VHFA Board of Commissioners Meeting
VHFA
164 St Paul Street
Burlington, VT
February 4, 2019

VHFA Board Members Present:
Commissioners Gus Seelig, Michael Clasen (designee for Beth Pearce), Jill Rickard (designee for Michael Pieciak), Josh Hanford (designee for Michael Schirling), Jeanne Morrissey, Lamont Barnett, Tom Leavitt and Fred Baser attended in person.

Staff Present:
Maura Collins, Tom Connors, George Demas, Jacklyn Santerre, Seth Leonard, Tom Kimball, Josh Slade, Michelle Baird, Lisa Clark, Steve Gronlund and Joe Erdelyi

Guests:
Amy Demetrowitz (CHT), Matt Moore (HV), Eileen Peltier (Downstreet), Dr. Mark Levine (VT Dept. of Health), Melanie Lien (Piper Jaffray), Joe Tait (Raymond James) and Greg Borys (Morgan Stanley)

BOARD MEETING
Mr. Seelig, acting as Vice Chair, called the Board meeting to order at 9:32 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. Seelig asked if anyone had any changes to the Agenda and there were none.

BOARD MINUTES
Mr. Barnett moved to accept the minutes of the January 10, 2019 Board meeting, and Mr. Clasen seconded the motion, which was unanimously approved, except Messrs. Seelig, Hanford, Leavitt and Baser abstained.

PUBLIC COMMENT
Mr. Seelig opened the meeting to public comment. No members of the public offered comment.
CONSENT AGENDA
Mr. Clasen moved that the proposed Annual Meeting Resolution be adopted as presented, and Mr. Barnett seconded the motion, which was unanimously approved.

STAFF REPORT
Ms. Collins reviewed the report and noted that on Friday, February 1, she and Mr. Leonard had met with Patrick Shattuck and the other senior staff at RuralEdge (Gilman Housing Trust) to review their plans for their portfolio to achieve financial stability. There was a general discussion of the issues facing that non-profit. In addition there was a general discussion regarding the prospects for an increase in the State Housing Tax Credits for down payment assistance that has been requested by the Agency.

DEVELOPMENT
*Chicken Bone Neighborhood Homes, Burlington*
Mr. Slade reviewed his memo regarding the project, and Ms. Demetrowitz and Mr. Moore responded to questions from the Commissioners regarding the proposed scope of work and the plan to continue upgrading the property in connection with unit turnovers in the coming years. Mr. Clasen moved that the proposed resolution for bond financing and state housing tax credits be approved. Mr. Barnett seconded the motion, which was unanimously approved.

*Wasserman Update*
Ms. Collins reviewed her memo regarding the steps the Agency has taken to respond to the Wasserman Report regarding the Agency’s relationships with its counterparts in developing and structuring multifamily financing.

OPIOID CRISIS RESPONSE
Dr. Levine provided a presentation regarding the nature and scope of the Opioid Crisis in Vermont and noted that one important issue for treatment is housing for those in recovery. Ms. Peltier then reviewed the effect of the crisis on housing providers and on the strategies being developed to create and finance “sober” and/or “recovery” housing. Ms. Peltier noted that a comprehensive report regarding the housing needs would be completed soon.

RECOGNITION FOR L. RANDOLPH AMIS AND DAGYNE CANNEY
Ms. Collins read out two resolutions, one recognizing the work of L. Randolph Amis, and one recognizing the work of Dagyne Canney, on the VHFA Board. Mr. Leavitt moved that the resolution recognizing Mr. Amis be adopted, and Mr. Barnett seconded the motion which was unanimously approved. Mr. Clasen moved that the resolution recognizing Ms. Canney be adopted, and Mr. Leavitt seconded the motion which was unanimously approved.

SINGLE FAMILY
*Fannie Mae Income Targeting*
Ms. Santerre reviewed her memo regarding the new income targeting goals set by FNMA for its Housing Finance Agency programs, and how those targets would affect VHFA. She noted that historically, VHFA has met the FNMA targets and is hopeful that the revised targets would be achievable, but that some programmatic changes might be considered in the future as a result.

At this point Mr. Leavitt left the meeting.
FINANCE

Swap Presentation
Ms. Lien reviewed her memo regarding the use of Swaps and variable rate debt to reduce the Agency’s overall bonding costs. She noted how the Agency Swaps had performed during the credit crisis, and stated that in the event the Agency used Swaps in future deals there were certain strategies, most importantly flexibility to prevent the Agency from getting locked into Swap relationships that are not profitable, that could be used to lower risks associated with Swaps. There was a general discussion regarding the benefits of Swaps, and the Commissioners requested the ability to review and approve any upcoming proposed bond structure that included variable rate debt and/or Swaps.

Bond Underwriter RFP
Mr. Connors reviewed his presentation, and provided a history of the Agency’s use of underwriters and reasons for issuing the current RFP. Mr. Connors stated that after carefully reviewing the many responses received in the RFP process, Staff recommended that (i) the Agency use a syndicate of three underwriters for each bond transaction – Raymond James, Morgan Stanley and JP Morgan and (ii) the three underwriters rotate as lead as Staff determined based on timing and on whether a particular underwriter entity has provided a particularly creative approach for an issuance, and (iii) UBS be included with the three underwriters in the selling group for the Agency’s bond issuances. Mr. Clasen moved that the Board adopt the Staff’s recommendation subject to final Staff negotiation of contracts and terms, and Ms. Rickard seconded the motion, which was unanimously approved.

2d Quarter Financial Results
Mr. Connors reviewed his presentation, and there was a general discussion regarding the Agency’s financial position.

BOARD REPORTING
Ms. Collins noted that the form of reports provided to the Board had not been changed in many years, and there was a general discussion regarding the form and types of reports the Commissioners might like to see in the future. Ms. Collins invited the Commissioners to contact her if there was anything they would like to see.

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 Mr. Barnett, duly seconded by Ms. Morrissey and unanimously approved, the meeting was adjourned at 2:30 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 February 4, 2019. The Minutes were approved at a lawful meeting of the Commissioners held at Burlington, Vermont on April 15, 2019.

Maura Collins
Executive Director and Secretary
Vermont Housing Finance Agency