

Final - Draft Posted August 14, 2020

VHFA Board of Commissioners Meeting

Vermont Housing Finance Agency
Board Room
164 St. Paul St.
Burlington, VT
August 13, 2020

VHFA Board Members Present:

Commissioners: Gus Seelig (Vice Chair), Lamont Barnett, Scott Baker (designee for Beth Pearce), Josh Hanford (designee for Lindsay Kurrle), Fred Baser and Jill Rickard (designee for Michael Pieciak) (all attended by electronic means)

Staff Present:

Maura Collins, George Demas, Chris Flannery, Seth Leonard, Megan Roush, Bill Schrecker, Jacklyn Santerre, Brittany Gonda, Joshua Slade, Steve Gronlund, Leslie Black-Plumeau, and Michelle Baird (all attended by electronic means except that Mr. Demas was present at the meeting location)

Guests:

Cindy Reid (Cathedral Square), Joe Tait (Raymond James), Chris Snyder and Ken Braverman (Snyder Braverman Development Company), Robert Leuchs and Michael Monte (Champlain Housing Trust), Stephanie Lane (Shires Housing), and Nancy Owens (Housing Vermont and EverNorth) (all attended by electronic means)

BOARD MEETING

Mr. Seelig called the Board meeting to order at 9:07 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.

Mr. Seelig asked if anyone had any changes to the Agenda and there were none.

Mr. Seelig 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. Mr. Seelig noted that Commissioners would have to vote by roll-call since there were Commissioners participating by electronic means.

BOARD MINUTES

Mr. Barnett moved to accept the minutes of the June 22, 2020 Board meeting, and Mr. Baser seconded the motion, which was unanimously approved by roll call vote, except that Ms. Rickard was not present for the vote.

PUBLIC COMMENT

Mr. Seelig opened the meeting to public comment, and there were none.

CONSENT AGENDA

Mr. Barnett moved that the Board approve the Agency's issuance of the Mortgage Credit Certificate 2020 Program and Mr. Baker seconded the motion which was unanimously approved by roll call vote, except that Ms. Rickard was not present for the vote.

STAFF REPORT

Ms. Collins reviewed the report and noted that, as of Fall 2020, the Agency will be accepting applications for the next housing fellow and will be specifically reaching out to communities of color in an effort to support its diversity inclusion initiative.

Ms. Collins also commented that the Agency is following the State of Vermont's lead with respect to keeping its Agency office closed to the public through the end of 2020, due to the State of Emergency issued due to the COVID crisis. The Agency will continue to explore creative ways in which to keep staff connected while Agency employees continue to work remotely.

HOUSING VERMONT (EVERNORTH) BYLAW CHANGES

Mr. Demas introduced Ms. Owens with Housing Vermont and Evernorth, who updated the Board on the progress of combining Housing Vermont with the Northern New England Housing Investment Fund to create a new parent entity. Previously, the Agency consented to changes to remove the membership structure of Housing Vermont previously in place. Ms. Owens requested additional consent to a proposed change to the Bylaws of Housing Vermont to allow for Directors who are not Vermonters, and to allow for co-Chairs of the Board and Co-Presidents of the Board. This request will align the structure of the Housing Vermont Board of Directors and Management with the structure of Evernorth.

Ms. Owens also provided a general overview of the current state of the market for housing credits and noted that with interest rates so low, demand (and therefore pricing) for the credits is also low.

Mr. Baker moved to approve the request, and Mr. Hanford seconded the motion which was unanimously approved by roll call vote, except that Ms. Rickard was not present for the vote.

MORTGAGE ASSISTANCE PROGRAM UPDATE

Mr. Demas noted that the Mortgage Assistance Program (MAP), had received close to 250 applications to date since the July 13th start date, and anticipates using \$2 million of the total dollars allocated thus far. Currently, the Agency is working on obtaining final approval to use some of the grant fund towards past due property tax payments for mortgagors that don't otherwise pay into property tax escrows with their servicers, which would require some process changes to the Agency's application intake procedures.

Ms. Rickard joined the meeting.

DISCUSSION OF UPCOMING MORTGAGE REVENUE BOND ISSUANCE

Mr. Flannery reviewed his presentation on the various capital markets that affect the ability of the Agency to generate funding for its programs. Mr. Flannery noted that the COVID-19 Crisis has affected all of these markets as ultimately evidenced by lower interest rates, which benefits the Agency to the extent funding costs can be lowered, but also harms the Agency by reducing returns on investments and limiting the value of tax

credits. Mr. Flannery reviewed some funding structures that could act as an alternative to the standard bond refunding structures the Agency had used in the past and noted that Staff and the Agency's financial advisor were looking to determine the best options for the Agency in the near future.

COMMUNITY DEVELOPMENT

Homeownership Needs In Selected Communities

Ms. Black-Plumeau presented data pertaining to housing markets in the communities where the various credit applicants are located and statewide.

State Homeownership Tax Credits

Mr. Leonard Mr. Slade, Ms. Roush, and Mr. Schrecker presented a summary of five applications received from two sponsors for state home ownership tax credits.

Bright Street/Elmwood Ave: Mr. Slade reviewed the project and after discussion with the sponsor and the Board it was noted that the request for \$16,400.00 in state homeownership tax credits for this project should have been reduced to \$14,131.00.

East Branch Farms: Mr. Slade reviewed the history of the project and noted at this point all 20 units have been built with only one remaining to be sold, and that these credits would cover the final costs of the successful buildout.

Habitat Hinesburg Road: Mr. Schrecker reviewed the project and noted this is one of a series of homeownership projects that have been undertaken by Habitat for Humanity.

Malletts Bay Ave Condos: Ms. Roush presented this project. It was noted that initially Staff was not recommending approval of the requested credit due to cost and timing factors, but that the sponsor has requested that they receive at least a partial award in order to be able to secure funding through a New Markets Tax Credit investor who had recently contacted them. After a general discussion it was determined that the request would be for \$151,269.00 of credits, which would be the full amount of the remaining home ownership tax credits after approval of the other projects, but would still result in the sponsor needing to come back to the Agency for additional credit and provide more detailed information regarding the reasonability of projected project costs.

Mobile Home Loan Program: Mr. Slade noted that this program has been administered through Champlain Housing Trust statewide to replace old mobile home stock with newer, more energy efficient housing.

State Multifamily Rental Credits:

Mr. Slade and Mr. Schrecker noted that the Board had previously awarded \$400,000.00 in State Rental Housing Tax Credits to five multi-family projects in May 2020. One project was unable to move forward, and a State Credit award of \$50,000.00 was left unassigned. Since then, Staff has received three project applications for these remaining funds and is recommending Dover Place be awarded due to this project being the only one of which will meet all applicable requirements inclusive of the QAP threshold of 10% homelessness. In addition, this project was the most ready to proceed as it had no other open funding requests from other sources.

After a lengthy general discussion regarding the various projects, Mr. Seelig summarized the revised proposed awards of state homeownership credits as \$151,269.00 to the Malletts Bay project with the other project proposals being awarded as presented, except that the proposed award to Bright Street/Elmwood Ave. would be

reduced to \$14,131.00. Ms. Rickard moved to approve the state home ownership tax credits as described by Mr. Seelig. Mr. Barnett seconded the motion which was approved by roll call vote with Mr. Baker, Ms. Rickard, Mr. Barnett, Mr. Seelig voting yes and Mr. Baser voting no. Mr. Hanford was not present for the vote.

Mr. Seelig summarized the recommendation of a state rental credit award of \$50,000.00 for Dover Place. Mr. Baser moved to accept Staff recommendations to approve this award, and Mr. Barnett seconded the motion which was unanimously approved by roll call vote.

At 11:40 a.m., Mr. Hanford rejoined the meeting.

ADMINISTRATION

Ms. Black-Plumeau presented the Agency's take on mirroring its initiative to expand its efforts to become a more inclusive employer in the form of the Justice, Equity, Diversity and Inclusion (JEDI) Committee. Ms. Black-Plumeau noted the JEDI Committee will focus on three commitments: (i) improving diversity among board members, Agency leaders and staff, (ii) publicizing data on the different ethnic groups the Agency serves, and (iii) providing Agency homeownership and rental program information in languages other than English. The Committee is open to all Agency staff.

Mr. Seelig 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 by Ms. Rickard, and duly seconded by Mr. Baker and unanimously approved by roll call vote the meeting was adjourned at 11:57 a.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 August 13, 2020. The Minutes were approved at a lawful meeting of the Commissioners held at Burlington, Vermont on September 24, 2020.



Maura Collins
Executive Director and Secretary
Vermont Housing Finance Agency