

DRAFT Minutes
Joint Committee on Tax Credits Meeting
Monday, November 7, 2016
9:00 a.m.
Vermont Realtors Association
Montpelier, VT

Committee Members Present: Sarah Carpenter, VHFA; Angus Chaney, AHS (Governor's designee); Josh Hanford, ACCD; Gus Seelig, VHCB; and Richard Williams, VSHA.

VHFA Staff Members Present: Dave Adams, George Demas, Maura Collins, Joe Erdelyi and Josh Slade.

Public Present: Jennifer Hollar, VHCB; Rachel Batterson, Vermont Legal Aid; Nancy Owens and Kathy Beyer, Housing Vermont; Connie Snow, Windham & Windsor Housing Trust; Shawn Gilpin, DHCD; Amy Demetrowitz, Champlain Housing Trust; Miranda Lescaze, Kim Fitzgerald and Cindy Reid, Cathedral Square; Ken Braverman, Snyder-Braverman Development Co.

The Meeting was called to order at 9:04 a.m. by Ms. Carpenter who reviewed the proposed Agenda.

Meeting Minutes:

Mr. Seelig moved that the draft minutes of the August 22, 2016 meeting be approved. Mr. Hanford seconded the motion which was unanimously approved except that Mr. Williams abstained.

Proposed Changes to the 2017 Qualified Allocation Plan:

Mr. Slade reviewed VHFA Staff recommendations for updates to the Qualified Allocation Plan for 2017 regarding the definitions of "homeless" and "at risk of homelessness", addition of references to the Violence Against Women Acts, requirements related to the

Governor's executive order regarding housing the homeless, updates to the compliance section and certain other minor updates.

Mr. Seelig moved that the VHFA Staff recommended changes to the QAP for 2017 be recommended to the VHFA Board of Commissioners for adoption. Mr. Chaney seconded the motion, and it was approved unanimously.

Proposed changes for 2018 QAP:

Ms. Carpenter noted that VHFA Staff were planning for a significant rewrite to the QAP for 2018 to improve its organization and readability. The focus today would be to discuss substantive areas for change that have been raised. An actual draft QAP will be submitted to the JCTC for review at the upcoming December 7, 2016 meeting.

Mr. Erdelyi then reviewed the Summary of Areas Under Consideration for Change that had been circulated with his memo.

There was a general discussion about "readiness" of projects. Staff is not proposing a specific threshold or rating for this, but will highlight in the text of the QAP that the VHFA Board may take that into consideration when awarding credits. There is a proposal to add a "check mark" for projects that are "shovel ready", and a more explicit review of how a project that has not used its credits within 18 months of the award because of appeal issues would get first preference for credits later once the appeal was resolved.

Mr. Erdelyi also reviewed proposals for removing references to workforce housing in ski areas, adding requirements for compliance with the Governor's Executive Order for housing the homeless, adding a threshold for new construction projects that they be in low vacancy areas, creating a menu of Universal Design features that a sponsor could use to get credit for using Universal Design and requiring submission of an appraisal for any acquisition/rehab project.

There was a general discussion regarding the threshold for low vacancy areas and whether existing market study requirements were sufficient. In addition, there was general discussion about the cost of certain Universal Design features when dealing with rehabs of historic properties and new construction on certain types of building sites. Finally, there was additional discussion regarding the appraisal requirement and the need for any appraisals to meet the VHFA appraisal criteria in order to be acceptable.

Mr. Erdelyi then reviewed proposed changes to the Evaluation Criteria, including the concept of eliminating the concept of Tier I and Tier II criteria, and just giving each criteria a certain amount of weight in order to prioritize certain types of projects.

There was a general discussion regarding how services in an age-restricted property would be considered SASH-equivalent, especially if a tenant had to pay for them separately rather than have the cost included in the projects base rents.

In addition, the committee discussed how much weighting to give for blight removal; supportive housing; mixed income housing; creative rehabilitation versus use of historic tax credits; and targeting of lowest income households.

Finally, there was additional discussion about the need to make sure some resources are targeted for age-restricted housing; how the Staff could look at the debt capacity of projects to reduce the need for credits or other governmental support; adding a 130% basis boost for historic rehab projects in designated downtowns; adding requirements that state housing credits be prioritized for projects that target homelessness; and requiring permanent affordability for projects that receive state tax credits and/or federal “bond” credits.

After the discussion Ms. Carpenter again noted that VHFA Staff intended to circulate a proposed QAP for 2018 before the upcoming Dec. 7 JCTC meeting for discussion.

Upon motion duly seconded and unanimously approved, the meeting was adjourned at 12:25 p.m.