

**VERMONT STATE HOUSING AUTHORITY**  
**REGULAR MEETING MINUTES**  
**March 28, 2018**

**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; Cory Richardson; Jo Ann Troiano; Caryn Feinberg; and Linda Ryan participated via phone. 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 and Laura Macieira, Office Services Coordinator.

**2. MEETING AGENDA**

There were no changes to the meeting agenda.

**3. PUBLIC PARTICIPATION**

There was one public participant, Vice President of the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association, Mary Wilson. The Board of Commissioners and Wilson exchanged introductions.

**4. MINUTES – REGULAR MEETING – JANUARY 24, 2018**

Troiano moved to approve the Minutes of the Regular Meeting of January 24, 2018 and Miller 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 – FEBRUARY 2018 / MARCH 2018**

Williams presented updates to his Secretary's Report.

On March 23, 2018, in addition to VSHA's 50<sup>th</sup> anniversary celebration, an Appropriations bill was signed for Fiscal Year (FY) 2018. The DC Administration now has 60 days to notify the agencies on how the final budget will look.

Williams received a report that came from the Senator Patrick Leahy's office with the highlights of the bill that was passed and the overall is much better than what we thought. Williams presented to the Board some of the major increases seen on the bill.

Hover asked for a motion to approve the Secretary's 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.

## 6. FINANCIAL REPORT THROUGH FEBRUARY 28, 2018

Pembroke presented the Financial Report and the major updates are:

- At the end of February 2018, we received new Administrative rates that were effective January 1<sup>st</sup>, 2018. We went from \$91.61 for the first 600 hundred vouchers to \$92.70; from \$85.50 to \$95.52 for the remainder and after the proration is applied, it comes to an increase of 80 cents per voucher.
- All the final audits for the partnerships that VSHA owns or manages were received; taxes were filed for eight of them and the other six will have the taxes filed with an extension.
- The Statement of Revenue and Expenses report is overall looking good. The Administrative fees have an increase due to the new rates; also because it was budget at 74% and we are currently receiving 77 % proration rates.

Richardson asked what causes the Benefits line to bounce around so much. Pembroke answered that in January 2017, VSHA changed to a new health insurance plan that includes an HRA account. VSHA pays the deductible of \$4,000 for an employee with family, two-person; parent and child; \$2,000 for a single employee. The Benefits line depends on the medical expenses employees have each month. Some months we have to pay a big amount, some other months, it's a small amount and this gets reflected on the Benefits line. The large amounts are usually spent within the first six months of the year and the expenses of the plan tend to decrease after that period. Shorten-Goodrich mentioned the budget is on a fiscal year and the health insurance is by calendar year.

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

- **Review of Co-op Financials, North Ave.**

Farrington Mobile Home Park (MHP) located Burlington, VT was purchased with the VSHA bond. The financials for this property are doing well and there are funds in the reserve account. One of the big generators of income was the purchase of modular homes to fill the vacant lots. A copy of the financials was provided and the Board acknowledged its review and discussion.

## 7. UPDATE TO VSHA FY 2017 AUDIT

Pembroke presented the update.

This month, HUD conditionally approved the draft audit for the FY 2017. Pembroke distributed an amended audit with no bottom line changes but with a re-classification requested by HUD.

On a monthly basis VSHA reports to HUD what we've spent in housing assistance payment (HAP) dollars. HUD processes that information with a two to three month delay and sends us the current month HAP payment an amount equal to what we spent on the month they are looking at plus a two percent margin. Since our HAP's payments don't change by two percent each month, at the end of the year, VSHA has a payable situation and owes money back to HUD.

The condition that was presented to VSHA was that HUD no longer wants to see the overpayment as a payable but as an HAP Equity line item. Pembroke worked with auditor Gregg Sargent of Kittell Branagan & Sargent (KBS) to implement this request for the FY 2017 audit, however the money showing under the equity line doesn't belong to VSHA.

Williams asked if this change will affect the funding VSHA receives for the housing choice voucher program and if it will show that we have excess money that we didn't use for vouchers. Pembroke answered that the funding is based on what we were approved to spend.

Hover asked for a motion to approve the revised reclassification of the VSHA FY 2017 Audit as presented. Richardson moved the motion and Miller seconded. Hover inquired as to further discussion; there being none a vote was taken. All voted in favor and the motion passed.

## 8. HOUSING PROGRAM ADMINISTRATION

- **Performance-Based Contract Administrator (PBCA) Program**

Berk mentioned that the PBCA solicitation was canceled. The current contract for the PBCA ends at the end of December 2018 and Berk expects its renewal for a determined period of time.

- **Updates**

Berk explained the content of the voucher leasing and spending projection material that was provided with the Board packets. This is a calendar year to date projection for our programs through March 2018 provided by HUD with data that VSHA reports.

Williams added that the project-based voucher program is keeping VSHA's costs down. It is cheaper to lease from somebody with new tax credit projects than leasing up in the private sector because those rents are restricted. In 60 days, when we get our numbers from the bill that the Senate signed for the fiscal year budget, we will be able to assess how many more vouchers VSHA will be able to issue.

- **VSHA Organizational Assessment Final Report**

Williams presented the recommendations of the consulting report by Nan McKay and Associates, Inc. that was emailed to the Board earlier in the month. The staff present and the Board held a discussion about the report and the major highlights were:

- The recommendation that VSHA amends its policy for biannual inspections to reduce administrative costs. Williams added that this procedure won't be able to be implemented to all units because of their poor living conditions.
- The VSHA field representative staff's work also comprehends housing retention and mediation between the tenant and the landlord and this approach differs from the consultants view point.
- The creation of another position within the agency in the central office in breaking down the Coordinator Housing Program Services into two coordinator positions, one for Intake Self-Sufficiency/Homeownership; and the second coordinator position for the on-going client participation.

Williams recommends adding the new position as per the report's suggestion and as per previous consideration among the upper management team.

Ryan moved the recommendation of the hiring of a new position as per Board discussion and Feinberg seconded it. Hover inquired as to further discussion; there being none a vote was taken. All voted in favor and the recommendation passed.

The Board recessed for lunch at 12:10 p.m. and Linda Ryan left the meeting. The Board returned to session at 12:30 p.m.

## 9. DEVELOPMENT UPDATES

Williams provided the updates.

### **Dogwood I Apartments, Northfield**

We applied for a USDA Rural Development (RD) multifamily Preservation & Revitalization Demonstration Program (MPR) loan and were successful on receiving it. However, the bids we received are about half a million dollars over than we budgeted. We are currently working on redefining the scope of work with the builders in order to lower the costs of the project.

Some of the tenants are being relocated permanently to the units vacant at Hollister Hill in Marshfield, in order to have units in Northfield that can house the tenants while the rehabilitation is happening.

### **Lauredon Apartments, Greensboro**

The building was an old farmhouse that was rehabilitated in the 70's by a private developer. In April of 2018, Krister Adams will be submitting a final application to the USDA RD for a MPR loan in order to repair the water infiltration, the damages in the basement of the property and the restorations that the building might need.

### **Hollister Hill Apartments, Marshfield**

The re-construction of this project is almost completed and what is left is site work that will be happening this spring.

## 10. PROPERTY AND ASSET MANAGEMENT UPDATES

### **Bridge and Main, White River Junction**

Kuegel mentioned that the project is moving along and its occupancy originally planned to February, was pushed to the end of March and now it is planned to be the end of April of 2018.

Kuegel is currently working on MHP capital plan and marketing for the upcoming year.

## 11. OTHER BUSINESS

Williams gave an update on the status of the HFI Board of Directors and on the planning of a meeting between the two entities.

There being no other business, Troiano made a motion at 1 p.m. to adjourn the meeting, seconded by Feinberg and all voted in favor.

Respectfully Submitted,

Richard M. Williams  
Executive Director/Secretary