

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
March 27, 2019

1. ROLL CALL

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was called to order at 11:02 a.m. by Vice Chair Mary Miller. Upon roll call, the following Commissioners were present: Jo Ann Troiano, Caryn Feinberg, Alex Farrell and Chair, Caprice Hover was expected. Linda Ryan was present via teleconference and Cory Richardson 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 Laura Macieira, Office Services Coordinator.

2. MEETING AGENDA

Williams mentioned that the only changes to the agenda would be an update that Daniel Blankenship will present on the Youth Homeless Administration Program. Towards the end of the meeting, Williams would like to have a brief discussion about the participation of The Housing Foundation, Inc. representative at the next VSHA Board meeting.

At 11:05 a.m. Hover joined the meeting.

Farrell introduced himself to the Board, provided his background, and explained his interest in wanting to be part of the VSHA Board of Commissioners.

3. PUBLIC PARTICIPATION

There was one public participant, Chair of the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association, Nathan Schmechel.

4. MINUTES - REGULAR MEETING - JANUARY 23, 2019

Troiano moved to approve the Minutes of the Regular Meeting of January 23, 2019 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 2019 / MARCH 2019

Williams presented updates to his Secretary's Report.

The lower chamber of the House of the Vermont Legislature has been working on the Appropriations bill for next year and one of the actions they've taken is that they restored funding for the supportive

services for seniors. There have been different proposals presented and Williams mentioned that he is not aware if Vermont Housing Conservation Board (VHCB) will be fully funded since they've never been in the past because of other pressing priorities.

During the last Board Meeting, we had a presentation on the Accessory Dwelling Units (ADU) pilot program that will receive part of the funding from the City of Montpelier through the Community Block Grant Program and Williams hopes that this grant will be fully funded.

In the past, HUD had a program that provided rental assistance and rehabilitation funds for the private and non-profit sector that assisted rental housing. Next Year, Williams may bring this issue up with the help of the Governor's office. The hope is that some funding would be available for rental housing rehabilitation for private landlords and non-profit organizations.

Information about Vermont's housing and community development can be found in the HUD Consolidated Plan that has been published in a draft version on the website of the State of Vermont Agency of Commerce and Community Development. The 2015-2019 highlights involve setting aside Community Development Block Grant (CDBG) funds for Scattered Site Housing Revolving Loan Funds; reduce the match requirements for most CDBG grants to 10%; and increase the maximum Access Modification grant award to \$100,000. This is about 10 million dollars' worth of federal funding to the state of Vermont; about five to six millions are for CDBG funds and about three million for the Housing Trust Fund, the Home Program and the Emergency Solutions Grant.

Hover inquired regarding the VSHA's Housing and Service Partners Memorandum that was in the Secretary's Report. Is the issue across the board or are there areas where the fair market rent is affecting the vouchers that have been returned to HUD? Berk mentioned that the focus of this topic is based on conversations and ongoing meetings that have been happening and relates to the number of programs that VSHA has been administering that are dependent on supportive services for their success and for the individuals and families' success to retain housing. This fact has gotten the attention of housing leaders across the state as well as leaders of the Legislature with regards to money that is being returned to HUD because we are not able to leverage services. From the Continuum of Care meetings we've had, we are hearing that providers that partner with the program say that they cannot do the work anymore because of the lack of ongoing support.

The Board congratulated Berk and the staff for VSHA being a high performer and scoring high on the Section 8 Management Assessment Program (SEMAP). Williams added that if the Government has additional funds, they will be looking at public housing authorities that are high performers to distribute them and, in the past, we've seen that happen under the HUD/VASH program.

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 , 2019

Pembroke provided an update on the partnerships that VSHA manages that have December 31st year ends. We have nine final audits back, two drafts received and approved; and we still have four audits outstanding, which are not time sensitive. All the RD reports are submitted since they were due on Friday. For the taxes, we have four partnerships that have been submitted and eleven have filed extensions, which is typical for us on an annual basis. We've also submitted the tax forms for the HFI partnerships.

Pembroke presented the following highlights on the Financial Report:

- The new Administrative fee rates from HUD were received and they are an increase that will keep the same proration rate, so this year, we are actually receiving an increase. For now, they are staying at 80% proration rate which means an additional of \$42,000 per year;
 - VSHA continues to operate within the approved budget, and we are right on target to where we were last year;
 - On the expense side, in the office facilities line, we are doing a number of things around the building for security. This line item includes the security windows we've put in our satellite offices because they are not a capital expense nor a betterment of building and we put them in place for the benefit of our employees.
 - The benefits line is showing over because we have to pre-fund our HRA account in January and it should come back in line as the year goes on;
 - In the building line, we are doing some improvements that include the curbing of the sidewalks, the flooring, the security window filming, the cameras, keypads for door locks; etc.
- **Review of Co-op Financials, North Ave.**

Farrington Mobile Home Park (MHP) located in Burlington, was purchased with a VSHA bond. The financials for this property are doing well and there are funds in the reserve account. A copy of the financials was provided and the Board acknowledged its review and discussion.

Kuegel inquired about the reason of why the loan interest expense is showing so far off and Pembroke replied that at the end of the day, as long as the revenue is over than what has been spent, there shouldn't be any concerns.

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

7. HOUSING PROGRAM ADMINISTRATION

Berk presented updates and distributed an updated analysis of the Returned, Unused and Available Rental Assistance form that was distributed with the Board packets. The Burlington Housing Authority provided some data and Berk was able to input it on the form for the Board's review.

In early January, the topic of the lack of services that support the low-income housing programs resonated with state policy-makers and also with the legislators that became aware that there is federal housing dollars being returned to HUD because we are not able to leverage services. As a result of the meetings that were held about the topic, Berk was asked to quantify the losses and the form distributed is the result of that process. The lack of support is not only from the supportive services that come from the Agency of Human Services but also other agencies that receive federal funding like the VASH program that receives support from the VA Medical Center that brings case management to the VASH program. Over the past five years, for the Shelter Plus Care program, we had to return one million dollars to HUD because we've been unable to leverage supportive services. The Burlington Housing Authority also has issues under their Shelter Plus Care program because of the same reasons. Berk added that this is a systemic issue across systems of care and that is what the data provided intends to demonstrate.

Blankenship joined the meeting at 11:40 a.m.

Williams asked Blankenship to give a background on some of the programs that require the need of supportive services in order to be successful. Blankenship gave a general explanation on the Continuum of Care (CoC) program; Shelter Plus Care and Rapid Rehousing program for homeless population.

Blankenship began his presentation.

In addition to the lack of services, one of the current challenges to house folks is the lack of housing. It usually takes three to six months to get people housed because of the lack of availability with no preconditions like criminal backgrounds, landlord references, etc. Blankenship distributed a summary of the work that the CoC has been working on that relates to the Youth Homeless Demonstration program we applied for a few years ago. We are currently on round two of the application and HUD just released more funds for round three for communities to apply for. As a CoC in the balance of state, we were awarded two million dollars to spend over two years. The next step of this process was to create a coordinated community plan, which can be found at the Helping to House Vermont website, and allowed us to be eligible to apply for the funds available for round three. Blankenship gave an extensive explanation on the projects that are highlighted on the plan that are part of the next phase of the application process; and a discussion with the Board was held.

At 12:15 p.m. Blankenship left the meeting and the Board recessed for lunch.

At 12:35 p.m. the Board returned to session.

8. DEVELOPMENT - UPDATES

Adams gave an update on Brightwood House Apartments in South Royalton which are owned and managed by VSHA. Recently, the building was painted and this upcoming summer, we will be redoing all the driveway and parking areas.

Williams mentioned that we are looking at a property that is for sale in South Main Street in St. Albans, which was developed in 2010. This property has 45 units and we are trying to get more information on its construction, in order to determine if the acquisition of this property makes sense for VSHA.

9. PROPERTY AND ASSET MANAGEMENT UPDATES

Kuegel presented updates.

The Property and Asset Management department has two property staff turning over and we'll have two positions under recruitment.

There are no movements at all for the RD budgets; we've submitted those on behalf of all the Partnerships in October 2018 and we are just moving forward as if they were approved and making decisions based on that. We have reached out to RD and inquired about them several times but nothing has come forward.

Susan Batchelder made very good progress as far as implementing the MOU with the Continuum Coordinated Entry folks and she has all the approvals needed to implement the homeless preference for the HUD properties. We haven't received anything from RD to implement the preference at the RD properties, and we submitted those back in August, 2018. Batchelder has a MOU in place with the Coordinated Entries in Windsor, Washington and Franklin counties and is very close to getting one signed for Chittenden County, which is a very good progress. Batchelder used to work for VSHA as a property manager and came back on a part-time schedule to work on the implementation of the homeless preference.

Yesterday, we received an email from HUD regarding renewing our 2019 Service Coordinator grants, we currently have three grants.

We will be starting soon on doing the capital budgets for the mobile home parks for HFI.

Miller inquired about the reason of why RD is taking so long to follow-up and Troiano offered that it was due to a change in upper management and due to the Government shut down that added to the delays that were already happening.

10. OTHER BUSINESS

Williams asked Shorten-Goodrich to give an update on the security measures we've been adding to the VSHA offices. Shorten-Goodrich mentioned that we've finished the first phase of the window security film on the first floor. In a couple of months, the technician will come back and caulk around the film. We had more cameras installed for a total of 16 cameras. The administrative staff now have access to look at the cameras at their desks and some of us also have access on our phones. We are doing some work on the back doors by adding keypads in order to be able to get into the offices. We've installed a lock down system on the front doors so the receptionist is be able to press an automatic button and lock access to the front entrance.

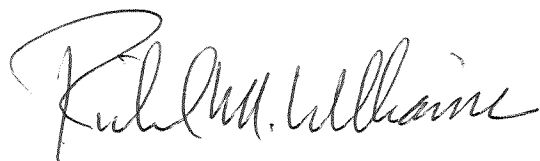
Williams inquired if HFI should come back for the May Board Meeting to do a presentation. Hover mentioned that the HFI Executive Director and the President would be welcome.

Hover inquired about the timing on the opening of the Section 8 waiting list and Berk mentioned that it would be no later than May 1st, 2019. Different approaches for taking applications are being considered, and a public notice will be published as we get closer.

Williams mentioned that we were approached by the Springfield Housing Authority to take over their Section 8 Voucher Program and were looking to do this later this fall or beginning January 2020. However, they have a Rental Assistance Demonstration (RAD) Program from converting the public housing units to the RAD program. In that case, everything would go over to VSHA, including the administrative fees of those RAD units. Because of this, the transfer might not happen because they would lose the administrative fees that are worth \$100,000. Williams will keep the Board informed on the evolution of the conversations.

There being no other business, Troiano made a motion at 1:10 p.m. to adjourn the meeting, seconded by Miller and all voted in favor.

Respectfully Submitted,



Richard M. Williams
Executive Director/Secretary

