VHFA Board of Commissioners Meeting
Applegate Apartments
Bennington
Wilburton Inn
Manchester
November 2-3, 2017

VHFA Board Members Present:
L. Randolph Amis, Jill Rickard (designee for Michael Pieciak), Jeanne Morrissey, Michael Clasen (designee for Beth Pearce), Gus Seelig, Lamont Barnett, Tom Leavitt and Katie Buckley (designee for Michael Schirling) attended in person.

Staff Present:
Sarah Carpenter, Tom Connors, Dave Adams, Jacklyn Santerre George Demas, and Maura Collins.

Guests: Jennifer Hollar (VHCB), Stephanie Lane (Shires Housing), Jeff Goldstone (Goldstone Architecture), Jim Sullivan (Bennington Co. Regional Planning Commission), Michelle Adams (Kutak Rock), Melanie Lien (Piper Jaffray)

BOARD MEETING

NOVEMBER 2, 2017

Mr. Amis called the Board meeting to order at 10:47 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 meetings after July 1, 2014 had been posted on the Agency website not less than 5 days after the meeting.

Mr. Amis asked if anyone had any changes to the Agenda and there the order was adjusted.
Tour Applegate Apartments

Ms. Lane provided a description of the recently completed rehabilitation of the Applegate Apartments project. She notes that the work included energy improvements, such as new insulation and windows and a central biomass heating system. Mr. Seelig and Ms. Carpenter also provided historical background on Applegate and the other “Gates” – Northgate, Westgate and Highgate. The Commissioners toured the new heating plant, and Mr. Goldstone described the construction and installation of the new system.

Mr. Sullivan and Ms. Lane then led a discussion regarding the various housing issues particular to the Bennington region, including the high percentage of rental housing in the town of Bennington, the high number of seasonal housing in the “North Shire” part of the county, the high median age of residents and the lack of qualified workers to fill available jobs. Ms. Lane then reviewed various projects that Shires Housing was working on, including North Battenkill, East Branch Farms and the Putnam Block.

The Commissioners then toured by Shires Housing projects at Arlington Village Center in Arlington, VT and East Branch Farms in Manchester, VT, before gathering for the remainder of the meeting at the Wilburton Inn in Manchester, VT.

BOARD MINUTES
Mr. Clasen moved that the Board approve the October 5, 2017 Board of Commissioners Meeting Minutes. Mr. Seelig seconded the motion, which was approved unanimously, except that Mr. Leavitt and Mr. Barnet abstained.

PUBLIC COMMENT
Mr. Amis opened the meeting to public comment. No members of the public offered comment.

EXECUTIVE DIRECTOR REPORT
Ms. Carpenter reviewed her report and noted the status of the RFP on the Bond. She noted that the bids received in the RFP process for private placements of the bond were not as robust as the Staff had hoped, and that Morgan Stanley had provided an outline for a public offering that should generate more funds for the program than a private placement would. Therefore, Staff was going to move forward with a public issuance that would close in early to mid-December. She stated that she expected the Commissioners would need to meet the week after Thanksgiving to approve any required resolutions. Mr. Amis noted that the Commissioners did not object to this course of action, and that the Commissioners would look for a special meeting at the end of November.

DEVELOPMENT
Applegate Apartments – Increase in State Tax Credits
Mr. Erdelyi reviewed his memo. He noted that the additional state tax credit would make up in part for the loss of a source of USDA/RD funding that the project had been counting on but that
had turned out to have certain criteria the project could not meet. After discussion, Mr. Barnett moved that the Commissioners approve the proposed resolution, and Mr. Clasen seconded the motion, which was unanimously approved.

**FIRST QUARTER FINANCIAL REVIEW**
Mr. Connors reviewed his presentation regarding the Agency’s financial results in the first quarter of FY 2018. Mr. Connors noted that the Agency’s income included a large one-time payment from the settlement of a class action related to bidding for guaranteed investment contracts that had originally arisen a number of years ago.

The Commissioners then broke for dinner, and Mr. Amis noted that the meeting would continue at 8:30 the following morning.

**NOVEMBER 3, 2017**

The Board meeting continued commencing at 8:40 a.m. Staff, along with Melanie Lien from Piper Jaffray and Michelle Adams from Kutak Rock, presented information regarding the Agency’s single family home lending programs, including:

**How VHFA has changed its lending strategies**

**Future of VHFA’s single family home loan program**

**VHFA’s relevance in the market place**

The Commissioners engaged in a general conversation regarding these various topics, including the various changes in the mortgage markets that limit VHFA’s program choices, the need for down payment assistance and the various ways the Agency funds its down payment assistance program, the likelihood that in future the Agency will need to look at using variable rate debt as part of its bond issuances in order to keep down the interest rates required from mortgage borrowers, the ability of the Agency to present its case to the legislature for additional resources to support its single family and multifamily programs.

The Commissioners also engaged in a general discussion regarding the possible results of the federal tax reform proposals that had just been made in the US House of Representatives, and the advocacy that would be needed to protect the tools that the Agency uses to promote low and moderate income housing development.

Mr. Amis and the other Commissioners all then thanked Mr. Adams for all his hard work over the years on behalf of the Agency and its programs and wished him the best in his upcoming retirement.
ADJOURNMENT

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

Upon motion seconded and unanimously approved the meeting was adjourned at 2:07 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 November 2-3, 2017. The Minutes were approved at a lawful meeting of the Commissioners held at Burlington, Vermont on December 7, 2017.

Sarah E. Carpenter
Executive Director and Secretary
Vermont Housing Finance Agency