

**FINAL – Draft Posted October 18, 2024**  
**VHFA Board of Commissioners Meeting**

Vermont Housing Finance Agency  
Millstone Hill Celebration Barn  
29 Little John Road, Orange VT  
October 15, 2024

**VHFA Board Members Present:**

Commissioners: Katie Buckley (Chair), Michael Pieciak, Gus Seelig, Lindsay Kurrle, Emily Kisicki (designee for Kevin Gaffney), Marie Milord-Ajanma, Jeanne Morrissey, Chris Gomez, Fred Baser (all attended in person).

**Staff Present:**

Maura Collins, Chris Flannery, George Demas, Jacklyn Santerre, Leslie Black-Plumeau, Kim Roy, Sheila Dodd, Megan Roush, Josh Slade, Alyssa Peteani, Olivia LaVecchia, Chris MacAaskill

**Guests:** Dan Caputo (HTRC), Zak Hale (Hale Resources), Dave Ormiston (TPHT), Elizabeth Nickerson

**BOARD MEETING**

Ms. Buckley called the Board meeting to order at 8:40 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 persons 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 the meeting was being held in a hybrid fashion, that a recording of the meeting was being made and would be posted for public access.

**HOUSING NEEDS ASSESSMENT**

Ms. Black-Plumeau reviewed her presentation on the recently completed Statewide Housing Needs Assessment prepared in accordance with HUD requirements. Ms. Black-Plumeau noted that the Assessment found that there is a significant shortage of housing throughout the state, that lower income groups and renters and the hardest hit by this shortage, the Vermont housing stock is continuing to age and that there is a significant need for service enriched housing. She pointed the Commissioners to the full study at [www.housingdata.org](http://www.housingdata.org) for county by county details. The Commissioners engaged in a discussion of what additional steps Staff could take for the Agency to help resolve some of these issues. They discussed the general need for housing of all types and ways the Agency could look at areas where there is capacity for additional development (for example, areas with unused water/sewer capacity).

## **HOMEOWNERSHIP**

Ms. Santerre provided a review of the work of the Agency's Homeownership department. She noted that the Agency does not make loans directly to consumers, nor does it purchase loans. The Agency's role is to provide certain benefits to lenders that allow for pricing on loans to qualifying consumers to be below market rates. The loans are then insured/secured through various federal agency program and bought into the Agency's bond pools. As a result the Agency has seen an increase in production in the last few years since commercial mortgage rates have become so high. Ms. Santerre also reviewed the Agency's Downpayment Assistance and First Generation Homebuyer programs that assist qualified consumers who are getting VHFA qualified loans to also receive either a loan or grant to help with downpayment costs. As a grant program targeted to those who don't have a history of homeownership in their families, the First Generation Homebuyer program has brought in more members of Vermont's Black, Indigenous, and People of Color (BIPOC) population to VHFA programs than we have historically seen. The Commissioners then entered into a general discussion of any additional steps the Agency could take to improve the homeownership rate of members of the BIPOC community in Vermont given that the Black homeownership rate in Vermont is 28% compared to a national rate of 41% and a white rate of 70%. Continued outreach to organizations that work within those communities to increase awareness of resources available, increasing availability of single family homes for first-time buyers generally and expanded credit counseling were all discussed.

## **MULTIFAMILY DEVELOPMENT**

Ms. Roush reviewed current issues affecting multifamily development, including cost increases and supply bottlenecks (though those have eased recently), lack of supply and quality of contractors and tradesmen, and cost issues specific to subsidized affordable housing projects due to public policy requirements. Ms. Roush noted the steps the Agency has taken along with the other funding agencies in the state to coordinate and simplify application processes, analyzing project designs and specs for cost savings, tracking costs and benefits of top tier policy priorities so that those priorities can be adjusted if needed. The Commissioners entered into a general discussion of the tension between deeply subsidizing projects to meet multiple policy goals in ways that reduce total number of units produced using public funding versus providing shallower levels of subsidies that could create a greater number of units but at the expense of certain public policy goals. The Commissioners noted that more non public actors needed to be brought into the process to increase housing availability.

## **ASSET MANAGEMENT AND COMPLIANCE**

Ms. Roy summarized the Agency's compliance review activities with respect to projects for which the Agency provides tax credits and/or loan financing. She noted that per unit operating costs in the projects have increased substantially since 2022, but because the projects are limited in the amount by which they can increase rents, a higher number of projects are facing cash flow issues than usual. In addition, project management capacity has been reduced by lack of available staff and staff burnout due to difficult conditions related first to the COVID pandemic and also the effects of increases in the population of tenants needing significant mental health and substance use support. This has led to issues with meeting documentation requirements, filing deadlines and inspection schedules.

The Commissioners then entered into a broader discussion regarding the prior presentations and the Agency's programs generally, including the Agency's weatherization assistance (WRAP) program and involvement in the solar for all program, a discussion of the QAP revision process and whether changes to incentivize projects using the HUD 202 program would be appropriate, the need to encourage building of entry-level homes and condominiums, mergers and consolidations in the nonprofit developer network, and other topics. Generally, the Commissioners agreed that the State housing funding bodies should be focused on generally increasing the total number of housing units available, incentivizing mixed income projects, working with the housing managers to encourage best practices and make sure they are earning what they need to provide strong management at each

project, and highlighting to the public and to policymakers the amount of housing dollars that are used for non-housing costs.

## **PUBLIC COMMENT**

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

## **BOARD MINUTES**

Mr. Seelig moved that the Board approve the minutes of the September 12, 2024 Board meeting. Mr. Pieciak seconded the motion, which was unanimously approved, except that Ms. Kurrle and Ms. Morrissey abstained.

## **CONSENT AGENDA**

Mr. Seelig moved that the Board approve the proposed resolution regarding termination of the BNY Swap. Mr. Gomez seconded the motion, which was unanimously approved.

## **COMMUNITY DEVELOPMENT**

### 133 Forest Street, Rutland

Mr. Slade reviewed his memo regarding the status of the project and the need for LIAC funding and introduced Mr. Caputo who reviewed the project timeline. After a general discussion, Ms. Kurrle moved that the Board approve the proposed resolution for the LIAC funding. Mr. Baser seconded the motion, which was unanimously approved.

### Benn High Condominium 1 (LIHTC) and Condominium 2 (NMTC)

Mr. Gomez noted in advance of the discussion of this project that Mr. Hale, a principal of the developer, is also a member of the voluntary advisory audit committee for Heritage Family Credit Union of which Mr. Gomez is President/CEO. Mr. Gomez did not believe this relationship created a conflict of interest and would participate in the discussions surrounding the project as the Heritage Family Credit Union was not involved in any funding for the project.

Ms. LaVecchia introduced Mr. Hale to review the status for both the LIHTC and NMTC condos of the project, and the funding structures for each of the two condominiums. Mr. Hale also discussed the history of the site, the surrounding neighborhood, the various extraordinary costs relating to flood mitigation, environmental mediation, historic preservation and energy that have resulted in the comparatively high cost per unit of the homes in the project.

After a general discussion, Ms. Kisicki moved that the Board approve the proposed resolution regarding the loans and tax credits for Benn High Condominium 1 (LIHTC). Ms. Kurrle seconded the motion, which was unanimously approved.

At this point Ms. Kisicki left the meeting.

After further discussion, Mr. Gomez moved that the Board approve the proposed resolution regarding the LIAC loan for Benn High Condominium 2 (NMTC). Ms. Morrissey seconded the motion, which was unanimously approved, except Mr. Pieciak was not present during the vote.

### Mellishwood, Woodstock

Ms. Peteani reviewed her memo regarding the status of the project and introduced Mr. Ormiston who reviewed the request for the Board's acceptance of the project's meeting the Vermont high efficiency standard in lieu of

passive home standards in its energy use. There was a general discussion of the costs versus benefits of passive house certification versus Vermont's high efficiency standards and whether the "checkmark" for passive house certification should be used in the Qualified Allocation Plan. After further discussion, Mr. Seelig moved that the Board approve the acceptance of compliance with the Vermont high efficiency standard in lieu of passive house certification for the project. Mr. Baser seconded the motion, which was unanimously approved.

*FY 2024 Financial Review and Acceptance of FY 2024 Audit*

Mr. Flannery reviewed the results of the Cohn Reznick FY 2024 Audit and Uniform Guidance Report, which had been presented to the Audit Risk Committee on October 9. Mr. Pieciak noted that the Committee recommended that the Board accept the Audit and Uniform Guidance Report as presented. Upon motion by Mr. Seelig, seconded by Ms. Morrissey the Board voted unanimously to accept the FY 2024 Audit and Uniform Guidance Report.

Mr. Flannery then reviewed the financial results of the Agency for FY2024 and noted that the Agency continued to increase its core operating income over prior years due in large part to a favorable interest rate environment which increased returns on Agency investments and which made interest rates on Agency financial products attractive to borrowers. He noted that as overall interest rates begin to decline, he did not expect that the Agency would be able to continue to increase its operating income at the same rate. Mr. Flannery also noted that future revenues could be affected by recently adopted changes to the Agency's reserve policies and costs of management of new programs. Mr. Flannery noted that the Agency would transfer \$470,000 (10% of its core net operating income) to the HIVE fund for use in financing eligible projects.

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 along with the recording of the meeting.

**ADJOURNMENT**

Upon motion made by Mr. Gomez, seconded by Ms. Kurrle and unanimously approved, the meeting was adjourned at 4:40 pm.

*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 October 15, 2024. The Minutes were approved at a lawful meeting of the Commissioners held on November 7, 2024.*



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Maura Collins  
Executive Director and Secretary  
Vermont Housing Finance Agency