

**FINAL -- Draft Posted February 6, 2024**  
**VHFA Board of Commissioners Meeting**

Vermont Housing Finance Agency  
Board Room  
164 St. Paul St., Burlington VT  
February 5, 2024

**VHFA Board Members Present:**

Commissioners: Katie Buckley (Chair), Lindsay Kurrle, Emily Kisicki (designee for Kevin Gaffney), Mike Pieciak, Gus Seelig, Marie Milord-Ajanma and Tom Leavitt (attended in person); Jeanne Morrissey and Fred Baser (attended electronically)

**Staff Present:**

Maura Collins, Chris Flannery, Seth Leonard, George Demas, Megan Roush, Josh Slade, Olivia LaVecchia, Alyssa Peteani, Alejandro Flores-Howland, Alexis Carpenter, Chad Simmons, Kim Roy, Mia Watson

**Guests:**

Andy Miller (Summit), Patrick Shattuck, Nicola Anderson (Downstreet), Ben Sturtz, Matt Moore and Tyler LaBrie (Evernorth), Cindy Reid (Cathedral Square), Melanie Paskevich (NWWVT), Zach Hale (Hale Resources), Shannon Barsotti (Town of Bennington), David McManus and Evan Oleson (Delta), Brian Bannon (Town of Brattleboro), Dominic Cloud (City of St. Albans), David White (White & Burke), Skye Morse (M&S), Bill Niquette (Nedde Real Estate), Kristine Lott (City of Winooski), Karl Goetze (Efficiency Vermont), Richard Donnelly (VGS)

**BOARD MEETING**

Ms. Buckley called the Board meeting to order at 9:04 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. Buckley asked if anyone had any changes to the Agenda, and there were none.

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

**PUBLIC COMMENT**

Ms. Buckley opened the meeting to public comments, and there were none.

## BOARD MINUTES

Mr. Leavitt moved that the Board approve the minutes of the January 11, 2024 Board meeting. Ms. Milord-Ajanma seconded the motion, which was unanimously approved by roll call vote, except that Ms. Kisicki, Mr. Seelig and Mr. Pieciak did not vote.

## CONSENT AGENDA

Ms. Milord-Ajanma moved that the Board approve the proposed Auditor recommendation and updated Investment Policy as proposed by Staff. Ms. Morrissey seconded the motion, which was unanimously approved by roll call vote, except that Ms. Kisicki, Mr. Seelig and Mr. Pieciak did not vote.

## ANNUAL MEETING

In light of the coming retirement from the Board of Mr. Leavitt, Ms. Kurrle nominated Mr. Pieciak for Vice Chairman of the Board, and Ms. Morrissey seconded the motion. Ms. Kisicki then moved that the Board Approve the proposed Annual Meeting resolution with Mr. Pieciak nominated as Vice Chair. Ms. Milord-Ajanma seconded the motion which was unanimously approved by roll call vote.

## COMMUNITY DEVELOPMENT

### State Rental Credit Reallocation

Ms. LaVecchia reviewed the Staff memo regarding the process for reallocating state rental tax credits previously awarded for the City Place project, but which had been returned because the project was no longer moving forward in the form approved. Ms. LaVecchia noted that Hospital Heights, Kelley's Field II and Post Apartments had all applied for these state rental credits. Ms. LaVecchia reviewed the Hospital Heights request, and Ms. Peteani reviewed the requests from Kelley's Field II and Post Apartments. Ms. LaVecchia noted that Staff had recommended that all the returned credits be awarded to Kelley's Field II. After a general discussion, Mr. Seelig moved that the Board approve the proposed resolution awarding the credits to Kelley's Field II. Ms. Kurrle seconded the motion which was unanimously approved by roll call vote, except that Ms. Morrissey abstained.

### 32 Pageant Street, Bennington

Mr. Slade reviewed his memo describing the request for Middle Income funding for the 32 Pageant Street, Bennington homeownership project. Ms. Paskevich reviewed the project status and timeline. After a general discussion, Mr. Pieciak moved that the Board approve the proposed resolution regarding the project. Ms. Kurrle seconded the motion which was unanimously approved by roll call vote, except that Mr. Baser voted no.

### Fox Run, Berlin

Ms. Roush reviewed the Staff memo regarding proposed LIAC and VHIF permanent debt for the Fox Run project. Mr. Moore and Ms. Anderson described the current status of the project and its readiness to proceed. After a general discussion, Mr. Seelig moved that the Board approve the proposed resolution regarding the project. Ms. Kisicki seconded the motion which was unanimously approved by roll call vote.

### LIAC Update – Priority Economic Development Projects

Mr. Leonard reviewed his memo setting forth the various types of projects the Agency had been reviewing using LIAC funds loaned through the State Treasurer. He noted that of the initial \$50 million of proposed funding, the Agency had proposed that \$14 million be used for "priority economic development projects" which included projects that had a middle income housing component and involved community and/or commercial development aspects beyond housing alone. In addition, another \$6 million was to be used for "flood resiliency and sustainable innovation". Staff reviewed the various projects that had submitted proposals for use of the

“priority economic development” funding, including Benn High Redevelopment, Bennington; Delta Campus, Brattleboro, Fonda Site, St. Albans; Lofts and Park Street, Springfield; Putnam Block 2, Bennington; and Winooski Falls East, Winooski. Representatives from each project provided background on each.

Mr. Leonard noted that at this time projects were not being presented for final loan approval and that the projects would need to come back to the Board for approval before any funding would be made. Staff was bringing these projects to the Board for an initial sorting to determine which ones had initial support from the Board to move forward for structuring.

Mr. Leonard reviewed the Staff recommendation to move forward with the requests for funding for Benn High, Delta Campus, Fonda Site, and Winooski Falls East, it being understood that in order to fund all of these requests (assuming they all come to fruition), Staff would use not only the “priority economic development” category funds, but could also tap into the “flood resiliency and sustainable innovation funds” category funds. Additional funding from the Treasurer may be required to accomplish all projects.

Staff determined that having funds separately categorized for “flood resiliency and sustainable innovation” was unnecessary given that all the projects were doing innovative things, and pure flood resiliency infrastructure was not in the nature of projects that could be funded with LIAC.

After a general discussion, Mr. Seelig moved that the Board approve the Staff proposal to move forward on deal structuring with the four recommended projects. Mr. Leavitt seconded the motion which was unanimously approved by roll call vote.

#### *Proposed Underwriting Guideline Updates*

Staff directed the Board members to the memo included in the Board packet and advised that a final set of updated Underwriting Guidelines would come before the Board at a later date after further public discussion.

### **ENERGY EFFICIENCY PRESENTATION**

Messrs. Goetze and Donnelly reviewed various energy efficiency technologies, including heat pumps and geothermal, and Ms. Watson reviewed incentives coming under the Inflation Reduction Act that could be available to affordable housing developers.

The meeting then broke for lunch after which Ms. Buckley read a commemorative resolution marking the retirement of Mr. Leavitt and thanking him for his service to the Agency.

### **MULTI-FAMILY CREDIT RISK DISCUSSION**

Mr. Flannery reviewed his memo regarding Agency credit risks in its multi-family lending portfolio, and how they have changed as the Agency has expanded out from traditional first priority construction and permanent loans for tax credit projects developed by a fairly consistent group of developers, to other types of loans and grants using various sources that have become available, including LIAC funds. Mr. Flannery notes that these changes have resulted in the Agency changing its loan reserve policies to be based less on portfolio-wide risks and more on risks associated with each project.

## **POLICY DISCUSSION**

The Commissioners entered into a general discussion of various topics including the need to gather experience information for developers on any new technologies they have tried, efforts to promote panelized and other manufacturing technologies to reduce building costs, supply chain issues affecting development timelines and the impacts of Build America/Buy America requirements on project budgets.

Ms. 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 Ms. Kurrle, seconded by Mr. Seelig and unanimously approved by roll call vote, the meeting was adjourned at 2:37 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 5, 2024. The Minutes were approved at a lawful meeting of the Commissioners held on March 13, 2024.*



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*Maura Collins*  
Executive Director and Secretary  
Vermont Housing Finance Agency