

VERMONT STATE HOUSING AUTHORITY
REGULAR MEETING MINUTES
JANUARY 27, 2021

1. Roll Call

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority, held via ZOOM, was called to order at 11:06 a.m. by Chair Caprice Hover; and upon roll call, the following Commissioners answered present: Mary Miller, Vice Chair; Caryn Feinberg, Alex Farrell, Jo Ann Troiano and Cory Richardson.

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; Tyler Maas, Program Director, ADU program; and Samantha Blakeney, Office Services Coordinator.

Nathan Schmechel, Chair, Vermont State Housing Authority Staff Federation and Gregory Sargent, KBS Partner were also in attendance.

2. Meeting Agenda

There were no changes to the Agenda.

3. Public Participation

There was no public participation.

4. Minutes- Public Hearing, Annual and Regular Meeting - September 23, 2020; Vision Special Meeting – October 14, 2020; and Vision Special Meeting – November 18, 2020.

Minutes were moved by Miller, seconded by Troiano, called for a vote and all voted in favor.

5. Secretary's Report – January 2021

Williams started with a few updates - In the Emergency Rental Assistance Program, Vermont is receiving \$200 million. Williams asked the legislature for \$2.8 million to finalize the Rental Housing Stabilization Program. The Rental Housing Stabilization Program stopped accepting applications on December 11, 2020. We have spent all of the Cares Relief Funds that was given to the program. Originally that was \$25 million. The Rental Housing Stabilization Program was asked to return \$3 million in early November. Then in November and December, the number of applications coming in

went up tremendously. We currently need another \$2.8 million to be able to pay the rest of the applications, which is around 1,500. Williams testified with the Senate. They put him on the spot and asked him how much he wants out of the \$200 million. Williams mentioned there is a lot less flexibility with this new money coming from the state. Williams stated he asked for \$50 million. The Rental Housing Stabilization Program has spent \$25 million over the last six months which led Williams to believe that they could easily double that amount. Sixty-five percent of the \$200 million must be spent by the end of September, which is about \$130 million. If not, the Treasury Department can take the money back and reallocate it to other states that have already spent their allocations.

There is currently \$10 million coming through Legislature to the Vermont State Housing Authority right now. Williams added, he informed the committees that \$10 million is not enough to hold up this new program. The new program might be more expensive. There may be a new platform, or computer software needed. Williams believes there will be a need for a lot of partners to run the new program. This program will be less flexible. There will be a lot more documentation required which makes Williams question whether or not low-income families and/or landlords will be able to successfully submit applications.

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

6. Financial Report - December 31, 2020

Pembroke started with saying she has just been informed by HUD the administrative fee for Fiscal Year 2021's projected proration is 83.832 percent. Pembroke adding this is the highest she has seen it in a very long time.

The other income is a bit under versus the budget in last year's numbers. The budget is currently under in fraud collection and inspection income. Pembroke added that both of those will increase in the next few months, especially fraud collection as they collect tax set off money. Salaries are showing over budget right now, mainly because of the three payrolls in December, as well as the extra temporary staff and overtime needed for the Rental Housing Stabilization Program.

Administrative costs are under as expected. Staff are not traveling as much, there is zero training happening and there has been a 1 ½ cent drop in the IRS mileage rate. Benefits are currently over budget. Vermont State Housing Authority paid in full the Worker's Comp insurance in October. Pembroke mentioned she under budgeted the health insurance for the year. Blue Cross Blue Shield asked for a 6 percent overall raise. They were given a 4 percent raise; however, the current plan that Vermont State Housing Authority is in, received a 10 percent raise. Pembroke said in order to be financially responsible, she will need to come back with a revised budget to the Board, sometime in the spring when she gets a better feel of how things are going to flow after January.

The building is under budget. There were plans for many things that have currently been put in hold. Pembroke hopes the agency will get some of those projects going and completed prior to September.

Overall, Vermont State Housing Authority was projected to be at a \$123,000 gain, but currently is at a \$7,900 gain. Pembroke adds that this is ahead of where they were last year at this time, but not as great as they had hoped to be when the budget was made. Pembroke projects this number will go up and numbers are being monitored closely.

Hover called for a motion to accept the Financial Report. Miller moved the motion, Troiano seconded, and all voted in favor.

7. Approval of the FY 2020 Audit, Greg Sargent, Kittell, Branagan, and Sargent (KBS)

Sargent showed the opinion letter of the audit of Vermont State Housing Authority that was written to the Board of Commissioners. Sargent mentioned Robin Barnett, who is the Principal/QC Director at KBS, is the lead auditor on this audit. Sargent asked Williams if the Rental Housing Stabilization Program was extended past December 31, 2020. Williams answered with saying they did extend it. There is a grant agreement until April 15, 2021.

Sargent added that there were two audits, the audit itself and the single audit. The two major programs focused on for the single audit were the Project Based Cluster Programs which was \$27.5 million. The other program they selected was the Rental Housing Stabilization Program because it was a new program. The two programs together are almost 50 percent of the total federal funds. Overall, there was an increase in net position of \$2.6 million, in comparison to the \$1.3 million the year before.

Sargent added that the six Limited Partnerships that Vermont State Housing Authority has control over will now have to be reported differently. These will have to be reported under the Gasby Ninety, which looks at how the reporting is done for Limited Partnerships. In Fiscal Year 2021 those six Partnerships will have to be reported as a component unit of Vermont State Housing Authority.

With no further questions or discussion Hover asked for a motion. Farrell moved to accept the audit, Richardson seconded, and all voted in favor.

At 11:38 a.m. Sargent left the meeting.

8. Administration – Classification and Wage and Comparability Study

Williams said as a result of working on Vermont State Housing Authorities mission statement and goals back in December, one of the guiding principles was valuing our workforce by offering professional growth, opportunities for flexible schedules and striving for competitive compensation. A group of maintenance employees have requested a review of their classification of compensation. There has also been a request from some other staff to review their classifications as well. Williams added Vermont State Housing Authority will soon be entering Collective Bargaining Agreement

negotiations in early June. Williams thought it would be helpful if they undertook this task now and not make it a part of negotiations. Shorten-Goodrich has been doing some research. He thinks it would be helpful to look at the whole agency and not just individual classifications. Williams hopes to provide the information by the time negotiating starts. Vermont State Housing Authority is looking at a few other Vermont firms that have done this before.

Shorten-Goodrich added that she has been in contact with Hickok and Boardman but does not have any details at this time. She has also reached out to Vermont Housing Finance Agency as they have done something similar in the past, using Gallagher Flynn. Williams hopes to bring back more information to the Board in regard to what this will cost in March.

No motion was needed, but other board members agreed that it sounded like a good idea to move forward with.

Schedule of 2021 Board of Commissioners' Meetings

Williams confirmed that everyone received the 2021 Board of Commissioners' Meetings schedule and that nobody had any conflicts in their schedules.

No motion needed.

9. Update - Rental Housing Stabilization Program

Maas stated that the Rental Housing Stabilization Program did spend the \$22 million that was received. They are hoping to receive more money soon. They are still processing applications and are in hopes of having all of the applications ready to be paid or already paid by February 12th. They hope to be able to wrap up this program soon. Maas added that they are working with Vermont Housing Finance Agency to come up with reports to finalize everything.

We have reached out to landlords that participated in the program with a survey. Maas adds that although numbers show they have served 5,686 landlords, a lot of those are repeat landlords. The unique landlords are around 2,000. 1,650 landlords received the Rental Housing Stabilization Program Landlord Survey. There were 619 responses, which is around 37%. Private landlords were the majority of the recipients, being over 92%. More than 50% of the landlords who responded to the survey were those of which only had 1-4 housing units. Maas added that over 50% of landlords received assistance for only one tenant.

Vermont State Housing Authority was successful in assisting applicants with the application process and overall, people were happy with the process. Maas added that there was a comment section of the survey. They received over 400 comments, most of which were good. Over 60 percent of landlords replied that if the program were to be extended, they would continue to submit applications. Another part of the survey asked landlords how they used the grant money they received from the Rental Housing Stabilization Program. Over 85 percent used the funds just for basic upkeep of their

properties. Overall, most landlords were happy with the program. Over 70 percent said they would recommend the Rental Housing Stabilization Program to other Vermont landlords.

10,500 payments had been sent out as of the middle of January. There are currently another 1,500 payments waiting to be paid out. The average payment has been around \$2,000. Maas added that there will probably be a new program but at this point without knowing how much money will be given, they are not able to do any designing and developing of a new program yet. There are open positions to assist in the new program. There have been many great candidates. Maas hopes to be able to stay away from paper with the new program. Berk adds that the Vermont State Housing Authority has certainly put a stamp on being the rental housing administrators in the state.

Hover asked if the results of the survey were public. Maas answered with saying it is not out in the public but is sharable and he will send a link to that data for everyone on the Board. Berk adds that this is just a survey from landlords, not a definitive report of who actually benefited from the program.

Hover also wondered if the majority of funding that went out was to private landlords or if there were just not many responses to the survey from nonprofit landlords. Maas adds that the nonprofit landlords were certainly the majority of the applicants.

Williams added that the survey has been shared. It has been shared with several committees at the Legislature.

10. Discussion – VSHA Strategic Planning

Williams brought up the letter that was sent out to all staff members on December 30, 2020. It included a copy of the strategic planning that the Board has been working on for the past few months. Williams wondered what should happen moving forward with this planning and if the Board should break out in separate committees to continue working on this planning.

Hover asked the other board members what they thought should happen moving forward with the strategic planning. Farrell commented that he liked the idea of breaking out in sub committees but does not know what those sub committees would look like. Hover suggested that they need to look over what the Board said they wanted to do, the things that are currently being done and if things do not align, figure out what things need to be focused on.

Farrell reminded everyone what the 2022 strategic planning commitments were. Those include ensuring a strong financial position and improved operational systems, being the best place to work, leading in housing policy discussions and creating programs and adapting to changing housing needs. Hover suggested having a small group to do an alignment. Then at the Board Meeting in March, discuss what that potentially looks like. Richardson asked Hover if the Board was at the point where they need to develop some specific initiatives to support the four buckets previously discussed. Hover's suggestion was to take what the Board said they wanted to accomplish, what is realistic to accomplish and the timeline for that. Both Farrell and Richardson agreed to be part of the group to work on the alignment.

11. Other Business

There was no other business.

12. Executive Session – Employment Issue

At 12:21 p.m. Troiano moved that they enter executive session to receive information and deliberate regarding an employment issue under the provisions of Title 1, Section 313 (A) (3) of the Vermont Statutes. Richardson seconded the motion.

At 12:59 p.m. a motion to come out of Executive Session by Troiano and seconded by Richardson. All voted in favor.

No action was taken during executive session.

The chair adjourned the meeting at 12:59 p.m.

Respectfully Submitted,

Richard M. Williams
Executive Director/Secretary