

**VERMONT STATE HOUSING AUTHORITY
ANNUAL and REGULAR MEETING MINUTES
September 25, 2019**

1. ROLL CALL

The Annual and 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; and Caryn Feinberg. Linda Ryan was present via teleconference and Alex Farrell 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

There were no changes to the meeting agenda.

3. PUBLIC PARTICIPATION

There were three public participants, member of the Vermont State Housing Authority Staff Federation of the Vermont State Employees Association, Barbara Beyor; HFI Executive Director, Jonathan Bond; and HFI Board Director, Robert Dostis.

4. ELECTION OF OFFICERS

Hover relinquished the Chair to Williams to conduct nominations for the annual election of officers.

Williams opened up the meeting to nominations.

Troiano nominated the current slate of officers: Caprice Hover as Board Chair, Mary Miller as Vice Chair, and Richard Williams as Secretary; Richardson seconded the motion. Williams inquired if there were further nominations to the positions and there being none, nominations were closed. Williams cast one vote. All voted in favor and the motion passed.

Williams returned the Chair to Hover.

5. MINUTES – PUBLIC HEARING/REGULAR MEETING – JULY 10, 2019

Miller moved to approve the Minutes of the Public Hearing and Regular Meeting of July 10, 2019 and Richardson seconded. Hover inquired as to further discussion, there being none a vote was taken. All voted in favor and the motion passed.

6. SECRETARY’S REPORT – AUGUST 2019 / SEPTEMBER 2019

Williams presented updates to his Secretary’s Report.

Last Thursday, we heard from Senator Leahy’s office that the Senate Appropriations Committee reported that the version of FY20 Transportation, Housing and Urban Development Agency budget was out. None of the agreements that the subcommittee where Senator Leahy is on received a four percent increase over the FY19 levels. Because of some other issues that affect the HUD budget; which are, short falls and receipts from federal housing administration, as well as cost of rent increases; bared little room for getting any additional moneys. Though, the Senator was very successful on funding many programs that are very important for Vermonters; like the community development grant is funded equal as FY19, which is 3.3 billion dollars; the home investment program was funded 1.25 billion dollars; and homeless assistance grants totals to about 2.76 billion dollars. The homeless grants break down to Continuum of Care (CoC); Rapid Re-Housing; 80 million dollars nationwide were set aside for homeless youth; and 180 million dollras for emergency solutions grants.

Williams has been working with Senator Leahy's office on a proposal to combine some of the Section 8 housing reserves to increase administrative fees. This has been an initiative of national housing redevelopment officials for several years and it needs an authorization in order to move forward. One of the reasons why the nationwide lease ups for section 8 vouchers is down is because they don't fund at the level that they should, which is 70 to 80 percent, and many housing authorities are impacted on the ability of administration, staffing and issuing vouchers.

The Senate wants to see all 15 appropriation bills passed until September 30th however, the House just passed a Continuum Resolution (CR) until November, anticipating that this won't be accomplished.

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

7. HFI PRESENTATION

Williams introduced Jonathan Bond, HFI Executive Director and Robert Dostis, HFI Board Director. As you all know, HFI and VSHA have an interesting relation; what one organizations does, has an impact on the other. We're looking down the road to 2023, when a lot of things start to change. The idea behind today's HFI presentation is to identify what the HFI Board has been working on and to identify its priorities for the near future. There is strategic meeting planned for this upcoming Friday, where the HFI Board of Directors will be working on future plans for the organization.

Dostis explained that he has served in the HFI Board for two years; the housing world is new to him and he has been working with Green Mountain Power for 11 years. The only experience he's had with housing was living and growing up in public housing, without realizing back then the importance of it. Since Dostis has served on the HFI Board, he's learned how critical the public housing service is for Vermonters and he is very happy to serve on the Board and is learning a lot; including the relationship between both HFI and VSHA organizations.

Bond gave an update to the Board of his first year of work as the HFI Executive Director. His presentation will be focused on providing the answers for the questions that the VSHA Board made in regards to HFI's strategic planning and in regards to what the HFI Board has been working on.

The HFI Board has been engaging in a strategic planning process since this last spring; and there is a full Board retreat this Friday to finalize the top line items and priorities that the Board will be able to address and share with you; as well as how those top lines are going to be accomplished. A draft of the 5-year strategic planning document will be shared with the VSHA Board in the next couple of months.

Bond identified two major topics that the HFI Board has been working on; which are portfolio development and expansion of multi-family units; and how to bring financial stability and accountability to the organization. The Board went through a process of organization and formed committees, as a way to digest decisions and have a higher understanding on the decisions that are being made. Four major committees were formed; which are the Executive, Strategic Planning, Asset and Property Management and Finance.

Bond and the VSHA Board engaged in a conversation about the presentation made. Bond asked that Williams and the VSHA Board make comments on the draft that will be submitted so adjustments can be made prior to be presented to the public, funding organizations and the Legislature. The VSHA Board invited the HFI Board to be present at the January 2020 VSHA Board Meeting and go over the draft that will be presented.

Bond and Dostis left the Meeting at 11:45 a.m.

8. FINANCIAL REPORT THROUGH AUGUST 31, 2019

Pembroke presented the following updates:

- The agency's insurance quote for FY 2020 is \$519,231; which includes all managed properties and mobile home parks, directors and officers liability insurance, workers comp, crime, etc. Over last year, it is an increase of 2.1% however, we had a fire, two floods, three law-suits, etc.

- We will be switching to a different company for our workers compensation insurance because the one we were using is no longer accepting our type of business.
- Kittell, Branagan and Sargent (KBS) is scheduled to perform audits the week of November 1st, 2019 and Gregg Sargent from KBS is expected to be present at the January 2020 meeting.
- Otis Atwell was at the office two weeks ago and did the field work on the partnerships; performing compliance and internal control audits.

As far as the Financials and Balance Sheets go, VSHA is in a very good place.

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

- **FY 2019 Write-Offs**

There are no write-offs for FY 2019.

9. BRIGHTWOOD HOUSE FY 2020 BUDGET

Kuegel presented the budget.

The Brightwood House FY20 budget has come back approved by Rural Development (RD). We haven't asked for rent increase in this coming year and there isn't a lot of gain projected for this year in the budget but we will be fine.

Kuegel did a capital needs assessment because last year, the reserve account was not going to be healthy enough to handle the long term needs coming up in the next five years for this property. Year 2022 will be year 30 of this property; original bathrooms and original kitchens are still in place; which means that it will soon need an extensive rehabilitation. Kuegel asked RD to increase the reserve accounts in order to start planning for the project and their response was that a capital needs assessment needed to be presented. Kuegel went over the summary of the capital needs assessment that was in the Board packets and mentioned that what will be in the reserve account in year 30 won't be enough.

Kuegel recommended that VSHA apply for a RD Multi-Family Housing Revitalization Demonstration Program (MPR) loan in for FY20 in order to rehabilitate this property. Since the process for this funding can take up to three years until we receive the funding, Kuegel recommends that an application be submitted sooner than later.

The Board was in agreement that Kuegel submit an MPR RD for Brightwood House rehabilitation.

12. PROPERTY AND ASSET MANAGEMENT UPDATES

Kuegel gave a brief update.

The January 1st, 2019 budgets were received from RD, with the exception of Meadowlane Apartments. By the end of the month, Kuegel has to submit budgets for FY20, which makes it difficult since she does not have a base budget to work with.

At 12:05 p.m. the Board recessed for lunch and returned to session at 12:25 p.m.

Tyler Maas, Accessory Dwelling Unit Program (ADUP) Director; Andrea Hurley, CoC Support Specialist; and Daniel Blankenship, CoC Program Administrator joined the meeting.

10. HOUSING PROGRAM ADMINISTRATION

- **Resolution Accessory Dwelling Unit Program**

The following Resolution was presented to the Board for consideration.

WHEREAS, at the January 23, 2019 Vermont State Housing Authority (VSHA) Board of Commissioners' meeting, a two year Accessory Dwelling Unit (ADU) Pilot Program was presented for consideration and the Board agreed VSHA should pursue this program; and WHEREAS, the ADU Pilot Program will initially be developed in the city of Montpelier and if successful, expanded to other communities around the state; and

WHEREAS, the ADU Pilot Program in Montpelier runs from July, 2019 until July, 2021 and is funded through a Vermont Community Development Block Grant (\$300,000), funds from the City of Montpelier (\$50,000) and funds from VSHA (\$100,000); and

WHEREAS, VSHA's \$100,000 will come from accumulated funds in the Enable Loan Program initially created in the 1980's for handicap modifications and other improvements; which program has no restrictions on how to utilize those funds; and

WHEREAS, VSHA's \$100,000 will be used for direct loans to ADU owners or through an arrangement with the Vermont Community Loan Fund; and funds will not be set-aside for general program activities;

NOW THEREFORE BE IT RESOLVED that the VSHA Board hereby authorizes VSHA's participation in this pilot program, the expenditure of the \$100,000 from the Enable Loan Program and that the Executive Director/Secretary is authorized to execute any documents necessary for participation in this program.

Maas presented updates on the evolution of his work since VSHA was awarded the grant from the city of Montpelier. Originally we've proposed doing 10 units but because we received less funding than expected, we had to reduce the number to seven units. Currently, Maas is working on re-writing the grant agreement, visiting potential sites, working with the town on permits and reviews for the projects. He's also been working on increasing funding by meeting with different lending institutions like the Vermont Community Loan Fund.

Troiano moved the above Resolution as presented; Miller seconded. Hover inquired as to further discussion, there being none, a vote was taken; and the following voted in favor.

At 12:40 p.m. Maas left the meeting.

- **Continuum of Care Application Rankings**

Andrea Hurley made the presentation.

The balance of state continuum of care, which is all of Vermont except for Chittenden County, submitted a final ranking determination for FY19 funding availability through HUD. Hurley gave a detailed explanation of the document distributed to the Board that showed the rankings, applicants names, and budget for each one of the projects and its locations in the state.

- **Shelter Plus Care Pilot Program**

Blankenship presented the pilot program.

The VSHA is the CoC Collaborative Applicant for all of the projects within the VT-500 Balance of State. Blankenship presented about the agency's individual project applications based on the ranking chart. Funds were reallocated from VSHA's Permanent Supportive Housing ("Shelter+Care Statewide" S+C SW) grant and VSHA's Rapid Rehousing Statewide grant in order to create two new pilot project proposals (reallocation and bonus).

The first pilot project (reallocation) is in tier one, which means that it is almost certain that we will get it. The pilot program bonus that is in tier two is uncertain because over the years, HUD has set thresholds higher and higher which we are unable to meet, due to being outside of the agency's control, like the implementation of a statewide Homeless Management Information System (HMIS) data entry with the State General Assistance (GA) temporary motel program and the Vermont Rental Subsidy program (VRS).

These pilots are a new type of project for the State of Vermont and possibly for the whole country, in using Section 8 vouchers as CoC Program match. Having a permanent supportive housing grant, like the S+C, which traditionally pays for rental assistance, we get all of our service funding from our providers. With this project, we are flipping that around, where this grant will pay for all of the primary services and the available rental assistance will be a match and allocated for this program with at least 20 Section 8 Project Based Vouchers (PBV) - plus at least 15 PBV if awarded the pilot bonus. HUD and the VT BoS CoC allowed us to allocate the funds in this innovative manner; the services will be paying for two housing retention coordinators that will provide housing services and will connect households with a variety of disability services and other providers. The idea is that VSHA would employ these two positions that will be co-located at local provider agencies, such as Capstone Community Action in Washington County and Groundworks Collaborative to serve Windham County. Those areas have the highest chronic homeless numbers in the VT Balance of State CoC by far. We will benefit from the learned experience and history of the service provider agencies with serving folks and also with the training and access to all their systems, which we don't have current access to. It also addresses our challenges of finding housing because it takes months to find housing available.

At 1:05 p.m. Hurley and Blankenship left the meeting.

11. FINAL PUBLIC CHARGE RULE

Williams presented the topic.

The U.S. Department of Homeland Security (DHS) had a proposed rule that became final and takes effect on October 15, 2019. Thirteen states joined and filed a lawsuit against the Trump administration about the discrimination of this public charge rule. This has an impact on the immigrants that come to our country to try to build a life for themselves and their families, and become permanent residents. In the past, folks have had access to rental assistance, food stamps, and have been allowed access to other public funds. This public charge rule will make accessing public benefits a disqualifier for immigration.

VSHA was approached by the Vermont's Attorney General who asked us to participate in a conjunction relief and Williams recommends the Board to join in a lawsuit filed against DHS.

Troiano moved that the Board supports VSHA's participation in a conjunction relief led by the Attorney General of Vermont; Feinberg seconded. Hover inquired as to further discussion, there being none, a vote was taken; and the following voted in favor.

12. DEVELOPMENT UPDATES

Lauredon Apartments, Greensboro: The work has started, contractor is on site, and the mold in the basement is gone.

Depot II Apartments, Bethel: There is a lot of water shedding down to the property from a nearby bank and the proper drainage work wasn't done previously. We will be fixing this issue and reinforce the drainage during this fall.

Middlebury Commons Apartments, Middlebury: A whole new heating plan is being installed in the property; we have connected to Vermont Gas; most of the heating system is done and we are making a lot of progress. Later on this fall, we will be adding insulation onto the attic so it becomes more energy efficient.

Colodny Building, White River Jct.: We are currently working with a structural engineer to restore the parapet of this historic building.

School St. Apartments, Plainfield: The stone foundation of this building will be improved; the rear handicap ramp, the front porch and other items will also be improved.

Mobile Acres MHP, Braintree: Next week, construction will start for the replacement of the water distribution system in one section of the park.

13. PROPOSED EXECUTIVE SESSION: NEGOTIATING AND SECURING OF REAL ESTATE

At 1:18 p.m. Troiano motioned to enter executive session to receive information and deliberate regarding the negotiating or securing of real estate under the provisions of Title 1, Section 313(a)(2) of the Vermont Statutes in that premature general public knowledge of the content of such discussions would clearly put VSHA at a substantial disadvantage. Miller seconded and all voted in favor.

At 1:30 p.m. Troiano motioned to leave executive session and Miller seconded. All voted in favor.

No action was taken during executive session.

14. OTHER BUSINESS

The Board reviewed the calendar year 2020 meeting schedule.

At 1:32 p.m. Troiano motioned to adjourn and Miller seconded. All voted in favor and the Chair adjourned the meeting.

Respectfully Submitted,

Richard M. Williams
Executive Director/Secretary