

FINAL Minutes
Joint Committee on Tax Credits Meeting
Thursday, October 29, 2020
Vermont Housing Finance Agency
Board Room
164 St. Paul Street
Burlington, VT

Committee Members Present: Maura Collins, VHFA; Sarah Phillips, AHS Office of Economic Opportunity (Governor's designee); Josh Hanford, DHCD; Gus Seelig, VHCB; and Richard Williams, VSHA.

VHFA Staff Members Present: Seth Leonard, Josh Slade, George Demas, Megan Roush, Bill Schrecker, Brittany Gonda.

Public Present: Nancy Owens and Kathy Beyer, Evernorth; Brenda Torpy, Champlain Housing Trust; Cindy Reid, Cathedral Square; Jonathan Bond, HFI; Martin Hahn and Jennifer Hollar, VHCB; Erhard Mahnke, Vermont Affordable Housing Coalition; Rachel Batterson, Legal Aid; Michael Redmond, Upper Valley Haven

The Meeting was called to order at 1:04 p.m. by Ms. Collins.

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

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

Meeting Minutes:

Mr. Williams moved that the draft minutes of the August 13, 2019 meeting be approved. Mr. Hanford seconded the motion which was unanimously approved by roll call vote.

Proposed changes for 2022 QAP:

Mr. Leonard reviewed the process for developing the current revised version of the QAP. Mr. Leonard noted that certain changes were viewed by staff as being of a “consent” nature (i.e., not requiring significant discussion) while others would require in depth discussion. Staff would review “consent” items first, and if an item was deemed to require significant review, that item would be moved to the “discussion” items list.

Mr. Leonard noted that time had been scheduled for Nov. 10 in the event the Committee was not able to complete its review during this meeting.

Mr. Leonard noted that the various drafts of changes to the QAP that had been circulated publicly as well as written comments received had been posted to the VHFA website and were available for review prior to this meeting.

“Consent” Items

Ms. Roush reviewed certain “consent” items relating to updates to the Program Guidance and Priorities section of the QAP. These changes related to updating language to more closely reflect the language of the State’s Consolidated Plan, removal of language that made an exception to the per-project limit for projects “of significant statewide significance”, and increasing the maximum target for age-restricted housing to 30% of the total pool of available ceiling credits. The Committee discussed the criteria for projects that could obtain exceptions from the per project limit.

Mr. Schrecker then reviewed proposed changes to the requirements for Basis Boost. He noted that a number of changes were initially proposed that had been scaled back as a result of public comments. The Committee discussed the proposal to include formal language limiting Basis Boost to one project per ceiling credit round.

Mr. Slade reviewed proposed language to include formal recognition of the need to set aside credits to cover five percent award increases that Staff were permitted to make to the extent a project found itself in need of additional credits due to cost increases and the like.

Mr. Slade also reviewed proposed changes to limit transitional housing to “bond” credits and to include “anti-lobbying” language to encourage developers to direct communication regarding credit awards through Staff rather than approaching VHFA Board members directly. The Committee determined that these should be “discussion” items to be reviewed later.

Finally, Mr. Slade reviewed proposed changes relating to the pre-application meeting process and to include references to the Advanced Binding Commitment. There were no comments from the public or the Committee on these items.

Mr. Schrecker reviewed proposed changes to the description of “Historic Settlement Patterns”, to the definition of “transitional housing”

and to the subsidy layering review process. There were no comments from the public or the Committee on these items.

Ms. Roush then reviewed proposed changes to the application of the Universal Design Policy, cost analysis requirements and developer fees. There were no comments from the public or the Committee on these items.

Mr. Slade reviewed proposed changes to evaluation criteria relating to tenancy types and income diversity. Ms. Roush reviewed proposed changes to the public transportation evaluation criteria, and Mr. Schrecker reviewed proposed changes to language relating to property remediation and to the addition of a provision stating that developers who fail to provide features for which they received credit in evaluation of the projects for credits could have that used against them in connection with a subsequent application. There were no comments from the public or the Committee on these items.

“Discussion” Items

Ms. Roush reviewed a chart explaining how the weighting for various evaluation criteria in the QAP was being changed in the current revision.

Ms. Roush reviewed proposed changes to the criteria relating to site location and designation to include designated growth centers and new town centers but continue to prioritize designated downtowns and village centers and neighborhood development areas. There were no comments from the public or the Committee on these items.

Mr. Leonard noted that a late request had been made to align the language regarding “buffer” areas to match what was used by the state and regional planning commissions. After discussion, the Committee determined to leave the existing “buffer” language as-is.

Mr. Schrecker then reviewed a new criteria that had been added for targeting deep affordability in lieu of prior language that gave “checkmarks” to projects that received project based project based rental assistance. After a lengthy discussion it was determined that the language proposed might have unintended consequences, and that Staff should come back to the Committee at the next meeting with revised language. The Committee reflected staff should consider options of incentivizing deep affordability that considered the feasibility of the deepest affordability option, and the potential impact to demand of project based rental assistance.

Mr. Slade next reviewed a proposed new criteria that incentivized projects structured to operate with “hard” debt because such projects would be a method for creating affordable housing without using other scarce resources such as HOME or State housing trust fund dollars. There was a general discussion regarding the effect of this kind of incentive.

At that point the time had reached 5:00, and Ms. Collins noted that the remaining “discussion” items would be reviewed at the upcoming meeting of the Committee on November 10.

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

The meeting was adjourned at 5:04 p.m.