track security deposits.

The Board acknowledged receipt of and reviewed the financial reports for the North Avenue Cooperative (Profit and Loss Budget vs. Actual, and Balance Sheet).

### 7) UPDATE – HOUSING PROGRAM ADMINISTRATION

Berk began the Housing Program Administration update.

#### Section 8 Management Assessment Program (SEMAP) Certification

The annual Section 8 Management Assessment Program (SEMAP) Certification includes fourteen indicators which measure our performance and the administration of the housing choice voucher program. Seven of the indicators are ones to which we self-certify based on audits we perform ourselves. An independent auditor then reviews the work we've done to confirm that what we've done is accurate. The Department of Housing and Urban Development (HUD) measures the other seven indicators based on information that is electronically submitted to HUD secure systems.

The following resolution was presented to the Board for consideration:

**RESOLUTION**  
**Vermont State Housing Authority**  
**Section 8 Management Assessment Program (SEMAP)**

Whereas, HUD regulation 24 CFR sec 985.101 requires that Public Housing Agencies administering a Section 8 tenant-based assistance program submit an annual SEMAP Certification within 60 days after the end of its fiscal year; and

Whereas, the information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance; and

Whereas, HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA; and

Whereas, the PHA has completed the annual SEMAP Certification and requires that the VSHA Board of Commissioners accept the SEMAP Certification as presented; and

Whereas, it is the desire and intent to the Board of Commissioners to comply with HUD Regulations,

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the Vermont State Housing Authority hereby accepts the SEMAP Certification as presented and authorizes the Chairperson of the Board to execute the Certification on behalf of the Vermont State Housing Authority on this 16th day of November, 2016.

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

## Other

As the Board knows, VSHA has been deficit spending in our voucher program for most of the year. This involves taking money from reserves to support issuing vouchers. Our spending this year will establish our budget for next year. We are on target with our projections and anticipate a reserve of around \$370,000.

Even though our Section 8 waiting list is closed, we continue to accept applications from folks who qualify for one of our preferences:

- VSHA's Disaster Preference
- Transitional Housing Preference
- Homeless Families with Case Management Support preference
- and applicants applying to the Section 8 Family Unification Program.

Some statistics on the Section 8 Housing Choice Voucher program were included in the Board packets (attached to the Secretary's Report).

### **Performance Based Contract Administration (PBCA)**

VSHA has a PBCA contract in place with HUD through December 2017. HUD has been going through the process of issuing a procurement for these services, which is different from how the PBCA was awarded in the past. HUD issued a request for information in mid-October which we have responded to. The joint response was written by VSHA and the Vermont Housing Finance Agency. HUD is interested in finding out if the work can be done by regional contract administrators or even a single contractor.

The next step will be for HUD to host industry days where interested parties will have the opportunity to attend and learn about the new procurement process. There should then be a draft solicitation of what the procurement will look like, to which we'll be able to review and respond.

### **Homeless Preference**

Initially, VSHA's Section 8 homeless preference was targeted towards homeless families with minor children connected to case management services. Berk became aware that this preference had a discriminatory effect, so we are now making a change to the preference so it excludes the phrase, "with one or more minor children." Since this is a minor change to VSHA's Administrative Plan, it does not require that VSHA open up the annual planning process; the Administrative Plan has been amended accordingly.

The original cap on the preference was set at up to 100 vouchers per fiscal year issued; 90 vouchers were issued this past fiscal year. The change noted above results in the preference being broader than it was historically. It is now simply a homeless preference for families connected to case management services (a homeless 'family' could be comprised of one individual).

## **8) UPDATE - DEVELOPMENT**

### **Septic System Pilot Study**

An engineer from Jericho, Vermont (a former employee of the Department of Environmental Conservation) contacted VSHA about the possibility of doing a free pilot study to try out a new product that he hopes will reduce clogging and grease build-up in septic systems at one or more of the mobile home parks that VSHA manages. Adams is currently evaluating the products that the engineer intends on using before accepting his proposal.

## Solar Projects

Williams and Tim Palmer, Executive Director of the Housing Foundation, Inc. have met with Encore, a solar company, and are investigating the possibility of siting a solar array at Birchwood Manor Mobile Home Park and/or at one of the many Housing Foundation, Inc. owned and VSHA managed properties for net metering opportunities.

## Hollister Hill Apartments, Marshfield – Redevelopment

The planning for completely redeveloping this 16-unit complex is well under way. A funding application is pending at the Federal Home Loan Bank. In addition, we will be submitting funding applications to the Vermont Community Development Program and the Vermont Housing and Conservation Board, among others. We hope to start construction in spring/summer 2017.

Williams noted that there are a couple of neighbors to the property who are concerned about the position of the new parking lot. As designed, it would aim headlights towards their homes. The Development Review Board will be visiting the site to take a look at this issue. This could result in an adjustment to the site plan or in a requirement to put in something to block the headlights (bushes, etc.).

Kuegel noted that the proposed Hollister Hill site plan was designed to allow for energy efficient VERMOD homes to be put on the property and be able to use the existing road system.

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

All three of these projects are planned for extensive rehabilitation, including deep energy efficiency work, cosmetic, and life/safety construction. The main funding mechanism is through the United States Department of Agriculture Rural Development (USDA RD) Multi-Family Housing and Revitalization Program (MPR).

Fairgrounds: We are pretty far along in the planning and development stages. Adams is currently putting together the final development budget. We plan to commence construction spring/summer 2017.

Colonial Manor: Commenced construction early September 2016.

Dogwood I: We will push ahead with project planning when Fairgrounds is out to bid. We hope to commence construction by mid-summer 2017.

## Hollow Drive Apartments

Twin Pines Housing Trust has shown an interest in buying at least one mobile home park lot from the Housing Foundation, Inc. However, they are having some funding issues, so this is on hold for now.

## 9) UPDATE - PROPERTY AND ASSET MANAGEMENT

Kuegel presented the Property and Asset Management update.

## Human Rights Commission

One of our tenants at Hilltop Townhouses in Berlin had a service animal that bit other property residents on more than one occasion. Kuegel's staff made the decision to require that the animal be removed from the property. Since the family refused to get rid of the animal, an eviction notice was issued. As a result, the tenant filed a human rights complaint.

After working with the Human Rights Commission (HRC), the tenant dropped their case and agreed to remove the service animal from the property. The HRC also asked that additional training take place for VSHA employees.

## USDA Rural Development Budgets

The October 1 USDA RD budgets were submitted back in June; they haven't come back yet from USDA RD. Kuegel will be working off of the submitted budgets.

Kuegel is getting ready to send RD all of the January 1 budgets. They will be submitted on time.

## Homeless Reporting as it relates to Governor Shumlin's Executive Order on Housing Homeless

Every housing agency in Vermont has to submit a report regarding what they've done so far in trying to meet the 15% figure outlined in the Governor's Executive Order on housing ("...making at least 15% of their permanent, publicly supported housing units available to the homeless.") Kuegel is working through this issue, including the reporting requirements. The reports are due December 1<sup>st</sup>.

## USDA Rural Development Pilot program "Better Homes Ahead"

HFI's Executive Director, Tim Palmer, has taken the lead on looking into this new pilot program. He has been working with the group Better Homes Ahead (BHA) which manufactures a product that is supposed to be superior to traditional mobile homes. BHA was recently awarded a grant which will allow them to bring a total of five homes into HFI's mobile home parks. The grant will help cover the costs of HUD's new requirement for a certain type of expensive foundation slab (a requirement that only applies to the first time a home is sited).

Williams noted that BHA is out of Littleton, New Hampshire.

## 10) APPROVAL OF REVISED ADMINISTRATIVE POLICY - OVERTIME AND PAID LEAVES OF ABSENCE

The Board was presented with a Revised Administrative Policy IV - Overtime and Paid Leaves of Absence. The policy is being updated to reflect changes made to the collective bargaining agreement.

Troiano moved to approve the revised Administrative Policy for overtime and paid leaves of absence as presented; Feinberg seconded. Miller inquired as to further discussion. There being none, a vote was taken. All others voted in favor and the motion passed.

## 11) OTHER BUSINESS

At 12:17 p.m., there being no other business, Troiano motioned to adjourn, motion seconded by Richardson and all voted in favor.

Miller declared the meeting adjourned.

Respectfully Submitted,



Richard M. Williams  
Executive Director/Secretary

