

VERMONT STATE HOUSING AUTHORITY
PUBLIC HEARING, ANNUAL AND REGULAR MEETING MINUTES

September 23, 2020

Public Hearing

Roll Call

The Public Hearing of the Board of Commissioners of the Vermont State Housing Authority, held via ZOOM, was called to order at 11:04 a.m. by Chair Caprice Hover; and upon roll call, the following Commissioners were present: Mary Miller, Vice Chair; Jo Ann Troiano, Caryn Feinberg, and Alex Farrell. Cory Richardson was expected.

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; Tyson Leno, Director of Maintenance; Tyler Maas, Program Director, ADU program; and Samantha Blakeney, Office Services Coordinator.

The Public Hearing is held to hear comments and discussion on updates to VSHA's Section 8 Annual Plan.

There was no public participation.

Berk discussed the Section 8 Annual Plan process which is normally done in July but because of COVID-19, waivers were adopted to move the submission date to later in October. There are not many updates to the plan, and they will be described later in the meeting.

There being no public participation, Hover requested a motion to close the Public Hearing. Motion made by Miller, seconded by Feinberg, all voted in favor and the Public Hearing was closed.

The Board began the Annual and Regular Meeting.

2. Meeting Agenda

There were no changes to the Agenda.

3. Public Participation

There was no public participation.

4. Election of Officers

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

Williams opened 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. 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 - Regular Meeting-July 15, 2020 and Mission Meeting-August 26, 2020

Cory Richardson joined the meeting at 11:09 a.m.

Troiano moved the minutes of the Regular Meeting of July 15, 2020 and Mission Meeting of August 26, 2020, seconded by Miller. Upon call for a vote, all voted in favor and the Minutes were adopted.

6. Secretary's Report-August/September 2020

Williams stated the Legislature is soon to leave town. Williams mentioned the Joint Fiscal Office had contacted him in recent days, as they had been asked by a legislator to look at the populations being served by the RHSP and the interplay it may have with the Renter Rebate Program which refunds to eligible renters the portion of rent paid that exceeds an established percentage for household income. Williams stated he did not support a reduction at the time as it was too early into the program to reduce the amount of money dedicated to the program.

Williams mentioned VSHA was granted \$25 million, Vermont Housing Finance Agency (VHFA) received \$5 million dollars, Vermont Legal Aid received \$550,000 through the Agency of Human Services and the Vermont Landlord Association received \$250,000. Six million dollars went to a Rental Rehabilitation program administered by homeownership centers throughout Vermont in which there seems to be a lot of interest. Should funds not be fully used, Williams hopes the money would continue to help ease the housing challenges of the state. Williams anticipates by the first of November, VSHA should know if it is on track to spend all the money by December 20.

Williams mentioned the House recently passed the state budget, \$7.1 billion.

Williams stated that Shorten-Goodrich sent out notice for a Visions Special Meeting, which will be held on October 14th at 10 a.m. via Zoom. Consultant Melanie Goodman will be overseeing the meeting. She did send out homework that needs to be completed by October 5th.

Williams mentioned that as today, he does not see a federal budget in place or anytime soon. Williams imagines he will see a continuing resolution to keep the government going and may be running on a portion of last year's budget. Williams mentioned it does not affect VSHA that much. The Section 8 Housing Choice Voucher program is funded on a calendar year basis. Williams' only concern with no budget it does not create a lapse of money coming in for other programs. Pembroke would probably know if that money did not arise, as it usually comes in the first few days of October.

With a continuing resolution, Williams hopes that the Cares Act would be included which would allow being able to spend the Cares Act money into 2021. As of right now, all money must be spent by December 30, 2020 or it goes back to the Federal Government. Williams is hoping there will be an extension that will allow states to spend the money into 2021 and that the Rental Housing Stabilization Program would be one of those programs. We believe there will become a big need for this program throughout the winter. If there was to be any doubt that all the money would be spent, the extension through 2021 would allow for the program to get all the money out the door. Hover asked Williams if there has been any consideration in the extension of the CARES Act money being spent at all. Williams responded he anticipates the Administration would support extending the use of those dollars into 2021. The biggest challenge is the time frame and processing all the applications to spend down the monies.

There being no further updates or discussion, Hover called for a motion. Richardson moved the Secretary's report, Feinberg seconded, and all voted in favor.

7. Financial Report – August 31, 2020

Pembroke stated that for the August 31st financials, she does not have a lot of changes from last Board meeting. She mentioned a significant gain at the end of August which is 100 percent due to the COVID-19 funds received from HUD for additional administrative fees. The accounting year end is coming up very soon on September 30th, and Pembroke mentioned she needs to do some quick journal entries to show the COVID-19 funds and expenses separately. HUD has not provided any guidance as to how they want this reported out, other than they want it

reported out. Pembroke stated it would be nice if they were ongoing funds, but it is a one-time deal.

Salaries are coming in under budget this year as there were a number of open positions. Most of those positions have been filled, except for an accounting position that just opened last week. Administrative line item is under budget, there was no travel, staff trainings or legal courts open. Pembroke stated that it will stay under budget significantly through the end of the year. Benefits have also been under budget, due to COVID-19. Northeast Delta Dental did not charge any premiums for the month of July, as dentists were not even open at the time. With many people working from home and with reduced schedules, the overtime dropped a lot. Pembroke stated we are required to pay pension on overtime; therefore, the pension expense was reduced a lot in comparison to prior years. The equipment budget was over as new copiers were purchased. General expenses were also over - a new software package was purchased. Pembroke stated she currently keeps some of the COVID-19 related expenses under general expenses. She will separate them in the audit and there will be a column just for COVID-19 related expenses.

There were no further updates or discussions. Hover called for a motion to accept the Financial Report of August 31, 2020. Miller made that motion, seconded by Richardson and upon call for a vote, all voted in favor.

8. FY 2020 Write-Offs

There are no write-offs for VSHA, and Pembroke provided write-offs for The Housing Foundation, Inc. properties and the mobile home parks for information as VSHA is the management agent for the properties. Those write-offs are low as they only write off at move out. At this time, they cannot move anyone out and cannot take anybody to court.

There being no further discussion, Richardson moved the VSHA write-off list. Troiano seconded, and all voted in favor.

9. Fiscal Year 2021 Budget

Pembroke started with stating that she sent the 2021 budget to both Williams and Richardson for review and received an okay from both of them. It is a difficult year to do a budget with all the current changes. Pembroke is not sure if that will change in 2021, so she had to do a best guess for the budget. She assumes that around springtime she will need to do a revised budget.

Hover wondered about the programming being a huge increase. Pembroke stated they are planning on new software for Property and Asset Management and it will significantly cost less than the Section 8 program, as Kuegel is able to charge the costs back to a number of the properties. Pembroke put an extra \$10,000 in just for migration.

In benefits, Blue Cross Blue Shield originally asked for an overall 6.3% increase which was approved at about 4%. Unfortunately, VSHA's current plan came back at a 10% increase. Pembroke budgeted that at 5%. Unemployment insurance is going up due to the number of claims paid out this year. Property insurance renewals are staying stable. There was an increase in cyber internet security with all of the people working from home. Pembroke mentioned there was a \$6,391 reduction in workers compensation insurance.

With no further questions or discussion Hover asked for a motion. Troiano moved the Fiscal Year 2021, seconded by Farrell and all voted in favor.

10. Housing Program Administration

Annual Plan

Berk is asking the Board to approve the Annual Plan. This is an update to the 5-Year Plan. There are three updates: housing needs portion to reflect housing needs of Vermonters and program participants and applicants for past year; updated eligibility selection and mission to incorporate revised homeless preference the Board adopted at the last meeting. Berk mentioned VSHA has adopted many waivers that impact how the program is administered and how we perform recertifications. Berk included those various waivers that were adopted. The financial resource section of the plan was updated, and the end of the plan includes a progress report that reflects accomplishments of the past year.

Williams introduced the following resolution:

RESOLUTION 2021 Annual Plan

NOW THEREFORE, be it resolved that the Vermont State Housing Authority Board of Commissioners accepts the PHA Annual Plan for Fiscal Year 2021 (October 1, 2020 – September 30, 2021) the PHA Certifications of compliance with the PHA Plan and related regulations, as presented, and authorizes the Chair to sign the certifications and approve the submission of the PHA Annual Plan for 2021, subject to public posting for comments to be included.

With no further discussion, Farrell moved the resolution and Feinberg seconded. Hover called for a vote and all voted in favor.

Updates

In updates, Berk mentioned the voucher budget is tight and we applied for funding for additional housing assistance payments to offset some expenses. Berk does not think they will need to take any drastic steps, like removing families from the program. Berk wants to bring to the Boards attention that we are using up all of the money. Assistance payments have increased due to COVID-19 and Vermonters not working, which is why VSHA is eligible for the extra money.

HUD has mentioned they are in the final step of moving traditional contract administration to performance-based contracts. There are 20 contracts being moved from traditional to performance based. Effective October 1st, VSHA will be the performance-based contractor for all of the contracts in Vermont. VHFA is in an agreement with VSHA to provide four core functions, which include providing management and occupancy reviews, contract rent adjustments, contract renewals and tenant health and safety complaints. VHFA will earn a fee for doing so. VSHA has had Memorandum of Understanding with VHFA for contract administrative work for many years.

No motion needed.

11. Rental Housing Stabilization Program

Maas described that the Rental Housing Stabilization Program has been going since July 13th. About \$150,000 a day is going out the door. The last check run was \$1.6 million which included roughly 650 households. About \$5.5 million has been sent out to date. There is a possibility of six more check runs and with about \$1.5 million per check run, that is another \$9 million. There are two different groups. Group 1 is general back rent application between landlord and tenant. Group 2 is for landlords who believe the tenant is able to pay even though they are not. In Group 2, the landlord would get half of the back rent and still retain the right to evict. Maas stated that there were a lot of people applying for Group 2 at first, but that they have been trying to kick back to get people to apply under Group 1, as the whole goal is to keep people from evictions and homelessness. Maas stated they have had good luck with getting people to apply for Group 1, versus Group 2. Maas explained that there is

currently a no eviction order in place, so the landlord would not get anywhere by applying under Group 2, they would just lose half of the back rent owed to them.

Maas explained that this is a six-step process, from the time an email is received, to application reviews, data entry, quality control and final approval. Even once it gets to Accounting, they are still finding issues with the applications. Maas stated it is a long process, so they have added a few temporary positions. There are currently three temporary staff working in the RHSP program. Maas commended the management team for all of the hours they have spent on this program, including nights and weekends.

Williams introduced the new "Money to Move" program in which tenants that might be in a bad living situation, for whatever reason, are looking to move out of their current location, could be given the money for first, last and security deposit and rental assistance to get into a new place.

Williams also introduced another new program, which is currently nameless. This would have the VSHA making a payment directly to the court system which to stop the eviction process. Under Vermont law, 12 VSA 4773, a Tenant in an eviction action for nonpayment can defeat the action by paying into court rent in arrears and court costs but can do that only once every 12 months. Ideally, all court cases would be settled with the Landlord and Tenant agreeing in formalized stipulation. This proposal is only for those Landlords that would not agree to work with the Tenant to reach a stipulation.

Williams has asked Commissioner Hanford to look at legislation and grant conditions of the CARES Act to make sure this is something that VSHA can do. If it can be done, Williams wants to find a way to be able to do direct deposit. Vermont Legal Aid is going to investigate that.

Maas came back to mention the vacancy loss program, which is for landlords that have had tenants move out in April, prior to the starting of this program and have since not been able to move anyone else in, so landlords have lost a couple months' worth of rent. This program fills the gap for these landlords.

Williams also commended the VSHA staff for the number of hours employees are putting into this program. This has not a one department program. The entire agency has taken part in working this program.

Hover asked Williams for some clarification on the "Money to Move" program, how that works and how people go about getting into the program. Williams mentioned that the biggest challenge in this program is people having to find a new place, because rental housing is very limited in Vermont. It requires finding a landlord, with an available unit, who is willing to participate in the program.

Hover thanked everyone for what they have been doing.

12. Property and Asset Management Updates

Kuegel started by mentioning that the Brightwood House budget has been approved and ready to implement on October 1st. They are still working on the sale of Green Mountain Apartments from the current limited partnership back to VSHA ownership. Kuegel stated her staff has put many hours in the call center and mailbox. Her staff has been going out and doing annual inspections. Kuegel added that composting has been interesting with bears getting into it.

Leno agreed with Kuegel that composting has been a big challenge. Leno stated that it has been expensive ever since the law went into effect, and it was not budgeted for. There have been three bears at Hilltop Townhouses getting into the compost buckets. Those buckets have been removed for the time being. Leno is researching on getting other big bins that the composting buckets could be locked in.

Regular maintenance has been going well, although Leno has been short handed over the summer due to three employees being out due to various issues. Leno adds that the turnover stayed where they are at or may have even gotten better.

There are currently fire extinguisher and sprinkler inspections going on. The Lauredon Village project has been completed. Leno added that the water project at Mobile Acres has also been completed. At Middlebury Commons they are in the process of putting in 64 fans. CVOEO will be doing a weatherization project which includes doing the air seals, duck work, and do all the insulation. Leno added that each fan will cost \$9,000 but will meet with Kuegel to discuss whether or not all 64 fans can be placed at once, or if only 32 will be put in for now.

Leno added the Depot II drainage project was already in the works before he took on his position. The original estimate was \$150,000 but had only planned on \$70,000. Leno got two more quotes in which both came to \$106,000 and \$107,000 cheaper than the first estimate. Leno does not think this is a project that can be started until springtime. Dogwood II also has a weatherization project going on. There will be fans put in as well as insulation. Leno added that there is some renovation work such as painting and carpeting to be done at the main office.

Williams also mentioned that Leno has been involved with HFI looking to rehabilitate properties in White River Junction, Barre and Plainfield. HFI hired M & S development out of Brattleboro, Vermont.

Hover inquired if it was possible to put in garbage disposals at the Hilltop Townhouses, where there is a bear problem with the compost. Troiano mentioned that would be a huge maintenance issue and people should be composting and not putting scraps in the waste treatment. There are also potential safety issues with families. Leno agrees with Troiano. Leno added that the bears are really making a home at the Hilltop properties. They are now getting into the dumpsters; Leno has had to chain the dumpsters down. Casella is being paid \$330 per month to pick the bins up, and the dumpsters are not even in service right now, so Leno is looking to get this issue resolved as soon as possible. Williams added his only concern is that tenants do not take action into their own hands and use firearms at the properties. Leno added they have been in contact with the game warden as well as Berlin Police Department. They had no solution to the problem and simply stated that it would be wintertime soon. Hover wondered if videos of the bears were ever sent to the Legislature since it was a legislature policy decision and others are probably having the same issue. Leno commented that the game wardens have also stated that it has been a huge issue for many homeowners and that Legislature is ignoring the bear issue at this time.

13. Other Business

Williams mentioned there is a potential fraud case in the RHSP Program. Williams is in contact with the state police regarding this. It is being investigated. There has been a payment made of approximately \$16,000 that is being put into question at this time. Money has gone across state lines. This is also federal money so there is potential for huge penalties under CARES Act if there are any violations of the money. Williams included he will keep the Board updated on the issue.

Shorten-Goodrich introduced Samantha Blakeney to the Board, who joined VSHA a little over a month ago as the new Office Services Coordinator.

Williams thanked everyone. Hover requested a motion to adjourn, motion made by Troiano, seconded by Miller, all voted in favor and the Chair adjourned the meeting.

Respectfully Submitted,

Richard M. Williams
Executive Director/Secretary

DRAFT