

**VERMONT STATE HOUSING AUTHORITY  
REGULAR MEETING MINUTES  
15 November 2023**

**1. Roll Call**

The Regular Meeting of the Board of Commissioners of the Vermont State Housing Authority was held at One Prospect Street, Montpelier, Vermont, and remotely via Zoom. The meeting was called to order at 11:02 am by Chair Alex Farrell; and upon roll call, the following Commissioners answered present: Cory Richardson, Vice Chair; Caryn Feinberg, Jo Ann Troiano, Aaron Jones, and Mary Houghton. Linda Joy Sullivan arrived via Zoom at 11:20 am.

Staff present: Kathleen Berk, Executive Director/Secretary; Kelly Pembroke, Chief Financial Officer; Susan Kuegel, Director of Property and Asset Management; Ellen Danahy Liptak, Director of Human Resources & Administration; Kelli Robinson, Managing Director of Section 8 Housing Assistance Program; Christopher Trombly, Managing Director of Community Development; Tyler Maas, Director of Special Programs; and Robert Abbott, Office Services Coordinator. Absent: Elizabeth Whitmore, Director of Housing Services.

Guest: Matt Baron, Union Representative.

**2. Meeting Agenda**

There were no changes to the meeting agenda.

**3. Public Participation**

Matt Baron thanked the Board and staff for the use of the space for the Union Appreciation Day.

Public comments closed at 11:06 am.

**4. Approval of Minutes**

- Troiano motioned to approve the meeting minutes from 27 September. Richardson seconded this motion. The Board voted to approve the minutes. Houghton abstained from voting.

**5. Secretary's Report**

Berk took the opportunity to welcome Houghton to the Board. The remainder of the Board members took turns introducing themselves to Houghton. Houghton then introduced herself.

Berk updated the Board on the potential for a government shutdown. On November 14 the US House of Representatives passed a stopgap bill to fund the government through mid-January 2024. At that time, another measure would need to be passed to prevent another possible shutdown. This continuing resolution is now headed to the US Senate, where it will likely be approved.

- On a motion by Troiano, seconded by Feinberg, the Secretary's Report was accepted unanimously.

## 6. Finance & Information Systems

Pembroke reported that the annual audit by KBS has been completed. There are no entries for 2023, therefore, this draft will be the draft presented by KBS at the January meeting. Due to the change in the makeup of HFI, there will be additional columns added to VSHA's audit book to include mobile home parks, HFI as a total, and a blended component unit column. There will be another line added called Transfer and Operations, which will include Green Mountain Apartments.

Administrative fees have historically been near 89%, this year have been closer to 97.5%, and Pembroke expects to finish the year near 95%. Another highlight is the increased lease up of Emergency Housing Vouchers and the additional vouchers being given to the Mainstream Program and Housing Choice Program. These changes explain the increase in administrative fees earned this year. The other income line item is roughly seven times greater than what was projected and includes the Landlord Relief Program, Manufactured Home Improvement and Repair Program, Accessory Dwelling Unit Program, and VERAP. On the expense side, VSHA came in under budget, due to open positions. This mirrors the benefit line item. She went on to explain that the administrative line item was approximately \$50,000 over budget. The special HAP items were significantly less than last year due to VERAP ending in June, which resulted in about a \$70 million difference.

Pembroke added that VSHA will be meeting with an architect next week to go over plans to make improvements to the building, utilizing our space better, and redesigning the front lobby area.

Pembroke explained that the MHP balance sheet only shows 13 mobile home parks for nine months following the transfer from HFI, and next year it will show those mobile home parks on VSHA's balance sheet for only three months. She reminded the board that these properties came with zero dollars in cash. To end the year with a cash balance of \$656,000 really speaks to the capabilities of the Property & Asset Management Division. She indicated that there is room in the budget to take on additional debt, which could help with the deferred maintenance issues. There was no mortgage to report as these properties are all debt free. Overall, VSHA is within \$98,000 of where they projected to be at the end of the year.

## 7. Housing Program Administration

Robinson gave the following brief regarding the utilization report. Section 8 is the largest of the Housing Programs with 3,626 active participants. The success rate has increased to 58%. There are 189 families that have been issued vouchers but are still searching for a place to lease up. There are 421 active families benefiting from the Mainstream Program and 32 families still searching to lease up, with a success rate of 66%. Robinson echoed Pembroke's note of the increase in Emergency Housing Vouchers which is meant to serve survivors of domestic violence or human trafficking.

Berk pointed out that the 58% success rate of the Section 8 Program was because of the inclusion of Housing Choice and Project-Based Vouchers. PBVs have a much higher success rate with brought the average up. The Housing Choice Voucher Program itself has a significantly lower success rate of 28-30%. Robinson agreed to make those two programs as separate reports for subsequent meetings.

Robinson reviewed the recent results of the Section Eight Management Assessment Program (SEMAP) certification that each public housing authority is required to complete each year. Historically, VSHA has been rated as a High Performer, however, this year VSHA rated as a Standard Performer. There were 11 categories that Robinson's team received full points for and three areas in which they did not receive full points. These three areas were Rent Reasonableness, Determination of Adjusted Income, and Housing Quality Standard Enforcement. Robinson states that she has already begun taking steps to recertify next year as High Performer. Factors that led to the results for Rent Reasonableness were that staff were using unassisted rent data that was over two years old and was not reflective of the current market. There were also a few packets that did not list three comparable rents. For the determination of adjusted income, the errors were due to not having complete verifications to support the calculation of benefits that families were eligible to receive. Robinson pointed out that over the past few years VSHA was able to use waiver authority to allow clients to self-certify the information provided, however, this fiscal year, they needed to comply with HUD's verification measures. To improve upon the Housing Quality Standards Enforcement, Robinson recognizes a need to retrain staff and is working with PHA-Web to schedule that training. Robinson also stated that in this very tight housing market, some adjustments were made to allow families and landlords to come into compliance rather than terminate their voucher or HAP contract. She believes that this flexibility prevented these families from getting into a more precarious housing situation.

Farrell asked if the Rent Reasonableness that were affected allowed the rental amounts to veer outside of what they ought to be, or if it was merely a procedural issue. Robinson answered that it is a procedural issue that has now been corrected with the use of AffordableHousing.com's software "Rent Watch."

The Board was provided the following resolution to accept the SEMAP Annual Certification and to Authorize the Chairman of the Board to Execute the Certification on Behalf of Vermont State Housing Authority.

"Whereas, HUD regulation 24 CFR sec 985.101 requires that Public Housing Agencies administering Section 8 tenant-based assistance program submit an annual SEMAP Certification within 60 days after the end of its fiscal year; and

Whereas, the information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance; and

Whereas, HUD used the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA; and

Whereas, the PHA has completed the annual SEMAP Certification and requires that the VSHA Board of

Commissioners accept the SEMAP Certification as presented; and

Whereas, it is the desire and intent to the Board of Commissioners to comply with HUD regulations, NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the Vermont State Housing

Authority hereby accepts the SEMAP Certification as presented and authorizes the Chairperson of the Board to execute the Certification on behalf of the Vermont State Housing Authority on this 15th day of November 2023."

- On a motion by Troiano, seconded by Richardson, and unanimously voted in favor of; the resolution to accept the SEMAP Certification and send it forward to HUD was adopted.

Richardson asked what the implications of slipping further down the SEMAP standards were. Berk answered that VSHA could become subject to a SEMAP Confirmatory Review. If the issue were rent calculations, that could result in financial adjustments or penalties. VSHA could replenish the HAP account using administrative fees. Berk continued that these steps are within the realm of possibilities but have never happened to VSHA in the past.

Robinson announced the publishing of the new Voucher Payment Standards effective 01 December 2023 as well as the utility schedules that her staff will be using.

## **8. Property & Asset Management**

Kuegel proposed the following resolution regarding Meadowlane Apartments. Meridian is the property manager and is requesting to exit that partnership. Earlier this morning, the HFI Board of Directors took action and approved a similar resolution on their side, and Kuegel is asking for VSHA to do the same. The resolution would appoint Berk as having the authority to approve actions pertaining to Meadowlane Apartments.

"WHEREAS, the current general partner of the Partnership is The Housing Foundation, Inc. ("HFI").

WHEREAS, Meridian Affordable Housing Acquisition LLC is the current limited partner of the Partnership ("Meridian");

WHEREAS, Meridian wishes to assign its limited partner interest;

WHEREAS, the Corporation will become the new limited partner of the Partnership. WHEREAS, after discussion, and upon motion duly made, seconded and carried, the following Resolutions were adopted:

RESOLVED, that the Corporation will accept the limited partner interest from Meridian and will perform all the duties of the limited partner according to the Limited Partnership Agreement as amended;

FURTHER RESOLVED, that Kathleen Berk is authorized to execute all instruments necessary to accomplish the foregoing.

- Troiano motioned to adopt the resolution and seconded by Houghton. The Board voted unanimously to adopt the resolution.

Kuegel presented the Mobile Home Park FY24 Budget. She indicated that the budget only covers the first three months, as the intention is for all mobile home parks currently under VSHA to transfer to HFI effective 01 January 2024. An additional item to note is the projection of a flat \$5 rent increase effective 01 June 2024.

Berk stated that she is trying to reduce the redundancy between the HFI board meeting and the VSHA board meeting. To do this, once the mobile home parks have transferred back to HFI, she would like to only speak of those during the HFI meetings. The Board agreed. Kuegel added that many of the financials between HFI and VSHA are intertwined, and if something is going wrong, she and Pembroke would make the Board aware of the situation regardless.

- A motion to adopt the budget was made by Jones and seconded by Feinberg. The vote passed unanimously.

Kuegel discussed the vacancy reports. She stated that there have been about five families evicted in the last 60 days mostly from nonpayment of rent issues.

Depot 2 is of particular concern as is Northwoods 1 and Northwoods 2. Both of the Northwoods are properties that receive Project-Based Vouchers, so the families there facing eviction have lost their subsidy and now owe thousands of dollars in back rent. Hilltop also has some evictions due to nonpayment. On the other hand, Mobile Acres currently has eight vacancies with plans to fill seven of those vacancies.

**9. Other business**

Berk reminded the Board that they would be meeting on 17 November 2023 at 1 pm to discuss strategic planning. It was decided there would be follow up on the location of the meeting with a remote option due to the construction around the VSHA parking lot.

**10. Executive Session**

There were no items for discussion in Executive Session.

Richardson asked how to achieve VSHA oversight of HFI. Berk answered HFI meeting minutes could be provided to the VSHA Board, along with the knowledge of VSHA staff members that are included in HFI actions such as Trombly, Kuegel, and Pembroke.

**11. Adjourn**

The meeting was adjourned at noon.

Respectfully submitted,



Kathleen Berk  
Executive Director/Secretary  
/RTA

