

DRAFT Posted June 30, 2021

VHFA Board of Commissioners Meeting

Vermont Housing Finance Agency
164 St. Paul Street, Burlington, Vermont
June 28, 2021

VHFA Board Members Present:

Commissioners: Katie Stuart-Buckley (Chair), Lamont Barnett, Gus Seelig, Jill Rickard (designee for Michael Pieciak), Tom Leavitt, Fred Baser, Jeanne Morrissey, Josh Hanford (designee for Lindsay Kurrle) and Michael Clasen (designee for Beth Pearce) (all attended by electronic means).

Staff Present:

Maura Collins, Seth Leonard, Chris Flannery, George Demas, Alejandro Flores-Howland, Jacklyn Santerre, Josh Slade, Megan Roush, Bill Schrecker, Kim Roy, Leslie Black-Plumeau, Chad Simmons, Mia Watson (all attended by electronic means, except Mr. Demas who was at VHFA's offices)

Guests:

Joe Tait (Raymond James); Matt Moore (EverNorth); Julie Iffland (Randolph Area Community Development Corp.); Mary Cohen and Halie DelGiudice (Housing Trust of Rutland County); Ken Braverman (Braverman Company); Ken Pulido; Stephanie Lane (Shires Housing)

BOARD MEETING

Ms. Stuart-Buckley called the Board meeting to order at 9:02 a.m.

Staff confirmed that a Notice of this meeting was provided to the requesting parties and was posted on the Agency website and with State Department of Libraries, and that the Agenda for this meeting was provided to the requesting parties and posted on the Agency website, all within the statutory time requirements.

Staff confirmed that Minutes to all prior meetings had been posted on the Agency website not less than 5 days after the meetings as required.

Ms. Stuart-Buckley asked if anyone had any changes to the Agenda and there were none.

Ms. Stuart-Buckley confirmed that the Commissioners attending by electronic means could hear the conduct of the meeting and be heard throughout the meeting by the other attendees. Ms. Stuart-Buckley noted that Commissioners would have to vote by roll-call since there were Commissioners participating by electronic means.

BOARD MINUTES

Mr. Seelig moved to accept the minutes of the May 24, 2021 Board meeting, though he suggested an edit to the description of the Justice, Equity, Diversity and Inclusion discussion to add a statement made by Mr. Baser at that time regarding the need to "change hearts" in order to meet the goals of the initiative. Ms. Morrissey seconded the motion with the proposed edit, which was unanimously approved by roll call vote, except that Mr. Hanford had not yet joined the meeting.

PUBLIC COMMENT

Ms. Stuart-Buckley opened the meeting to public comment, and there were none.

COMMUNITY DEVELOPMENT

Mr. Leonard introduced the discussion of State Rental Housing Credits noting that these credits are often used in conjunction with “bond” credit transactions to provide increased equity for projects that would otherwise need “allocated” credits. He noted that there would be leftover State Rental Housing Credit and, in addition, State Homeownership Credit projects that would be brought to the next meeting of the Board.

Mr. Hanford joined the meeting at 9:10 am.

Each of the various sponsors for the projects applying for credits provided a short presentation regarding the nature and status of their projects:

Randolph House – Randolph

Ms. Iffland introduced the project noting the life safety issues (addition of a second elevator and repair of the existing elevator) and other improvements to be addressed in this age-restricted project. Mr. Slade reviewed the proposed financing for the project.

Depot Junction – Essex Junction

Mr. Braverman reviewed the project, noting that it was part of a master development in the center of Essex Junction that had already received most required approvals and would provide 43 new units of affordable housing consisting of studios up to 3 bedroom units. Mr. Slade noted that at this time the project was only requesting state tax credits and would return at a later meeting for bond financing once final designs had been determined. A general discussion ensued regarding the financial reasons why the project did not have any market units because of the state’s desire for mixed-income developments. In response to a question from Mr. Seelig, Mr. Braverman noted that the apartment designs did include space that residents could use for home offices.

Tuttle Block – Rutland

Ms. Cohen reviewed the project and the plans to convert some existing office space into 3 additional units. Mr. Moore noted that cost estimates had been received and were within budgeted amounts. Ms. DelGiudice reviewed the status of historic preservation approvals. There was a general discussion of the two commercial spaces that would remain in the project, and Ms. Cohen noted that one space had just been put under a two year lease and the other space had a long term tenant.

Staff Recommendation

Ms. Roush reviewed the Staff recommendations for various awards noting that the awards did not exceed the credits available. The recommendations also included approval for construction and permanent debt for certain projects. Mr. Slade noted that Depot Sq. and Randolph House required a waiver of the QAP mixed income requirement. He also noted that the developer of Depot Sq. did not currently have housing targeted toward persons who are homeless or at risk of homelessness but that it had included targeted units in this project, and that RACDC did not yet meet the minimum threshold for homeless units in its portfolio but had provided a plan to do so. Mr. Schrecker then advised that Staff recommended all three projects get the full amounts of credits and loans requested.

Mr. Seelig moved the staff recommendation as presented. Mr. Barnett seconded the motion which was unanimously approved by roll call vote except that Ms. Morrissey abstained.

Norton House (300 Pleasant St.) – Increase in Loan Amount and Bond Credits – Bennington

Mr. Schrecker reviewed the request for increased debt for this project. Ms. Lane noted that there had been significant cost increases that had not been originally budgeted when the project was initially approved last year and the project was also facing increased costs due to historic preservation requirements. Mr. Baser noted that the project pro forma indicated that it have negative cash flow early on, and there was a general discussion regarding the resources of the master lessee that would actually be operating the project (including its contracts with the State) and the nature of the pro form as a “stress test” that doesn’t necessarily reflect expected performance.

After further discussion, Ms. Clasen moved that the Board approve the Staff recommendations as presented. Mr. Barnett seconded the motion, which was unanimously approved by roll call vote, except that Ms. Rickard abstained and Mr. Baser voted no.

At this point, Mr. Hanford left the meeting.

Bardwell House & Lake Street Apartments – Increase in Loan Amount and Bond Credits – Rutland and St. Albans

Similar to above, this development has been previously approved and is back for an increased loan amount. Mr. Slade stated that the increased loan amount reflected an increase in the scope of work and the ability of the project to afford additional debt.

After further discussion, Mr. Clasen moved that the Board approve the Staff recommendations as presented. Mr. Barnett seconded the motion, which was unanimously approved by roll call vote.

WEATHERIZATION REVIEW

Mr. Flannery reviewed his presentation regarding VHFA’s discussions with various parties regarding acting as a financing source for weatherization projects for low- and moderate-income Vermonters financed through a tariff on meters, rather than a traditional loan program. Mr. Pulido, who has acted as consultant for VHFA, described the nature of the program and the current status of development. During a general discussion of the risks and benefits of the program, Mr. Seelig noted that in his experience with these programs, getting the incentives to the homeowners at an appropriate level is the key to getting their participation. Marginal overall savings costs would not be sufficient.

STAFF REPORT

Ms. Collins noted that profile of Mr. Seelig that had recently been published in Vermont Business magazine. She also noted at the state level that the special COVID assistance to house the homeless was ending and that the Agency needed to continue its work in making sure projects included units targeted to those who are homeless or are at risk of homelessness. Ms. Collins noted that the legislature had passed the housing bill that included a statewide rental registry and inspection system as well as funding for improvements to rental properties, though it is not certain at this point whether the Governor will veto that bill. Finally, she noted that she was hoping that the August Board meeting could be physically held at the Agency’s offices but that in doing so Staff wanted to make sure teleconferencing would also be available so that people from all over the state could attend without having to drive. Ms. Stuart-Buckley then congratulated Staff on the Agency being named one of the top 5 Places to Work in Vermont.

STRATEGIC PLAN UPDATE

Ms. Collins then reviewed her memo regarding action items that had been developed for reaching the various goals in the Agency's strategic plan. She noted that as the goals were developed Staff had noted some areas of the plan that needed to be edited for clarity and requested that the Board adopt the plan as amended. Mr. Leavitt moved that the Board adopt the plan as amended, and Ms. Rickard seconded the motion, which was unanimously approved by roll call vote.

HAF UPDATE

Mr. Demas reviewed the status of planning for the Homeowner Assistance Fund. He noted that the Treasury guidance needed for completing and submitting a HAF Plan to the Treasury had not yet been issued, so a special meeting may be required in July for that purpose. Meanwhile three public meetings had been held to gather input on uses for the Homeowner Assistance Fund and the Agency was in the process of choosing a vendor to develop a website and management system for the program.

JEDI UPDATE

Mr. Simmons opened the discussion on ways in which the Agency can improve the racial equity of housing outcomes for low- and moderate-income Vermonters. There was a general discussion during which Mr. Seelig noted the need to keep in mind the isolation of people of color in rural areas and noted the lack of housing generally for people of modest means. The Board also discussed a range of ideas, including requiring our partners to have their own diversity, equity and inclusion policies, the need to include people of color on the Board itself, and the possibility of increasing Board compensation to make serving on the Board more attractive.

FINANCE

Review of FY 2022 Budget

Mr. Flannery reviewed his memo, noting that during the last year the Agency has done well despite stresses both to the financial markets and to Staff associated with the pandemic. He noted that the biggest long term effect of the pandemic is the new programs the Agency is being tasked with developing and staffing (MAP, HAF and Weatherization). This is reflected in the FY 2022 budget in increased salary, benefits and other staffing expenses. Mr. Leavitt noted that the Audit Committee had reviewed the proposed budget and recommended it for approval by the full Board, and Mr. Seelig noted that the Human Resources Committee had supported the proposed budget as well. After a general discussion, Mr. Seelig moved that the Board adopt the FY 2022 budget as presented, and Mr. Baser seconded the motion which was adopted unanimously by roll call vote.

At this point, upon motion by Ms. Rickard, seconded by Mr. Barnett and unanimously approved by roll call vote, the Commissioners voted to go into Executive Session to discuss an employee evaluation at 12:23.

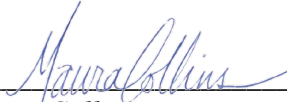
At 12:39 the Commissioners came out of Executive Session. Upon motion by Mr. Seelig, seconded by Mr. Leavitt and unanimously approved by roll call vote, the Board approved the Executive Director salary referenced in the FY 2022 budget.

Ms. Stuart-Buckley confirmed with Staff that Minutes of the meeting had been kept and would be posted to the Agency's website within five days.

ADJOURNMENT

Upon motion made by Mr. Barnett seconded by Mr. Clasen, and unanimously approved by roll call vote, the meeting was adjourned at 12:40 p.m.

I hereby certify that the foregoing is a true copy of the Minutes of the Vermont Housing Finance Agency Board of Commissioners meeting held on June 28, 2021. The Minutes were approved at a lawful meeting of the Commissioners held on August 30, 2021.



Maura Collins
Executive Director and Secretary
Vermont Housing Finance Agency