



VERMONT HOUSING FINANCE AGENCY

RICHARD W. LINCOLN
Executive Director

RICHARD A. MYETTE
Chairman

AGENDA

Commission Meeting of the Vermont Housing Finance Agency
January 12, 1976
3:30 p.m.
Smith Bell & Thompson, Inc.

1. Appointment of temporary secretary
2. Approval of the minutes of November 21, 1975 Commission meeting and January 6, 1976 conference call
3. Final review and approval of the Housing Needs Analysis
4. Approval of Haskins and Sells annual audit
5. Budget review
6. Discussion of legislative goals
7. Discussion of feasibility and timing for future mortgage programs
8. Any other business to come before the Commission



VERMONT HOUSING FINANCE AGENCY

RICHARD W. LINCOLN
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE NOVEMBER 21, 1975 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Commissioners Bruley, Guest, Hackel, Shaw
Webster, Acting Director Fiske, Ms. Detora and Ms. Gillis

The meeting was called to order by Chairman Myette at 3:25 p.m. On motion of Commissioner Shaw and duly seconded by Commissioner Hackel, the minutes of the September 3, 1975, commission meeting and the October 24, 1975, conference call were approved.

Chairman Myette presented the Housing Needs Analysis and a discussion of some of the Tables ensued. Chairman Myette asked for a thorough reading by the Commission and suggestions to follow prior to the December 4, 1975, Commerce Committee meeting. Ms. Gillis discussed the methodology and sources that she, consultant Hunt and consultant Collin used to arrive at the conclusions in the analysis.

Ms. Detora discussed the progress of the Mortgage Purchase Program. It was noted that one of the participants, Vermont National Bank, due to a slow start and minimal progress would not be selling mortgages to the Agency on December 1, 1975. The \$500,000 shortfall that this would create would be split up and offered to the other banks that were prepared to sell extra mortgages. Vermont National Bank would then sell their entire share of mortgages to the Agency on June 1, 1976.

Acting Director Fiske discussed the effect of a possible shortfall or overage in connection with the expected \$6,800,000 (half of the \$13,600,000 program that the Agency required the banks to be prepared to sell). On motion of Commissioner Shaw and duly seconded by Commissioner Hackel it was decided that a.) funds not used as of the December 1, 1975 closing be used to purchase additional mortgages and b.) \$3,000,000 maturing on November 28, 1975 be invested in a Repo to mature December 1, 1975.

Acting Director Fiske requested a decision concerning a depository for the Mortgage Purchase Program. He explained the method of billing used by the Agency's present trustee when making investment transactions. The cost is \$20.00 per transaction. He felt it would be less expensive to have the depository deal with the investments as much as possible. On motion of Commissioner Webster and duly seconded by Commissioner Guest, Chairman Myette and Acting Director Fiske are authorized to investigate and select a depository. Immediately following approval the temporary secretary would insert a copy of the resolution in the minutes book. The Commission agreed that a Vermont bank would be a preferable choice.

(November 21, 1975 continued)

Chairman Myette presented the annual audit prepared by Haskins and Sells from Boston, Massachusetts. Chairman Myette suggested that the Commission read and review the audit and approve it at the next meeting. Commissioner Hackel questioned the use of an out-of-state firm and Chairman Myette explained that one of the top national firms was needed to lend credibility to the bonds.

Chairman Myette discussed the applications and resumes he has received for the position of Executive Director. He suggested that the Agency hold off from making a decision until the Agency better knows where it stands with respect to pending legislation. Chairman Myette discussed the future of S-87, and suggested the possibility of requesting the House to raise the Agency's bonding power for multi-family to \$10,000,000; \$5,000,000 more than is presently called for in the bill. Commissioner Hackel recommended that it would be safer to stay with the \$5,000,000 figure rather than jeopardize the entire bill. The rest of the Commission agreed.

Ms. Gillis discussed the annual report and quoted various printing figures. Commissioner Guest suggested that an elaborate cover or text would perhaps be considered extravagant by some of the legislators. All present agreed that a fairly impressive but modest production was necessary as positive advertising.

Chairman Myette discussed Section 8 funds. Instead of HUD allocating all powers to one agency, he felt the three agencies interested, VHA, VHFA, and DCA, could incorporate their respective expertise and work together on the program. He suggested that VHA could develop feasible projects, VHFA could provide the financing and DCA could deal with the planning aspect of the program and the allocation of funds.

There being no further business, the Commission adjourned at 5:35 p.m.

Prepared by,

Respectfully submitted,

Jain Detora
Jain Detora



VERMONT HOUSING FINANCE AGENCY

RICHARD W. LINCOLN
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE JANUARY 6, 1976 COMMISSION MEETING

OF

THE VERMONT HOUSING FINANCE AGENCY (CONFERENCE CALL)

PRESENT: Chairman Myette; Commissioners Shaw, Hackel, Guest, Webster, and Alexander; Lee C. Fiske, Outgoing Acting Executive Director; Jain Detora, Mortgage Program Supervisor and Temporary Secretary

A special meeting of the commissioners of the Vermont Housing Finance Agency was called to order by Chairman Myette on January 6, 1976, at 2:00 p.m.

Upon motion duly made, seconded and unanimously adopted, Jain Detora was chosen Temporary Secretary for the meeting.

Chairman Myette indicated the necessity for the Agency to secure a safe deposit box. Upon motion duly made, and seconded, the following resolution was unanimously adopted:

Resolved:

That Chairman Myette and Mortgage Program Supervisor Detora be and hereby are authorized to secure, by rental agreement with The Merchants Bank, Burlington, Vermont, a safe deposit box.

That Chairman Myette and Mortgage Program Supervisor Detora be and hereby are designated as the persons to have access to the safe deposit box.

That Chairman Myette be, and hereby is, authorized to certify this resolution to The Merchants Bank.

The meeting then proceeded to a discussion of the Agency banking activities. After discussion and on motion duly made and seconded, the following resolution was unanimously adopted:

(January 6, 1976 continued)

Resolved:

That the funds of this Agency deposited with The Merchants Bank be subject to withdrawal upon checks, notes, drafts, bills of exchange, acceptances, undertakings of other orders for the payment of money when signed on behalf of this Agency, when the amount exceeds \$200.00, by both the following officers, to wit:

Richard A. Myette
Jain H. Detora

Chairman
Mortgage Program Supervisor

Resolved:

That the above bank, is hereby authorized to pay any such orders and also to receive the same for credit of or in payment from the payee or any other holder without inquiry as to the circumstances of issue or the disposition of the proceeds even if drawn to the individual order of any signing officer or tendered in payment of his individual obligation.

That the foregoing powers and authority will continue until written notice of revocation has been delivered to the above bank.

Resolved:

That the Chairman of this Agency be and is hereby authorized to certify to the above bank, the foregoing resolution and that the provisions thereof are in conformity with the Vermont Housing Finance Agency Act and the bylaws of this agency.

Chairman Myette then announced receipt of Lee. C. Fiske's resignation as Acting Executive Director effective December 31, 1975. Upon motion duly made, seconded and unanimously adopted, Mr. Fiske's resignation was accepted with regret.

Chairman Myette suggested that a commission meeting be scheduled for mid-January, 1976, at the offices of Smith Bell and Thompson, Inc. January 12, 1976, at 3:30 p.m. was agreed upon.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously adopted, the meeting was adjourned.

Respectfully submitted,

Jain H. Detora
Jain H. Detora,
Temporary Secretary



VERMONT HOUSING FINANCE AGENCY

RICHARD W. LINCOLN
Executive Director

RICHARD A. MYETTE
Chairman

AGENDA

Commission Meeting of the Vermont Housing Finance Agency
February 27, 1976
3:00 p.m.
Smith Bell & Thompson, Inc.

1. Approval of the minutes of the January 12, 1976, Commission meeting
2. Progress report of S-87
3. Discussion of agreement between the Vermont State Housing Authority and Vermont Housing Finance Agency
4. Discussion of how the Agency will interface with the Vermont State Housing Authority and HUD in the production of multi-family housing
5. Discussion of possible new Mortgage Purchase Program and/or Loans to Lenders Program
6. Discussion of servicing of present Mortgage Purchase Program
7. Any other business to come before the Commission



VERMONT HOUSING FINANCE AGENCY

RICHARD W. LINCOLN
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE JANUARY 12, 1976 COMMISSION MEETING

OF

THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Commissioners Shaw, Hackel, Guest and Alexander, Ms. Gillis and Ms. Detora

Upon motion duly made, seconded and unanimously adopted, Jain Detora was chosen Temporary Secretary for the meeting.

The meeting was called to order by Chairman Myette at 3:45. On motion of Commissioner Shaw and duly seconded by Commissioner Guest, the minutes of the November 21, 1975 Commission meeting and the minutes of the January 6, 1976, conference call were approved as amended.

Asked by Chairman Myette to discuss the progress of the annual report, Ms. Gillis displayed the tentative layout and photographs. Commissioner Hackel suggested that the chosen cover photograph, that of a fairly dilapidated house, was too negative and did not represent the positive work the Agency has achieved or the type of home it has helped people in the State of Vermont purchase. Commissioner Hackel suggested using a photograph of an actual home purchased through the Agency. Suggestions were made concerning the Table of Contents, the Letter of Transmittal, Table of Housing Needs, terminology, titles and subtitles. Ms. Gillis then quoted the price for printing the report. The best quote received, from Offset House, was \$275.00 for 300 copies. Everyone agreed that it was a very fair price.

Ms. Gillis next discussed the progress of the housing needs report. She mentioned that the State Planning Office had requested that the Agency use the Department of Health population figures instead of theirs. Several Commissioners asked Ms. Gillis how she and Mr. Hunt arrived at a few of the final figures. She explained the methodology used to arrive at their conclusions. Commissioner Shaw, after stating that it would be impossible for the Commission to approve the report simply by reading it without checking all the worksheets and arithmetic involved, suggested that the Commission stand behind the conclusions substantiated by Mr. Hunt, Ms. Gillis and Chairman Myette. On motion of Commissioner Guest, duly seconded by Commissioner Shaw, it was decided that the housing report would be approved and made ready for release as of Friday, January 16, 1976. Commissioner Guest suggested that at least 200 copies be ordered and that persons or organizations other than those involved in representing housing related programs be requested to pay for the report.

(January 12, 1976, continued)

There was a discussion concerning authorized signatures for mortgage discharges, assignments, endorsements of mortgage notes, releasing of collateral and the execution of other related documents in connection with the Loans to Lenders Program, the Mortgage Purchase Program and any future programs that the Agency may enter into. Upon motion, duly seconded and unanimously approved, Jain Detora, Mortgage Program Supervisor and Richard A. Myette, Chairman, were thereby authorized to execute said documents on behalf of the Agency.

On motion of Commissioner Shaw and duly seconded by Commissioner Hackel, the annual audit performed by Haskins and Sells and distributed at a previous meeting was approved.

Next Chairman Myette and Ms. Detora discussed the year-to-date budget. On motion of Commissioner Shaw and duly seconded by Commissioner Alexander, the budget revision was approved.

Chairman Myette informed the Board of his pending meeting with the Governor regarding the differences that have developed with the State Housing Authority and the selection of which agency should be the HUD designee for the Section 8 Set Aside Program.

Some discussion took place about the Agency initiating another Mortgage Purchase Program in the very near future. Commissioner Shaw suggested that the Commission wait until the next monthly meeting to determine whether another program was necessary due to the fact that Vermont banks at present had sufficient mortgage capital.

There being no further business, the Commission adjourned at approximately 6:15 p.m.

Respectfully submitted,

Jain H. Detora
JAIN DETORA



VERMONT HOUSING FINANCE AGENCY

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RICHARD A. MYETTE
Chairman

AGENDA

Commission Meeting of the Vermont Housing Finance Agency

April 26, 1976

3:00 p.m.

Smith Bell & Thompson, Inc.

1. Appointment of temporary Secretary
2. Approval of the minutes of the February 27, 1976 Commission meeting
3. Presentation of statistical survey prepared for 280 mortgages bought by the Agency on December 1, 1975
4. Explanation of portfolio purchase by Andrew Gurley of First Boston Corporation, New York
5. Discussion by Consultant Hunt of the implementation of the S-87 multifamily housing program as recently passed by the legislature
6. Discussion of possible new Mortgage Purchase Program and/or Loans to Lenders Program
7. Any other business to come before the Commission



VERMONT HOUSING FINANCE AGENCY

RICHARD W. LINCOLN
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE FEBRUARY 27, 1976 COMMISSION MEETING

OF

THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Commissioners Alexander, Bruley, Hackel, and Shaw, Consultant Hunt and Ms. Detora

Upon motion duly made, seconded and unanimously adopted, Jain Detora was chosen Temporary Secretary for the meeting.

The meeting was called to order by Chairman Myette at 3:10. On motion of Commissioner Alexander and duly seconded by Commissioner Bruley, the minutes of the January 12, 1976, Commission meeting were approved as amended.

Consultant Hunt briefed the Commission as to the progress of S-87 in the House Commerce Committee. He explained that there was a fear on the part of VSHA that S-87 would usurp their powers and that in an effort to alleviate this fear a cooperative agreement between the two agencies was drafted but not signed.

Consultant Hunt and Chairman Myette discussed their indication to the Commerce Committee that VHFA would be financing primarily elderly housing and that this would be acceptable to HUD providing that 20% of the total Section 8 set-aside for the State was used for family housing. It is anticipated that VSHA, through the existing Section 8 Housing Program could meet this 20% requirement, thereby freeing VHFA to finance primarily for the elderly.

Chairman Myette indicated that the "farm" portion of the bill had been deleted and referred to the House Agricultural Committee for their action.

Chairman Myette discussed his intention of traveling to Washington in the following week to discuss the implications of S-87 with the HUD central office staff.

Chairman Myette asked the Commission for their feelings concerning the implementation of a new Mortgage Purchase Program and/or Loans to Lenders Program by late spring or early summer as it is expected that the

(February 27, 1976, continued)

bond interest rates will increase in the latter part of the summer. Chairman Myette read a letter from Mr. Gurley of the First Boston Corporation concerning the feasibility of doing a combination of the two programs. Commissioner Shaw indicated that he was not sure of the need for a program at this time, but would have a better idea by May 1st. Commissioner Hackel suggested that the Commission wait a while and discuss it again at the next Commission meeting.

Ms. Detora asked the Commission for their ideas concerning the necessary monitoring of the servicing for the Mortgage Purchase Program. Commissioner Hackel suggested that Ms. Detora contact Gerald Jingro or Dorothy Morrell at the State Treasurers Office to discuss and/or observe the methods used by them for monitoring the same type of program. It was decided that Commissioner Shaw and Ms. Detora would arrange a meeting in Montpelier in the near future and report back to the Commission.

There being no further business, the Commission, on motion of Commissioner Hackel and duly seconded by Commissioner Shaw, adjourned at approximately 4:30 p.m.

Respectfully submitted,



JAIN H. DETORA



VERMONT HOUSING FINANCE AGENCY

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RICHARD A. MYETTE
Chairman

AGENDA

Commission Meeting of the Vermont Housing Finance Agency
May 13, 1976
3:00 p.m.
Smith Bell & Thompson, Inc.

1. Appointment of Temporary Secretary
2. Approval of the minutes of the April 26, 1976, Commission meeting
3. Formal approval of the appointment of a new Executive Director
4. Discussion of the staffing requirements and funding possibilities
5. Continuation of discussion of Multifamily Housing Program
6. Continuation of discussion of Single Family Housing Program
7. Discussion of the requested approval from the Vermont State Housing Authority concerning their proposed projects
8. Discussion of new projects



VERMONT HOUSING FINANCE AGENCY

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RICHARD A. MYETTE
Chairman

MINUTES OF THE APRIL 26, 1976, COMMISSION MEETING

OF
THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Commissioners Alexander, Bruley, Guest, Hackel, Shaw, and Messrs. Altura, Dietrich, Gurley, Hunt, and Ms. Detora

Upon motion duly made, seconded and unanimously adopted, Jain Detora was chosen Temporary Secretary for the meeting.

The meeting was called to order by Chairman Myette at 3:15. On motion of Commissioner Shaw and duly seconded by Commissioner Alexander, the minutes of the February 27, 1976, Commission meeting were approved.

Mr. Hunt discussed a letter received from BEAM inquiring as to our interest in acquiring new office space in the Firehouse Building. The Board decided that the space offered did not represent a significant improvement over the present space and authorized Mr. Hunt to send a letter back to BEAM thanking them for their interest but declining acceptance of offered space.

Mr. Hunt informed the Board that a letter received from the National Copyright Office indicating that because we had published the Housing Survey without a prior copyright approval, we were no longer eligible for copyright consideration on the survey.

Chairman Myette then requested Mr. Hunt to discuss the implementation of the Multifamily Housing Program as authorized by the legislature this past March. Mr. Hunt basically explained the final legislation, pointing out the two critical criteria. The first was that any mortgages made for family housing must be FHA insured or carry other types of security. The second is that the Vermont State Housing Authority will receive the Section 8 set-aside but cannot proceed with any projects nor file any more applications without the approval of the Vermont Housing Finance Agency. Mr. Hunt indicated that several projects have been submitted to the Agency by John Collar of the Vermont State Housing Authority, requesting our approval. These projects were prompted by the indication from HUD that more Section 8 funds were available to the State than previously thought. The Board indicated that it could not take any action on these applications until given further and more certain information by the Vermont Housing Authority.

Mr. Hunt then indicated that there were several problems involved with implementing the multifamily housing legislation. The first involves the need to hire additional staff to implement the program. The reason for this is that there would not be as much bank involvement in the processing of the mortgages as there is in the single family program. The Agency would make a direct loan to the sponsor of a multifamily project, rather than going through the bank. The bank would be involved in providing the interim construction financing necessary to get the project under way.

Mr. Hunt then reviewed his recommendations on the staffing of the Agency. His recommendations are contained in a memorandum sent to Chairman Myette on April 21, 1976. Briefly, Mr. Hunt indicated that the additional staffing could hopefully be accomplished with a net increase in payroll of approximately \$10,000. The positions of Financial Officer and Secretary could hopefully be funded through either the Inter-Governmental Personnel Act or the Comprehensive Employment Training Act. Mr. Hunt indicated that he was exploring these two sources of funding with the appropriate Agencies and would be able to report to the Board at a later date as to the potential for these funds.

The second problem faced by the Agency is negative arbitrage. Mr. Hunt pointed out that if we were to borrow our funds at $7\frac{1}{2}\%$ and could only invest them at 5% and assuming that all of our money could not be put out for up to a year, we would be facing a severe negative cash loss situation. Mr. Gurley discussed three solutions: 1) Short term financing through notes. Mr. Gurley indicated that he was not recommending this as it is a risky venture and many other finance agencies have gotten into trouble when they went to convert the notes into bonds; 2) Use the proceeds of the bond issues to provide the construction financing for the projects that were bonded for. Mr. Gurley indicated that this also involves some risks, as the construction part of the development process is the most risky and that the bonds might carry a higher rate due to this higher risk element; 3) Have the financial institutions provide the construction loans, with the Agency providing the permanent financing take-out. Mr. Gurley indicated that from the Agency's standpoint this could be the safest route. Commissioner Shaw indicated that he did not see why it would not be feasible if there was a contract under bond. Mr. Gurley pointed out that there would not be a contract under bond at that stage and questioned the willingness of financial institutions to participate in construction lending before the bonds were sold. It was decided that this area would have to be researched a great deal more before any decision could be made. Mr. Gurley also indicated that a portion of the negative arbitrage could be capitalized in the bond issue itself. He indicated that First Boston would research the extent of the capitalization and report back to the Commissioners.

Another problem discussed was the mortgage fallout after the sale of the bonds. This problem, discussed in a memorandum to the Chairman from Mr. Hunt, would occur if a project that was contained in the bond issue could not proceed due to any problems occurring after the bonds were sold. It was felt by the bond underwriters that this problem could only be solved through very stringent underwriting prior to the bond issue.

Fees were discussed pursuant to Mr. Hunt's memorandum of April 21. The first fee involved charging points on the mortgage for initiation and processing. Mr. Hunt recommended that we charge 2 points on the mortgage indicating that this would be much less than either HUD or other State Agencies were charging. Mr. Hunt felt that it was necessary to remain competitive with Farmers Home. Mr. Altura indicated that the industry norm was between two and four and asked Commissioner Bruley how he felt about charging points. Commissioner Bruley indicated that three points could be had but was high for the area. Mr. Altura suggested letting the developers know that it could be between 2 and 3 points, depending on servicing. Commissioner Guest indicated that he would prefer to see the Agency contract top flight people and not be involved in cash flow problems. He indicated that he was sympathetic to charging higher points to achieve those goals.

The development cost escrow, a security device used to make sure the developer does what he says he is going to do, was discussed. Mr. Gurley said most agencies do use it, and that he would like to research just exactly how many agencies did, and what effect it might have on our bonds if we did not use it. It was suggested that perhaps we would require it but waive it on a project by project basis if we felt it was not necessary.

A developer's return on equity was discussed. Mr. Hunt recommended a return on 8% as being necessary to attract good developers into the subsidized housing field.

Pertaining to the single family program, Mr. Gurley discussed the Portfolio/Mortgage Purchase Program. This program would involve buying mortgages from the banks that were already in their portfolios. The mortgages purchased would have no income requirement and depending on our rate, might vary from $7\frac{1}{2}\%$ to $8\frac{1}{2}\%$. The banks would then be required to reloan the proceeds into low and moderate income housing programs at below the prevailing rate. Mr. Gurley indicated that there were at least three advantages to this program: 1) the Agency would be buying seasoned mortgages; 2) there would be no lapse in time for commitment on the part of the Agency; and 3) it would give the Agency its cash flow. There would, however, be a time limit for banks to recommit the funds.

It was Mr. Gurley's opinion that the timing for a Loans to Lenders or Forward Commitment was not good, due to the fact that the banks have plenty of funds. He did feel that money would be tightening up in the fall, and he indicated that other states were aiming towards a fall date for implementing this type of program. Commissioner Shaw indicated that he did not feel that the Loans to Lenders was attractive at this time.

Mr. Gurley indicated that it would take approximately 30 days to get a portfolio purchase program off the ground. He also felt that a spread of $\frac{1}{2}\%$ would be realistic to assume for the new program, if the banks were going to sell at 8% or less. It was also suggested that we offer the banks a tandum portfolio and mortgage purchase program. Mr. Gurley was asked to work with Mr. Hunt on a letter to the banks explaining the two programs.

Commissioner Shaw then discussed the CD's coming due on May 28 for the current Mortgage Purchase Program. He indicated that he felt that because there was a three day weekend between May 28 and June 1 and that we would not be needing the funds until June 1 for the Mortgage Purchase Program, that the CD's coming due should be renewed for three days. He suggested that we roll over the funds for the three days at the prevailing federal fund rate, which will probably be about 5%. Upon motion duly made, seconded, and unanimously adopted it was decided that the Agency should roll over the CD funds for the additional three days at the federal fund rate. Commissioner Shaw abstained from voting on this issue.

It was decided that the next Commission meeting would be held on May 13, 1976, at the offices of Smith Bell & Thompson at 2:30 p.m.

There being no further business, the Commission, on motion of Commissioner Bruley and duly seconded by Commissioner Alexander, adjourned at approximately 5:40 p.m.

Respectfully submitted,

James H. Dittora



VERMONT HOUSING FINANCE AGENCY

~~RICHARD A. MYETTE~~
Executive Director

RICHARD A. MYETTE
Chairman

AGENDA

Commission Meeting of the Vermont Housing Finance Agency
June 23, 1976
2:30 p.m.
Smith Bell & Thompson, Inc.

1. Approval of the minutes of the May 13, 1976, Commission meeting
2. Discussion of personnel
3. Discussion of Section 8 multifamily projects
4. Discussion and establishment of regulations for multifamily programs
5. Passing of resolution to authorize and approve the submission of a letter to HUD requesting participation under special procedures authorized by Section 8 of the U.S. Housing Act of 1937
6. Policy decision regarding streamlining of bank remittance problem in the Single Family Mortgage Purchase Program
7. Policy decision regarding assumption of Vermont Housing Finance Agency Single Family Mortgages
8. Any other business to come before the Commission



VERMONT HOUSING FINANCE AGENCY

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Executive Director

RICHARD A. MYETTE
Chairman

Minutes of the May 13, 1976, Commission Meeting
of
The Vermont Housing Finance Agency

Present: Chairman Myette, Commissioners Bruley, Guest and Shaw, Consultant Hunt, Messrs. Dietrich and Gurley, and Ms. Detora

Upon motion duly made, seconded and unanimously adopted, Jain Detora was chosen Temporary Secretary for the meeting.

The meeting was called to order by Chairman Myette at 2:51 p.m. On motion of Commissioner Shaw and duly seconded by Commissioner Guest, the minutes of the April 26th Commission meeting were approved as amended.

Pursuant to his conference call on May 10th with Commissioners Bruley, Guest and Shaw, Chairman Myette asked for a motion to be made concerning the acceptance of Mr. Hunt as Executive Director of the Vermont Housing Finance Agency.

For the record, Mr. Hunt indicated that his primary interest in accepting the position was to aid in getting the multifamily project established over the course of the next nine months. Employment after that would depend upon administrative responsibilities.

On motion of Commissioner Shaw, duly seconded by Commissioner Guest and unanimously adopted, Allan S. Hunt was officially hired as Executive Director of the Vermont Housing Finance Agency. Commissioner Guest intimated that he felt the legislation was sufficiently broad to allow the Agency to implement a variety of programs and thus sustain Mr. Hunt's continuing interest.

Director Hunt discussed the current status of staffing. He indicated that the two CETA positions; 1) a secretary at \$8,000 per annum, and 2) a construction inspector at \$11,000 per annum, were approved for the period of May 24th to September 30, 1976, with assurances for funding through January 31, 1977, and

the likelihood of funding through May 24, 1977. It was suggested that the secretary be hired immediately and the construction inspector as the work load dictates. The suggested salary of \$11,000 for the construction inspector may not be sufficient to hire a qualified person and supplemental Agency funds may be required.

Director Hunt indicated that he had checked with several federal agencies in an attempt to secure a financial officer through the I.P.A. Program. He felt HUD had the best prospects and would draft a formal letter to them requesting their assistance in locating this person. This position would run for a maximum of 2 years.

The need for a development officer was discussed. This person would be primarily responsible for multifamily paperwork as well as back-up secretarial responsibilities. The anticipated salary would be \$9,000 per annum. The Commission agreed that this person should be hired subject to assurances that Section 8 subsidy would be available for our program.

Director Hunt next discussed the Section 8 project grid-sheet and subsidy status (see hand-outs). The major problem facing project development involves obtaining sufficient Section 8 subsidy. Presently, the Vermont Housing Authority is anticipating approximately \$1 million. This \$1 million would be divided among projects proposed by the two agencies. At this point, there seems to be a conflict in how the funds are to be used (VHFA financed versus other sources and new versus existing). Hunt indicated negotiations were preceding with Vermont Housing Authority and the Board authorized the Director and the Chairman to continue negotiations with the Vermont Housing Authority to secure enough subsidy to put together a bond issue of nearly \$5 million.

In the discussion regarding the individualized projects, Director Hunt indicated the Rutland proposal was difficult in that it involved a mix of family/elderly housing and that this mix made underwriting difficult. Director Hunt indicated that he would explore the possibility of providing financing for just elderly or seeing if the developer's equity was sufficient to provide needed security under our legislative authority.

The St. Albans proposal by Flanders may involve financing a 2 1/2 story elderly building. This type of construction has a potential marketing problem in that elderly people must walk up 1 1/2 stories. This concept is necessary due to a tight land problem.

On the subject of interest rate to the developer, Director Hunt indicated that he would like to establish a fixed rate so developers and staff would have a figure to use in processing. After discussions with Mr. Gurley regarding the anticipated rate, the Board indicated a rate of 8 1/2% should be aimed for, along with a maximum of 3 points as an "origination fee."

In regard to the site inspection fee, the Board gave conceptual approval to a fee of \$50.00 (for projects under \$500,000) to a maximum of \$100.00.

Mr. Gurley discussed in some detail the alternative methods of providing construction financing (see Gurley letter of May 12, 1976). The Board felt alternative D was the best; having the developer obtain the construction financing from a conventional lender, with the Agency issuing its bonds and placing the money into escrow.

On the subject of what to allow for a developers return on equity, Director Hunt reiterated that he felt 8% was necessary so as to attract developer interest and have the program be competitive with other financing sources. The concensus of the Board was that this return was reasonable.

Also discussed were the two types of mortgage financing for private sponsors. Director Hunt said two types were common: 1) a 90% mortgage with a 10% BSPRA (Builders sponsor profit and risk allowance). This is the most common form used by finance agencies. The problem with this method is that the Agency takes a very high percentage of the risk since the developer, in effect, puts no money into the project; 2) a 95% loan to value ratio, with the sponsor putting 5% cash or land equity into the project. This is not that common (Farmers Home uses this) but would be good from the standpoint of requiring the sponsor to supply some cash to the project.

Mr. Gurley presented a draft letter to the banks explaining the Forward Commitment Mortgage Purchase and Portfolio Mortgage Purchase Programs. Considerable discussion occurred over the merits of each program. It was decided that Commissioner Shaw and Chairman Myette, along with Director Hunt, would review the draft and make any necessary corrections before sending the letter to the various banks.

Director Hunt also explained that he was exploring the potential of the Agency participating with local banks and local community development agencies in providing lower interest home improvement loans to eligible applicants. This program would be done through our single family program.

Lastly, Chairman Myette and Director Hunt discussed inquiries from the Brandon Training School and the State Department of Mental Health seeking financing for small residential houses to be placed in various communities throughout the State to house clients of these agencies.

The Board indicated strong support for Director Hunt to explore these two programs more completely and report back to the Board with recommendations for implementation.

There being no further business, the Commission, upon motion duly made, seconded and unanimously adopted adjourned at approximately 5:30.

Respectfully submitted,

Jain H. Detera

JAIN H. DETORA



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

AGENDA

Commission Meeting of the Vermont Housing Finance Agency
August 12, 1976
2:30 P.M.
Smith Bell & Thompson, Inc.

1. Approval of the minutes of the June 23, 1976 Commission Meeting
2. Introduction of new staff
3. Presentation by developers: Windsor Rehabilitation Project
4. Discussion and update on multifamily housing program
5. Discussion and update of the single family Loans to Lenders/Mortgage Purchase Program
6. Discussion and update on assuming the functions of the Vermont Home Loan Guarantee Board
7. Ratification of relocation of office per telephone discussion with Commissioners by Chairman
8. Any other business to come before the Commission



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

Minutes of the June 23, 1976 Commission Meeting
of
The Vermont Housing Finance Agency

Present: Chairman Myette, Commissioners Alexander, Bruley, Shaw, designated Commissioners Farmer (representing the Office of the Agency of Development and Community Affairs), Ms. King (designee of Commissioner Guest), Messrs. Dietrich and Gurley, and Ms. Detora.

The meeting was called to order by Chairman Myette at 2:45 p.m. On motion of Commissioner Shaw and duly seconded by Commissioner Alexander, the minutes of the May 13, 1976 Commission Meeting were approved.

Director Hunt first discussed the necessity for further staffing to implement the multifamily program. Two positions that he feels are critical are those of a "Housing Development Officer" and a "Construction Inspector". The Agency was able to obtain funds through the CETA Program for the construction inspector and a secretary.

Hunt indicated that he had interviewed four people for the construction inspector position, and felt that Adam F. Bortz III was the strongest candidate, with approximately 10 years experience in the inspecting field. Bortz also has a strong background in specifications writing which Hunt felt would be an asset to reviewing the proposals. The Commission agreed to let Director Hunt select and hire the construction inspector.

Director Hunt next indicated that the State Office on Aging had approved a grant of \$20,000 to V.H.F.A. to enable same to hire an Elderly Housing Specialist. Mr. Donald E. Dickson was felt to be the strongest candidate with impressive educational credentials as well as field experience. Position would involve processing multifamily programs, financial management of V.H.F.A. programs and elderly housing promotion. Board agreed to let Director Hunt select and hire the Elderly Housing Program Manager.

Director Hunt indicated that HUD had agreed to release \$1 million in subsidy to the state, most of which will be used on projects financed by this Agency. In order to be assured of these funds we must issue letters of "interest to finance" to developers seeking our financing. These letters are the most important ingredient in the project proposals being sent to HUD. Hunt indicated that the letters would be "non-binding" should we find technical flaws in the developers projects.

Director Hunt then discussed various projects seeking our financing:

A. Rutland -- This project is unique because it involves a combination of elderly and family units. The developer is seeking funding on the entire project. The potential problem is that the legislature has specified that we require additional security for family projects. Thus the policy question before the Commission is to define the term "additional security". Director Hunt indicated that he felt this project contained additional security for the following reasons:

1. The developer is willing to invest substantial equity (\$220,000) which constitutes approximately 20% of the value of the project; well in excess of normal developer equity.
2. Chances are that 28 of the 40 units involved will be rented to elderly or handicapped persons, thus leaving only 30% of project as "family".
3. The developer has extensive management experience (approximately 600 units) as well as extensive financial resources. These strengths would minimize the possibility of a default.
4. Family and elderly patrons are easily divided so that two mortgages could be written if necessary. The Board agreed that this project, for the reasons outlined above, met the legislative intent of providing additional security when 'family' housing was involved.

B. Bellows Falls -- 56 units, elderly, 3 story building. No major concerns were expressed by the Board.

C. St Albans -- 32 units, elderly; no major concerns were expressed by the Board. When asked, Commissioner Bruley indicated that he saw no problem with the market for additional elderly housing units.

D. Randolph -- 40 units - 5 story building for elderly. After reviewing the project, the Board indicated concern for the aesthetics. While acknowledging the plans were preliminary, the Board requested that Director Hunt notify developers of their concern of the appearance of the building.

E. Woodstock -- 11 units for the elderly. Rehabilitation of two existing buildings; no major concerns expressed by the Board at this time.

F. Windsor -- 81 units. Proposal calls for rehabilitation of Old Windsor Prison. Chairman Myette indicated that developer had approached V.H.F.A. for financing and indicated his surprise at lateness of request. Developer is looking for approximately \$2-1/2 million in mortgage. Hunt mentioned that if all the previously discussed projects were funded, only \$900,000 of uncommitted funds remained. Commissioner Farmer indicated he felt Windsor had a great need for this housing, particularly if a major manufacturer would be willing to create 300 additional jobs if new housing was available.

On motion of Commissioner Alexander, and duly seconded by Commissioner Shaw and unanimously agreed upon by the Board, Director Hunt was given the authority to issue letters of interest to finance the following projects: Bellows Falls, St. Albans, Randolph and Woodstock.

Director Hunt next discussed the need to hire a consulting architect to review the proposals on a preliminary basis, in order to render an opinion on feasibility and aesthetics. Upon motion duly made and seconded and unanimously accepted, Director Hunt was given authority to interview perspective architects and hire the one he felt was most qualified.

Director Hunt next asked Board to approve the following guidelines for multifamily housing projects:

1. Agency would make 95% mortgage to limited profits sponsor (8% or less)
2. 100% mortgage to non-profit sponsor
3. Vacancy rate of 2% elderly projects and 5% for family projects
4. Establishment of a 4% development cost escrow. Upon motion duly made, seconded and unanimously accepted it was agreed to accept the above guidelines and to authorize Director Hunt to establish preliminary regulations.

Director Hunt next requested permission to apply to HUD for special procedures which would allow the Agency to certify as to the reasonableness on rents for the various projects as well as qualify for financing cost contingency. On motion of Commissioner Alexander, duly seconded by designated Commissioner King and unanimously accepted, it was agreed to authorize Director Hunt to submit for special procedures to HUD.

Commissioner Shaw, upon request, discussed the Single Family Servicing procedures. At the present time each bank remits payments to the Farmers Trust three times a month. An alternative to this method would be for each bank to act as a depository for the Agency. By doing this, money would be invested more quickly and most likely at a higher rate, thereby eliminating the necessity of using our present system of depository. The banks would continue sending reports to the Agency once a month. On motion of Commissioner Alexander, duly seconded by Commissioner King and unanimously accepted a resolution which was adopted relating to "Servicing of Mortgages Under the 1975 Single Family Mortgage Purchase Program".

Ms. Detora next requested policy clarification for banks dealing with assumption of mortgages purchased by the Agency. The question was, could an individual whose income exceeds the V.H.F.A. interpretation of "low and moderate" income (combined family income of \$19,000 and under) be an eligible assumee? It was noted that assumption of mortgages was not a frequent occurrence. On motion of Commissioner Alexander, duly seconded by Commissioner Bruley and unanimously accepted it was agreed that the Board would have no objection to having V.H.F.A. mortgages assumed by people not fitting the income requirement.

Next, a waiver of notice was signed by the Commissioners consenting to amend article 3.3.2 of the Agency's by-laws dealing with regulations and special meetings.

The meeting then proceeded to a discussion of authorized signatures for releases of collateral, acceptance of payments under the Agency's Loans to Lenders Program and the Single Family Mortgage Purchase Program, and Agency's banking resolution with the Merchants Bank. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

Resolved:

That any release of collateral, mortgage discharge, cancellation of mortgage note, endorsement on insurance loss drafts, and any other similar act, shall be binding on the Agency when signed on behalf of the Agency by any one of the following, to wit:

Allan S. Hunt

Executive Director

Jain H. Detora

Single Family Mortgage Supervisor

Resolved:

That the Banking Resolution with the Merchants Bank presented at the meeting is hereby adopted and the Secretary is authorized to certify the same to said Merchants Bank. Secretary Hunt is also directed to insert a copy of said Bank Resolution in the minute book immediately following the minutes of this meeting.

Chairman Myette, in conclusion, mentioned the possibility of the administrative functions of VHMGB being transferred to this Agency. A meeting has been arranged with the responsible parties to discuss the matter.

There being no further business, the Commission, upon motion duly made, seconded and unanimously adopted, adjourned at 5:20 p.m.

Respectively submitted,



Allan S. Hunt



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

June 23, 1976

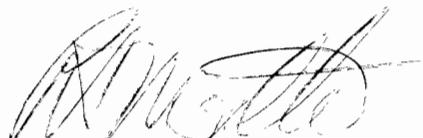
RICHARD A. MYETTE
Chairman

WAIVER OF NOTICE

The undersigned Commissioners of the Vermont Housing Finance Agency hereby consent that Article III, Section 3.2 of the Agency's bylaws be amended to read as follows:

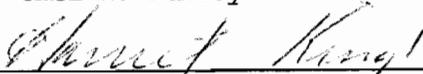
Section 3.2 Regular and Special Meetings. Regular Meetings of the Agency shall be held on the last Thursday of each month. In the event the date of any such Meeting shall fall on a legal holiday, the Meeting shall be held on the next succeeding business day. The Chairman when he deems it expedient, may, and upon the request of two Commissioners of the Agency, shall, call a Special Meeting of the Commissioners. All Regular and Special Meetings of the Commissioners shall be held at the principal office of the Authority or at such other place within Vermont as shall be designated in the Notice of Meeting. However, the Commissioners may participate in a Meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the Meeting can hear each other, and participation in a Meeting in such a manner shall constitute presence in person at such Meeting.

and waive any and all notice of said amendment pursuant to Article IV of the bylaws.

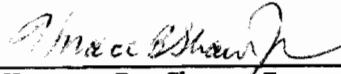

Richard A. Myette

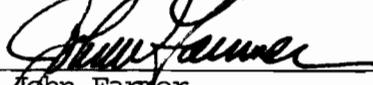

Marilynn S. Alexander


Omer W. Burley


Harriet King


Stella B. Hackel


Horace B. Shaw, Jr.


John Farmer



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

August 27, 1976

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
September 2, 1976, 3:00 p.m.
at the offices of Smith, Bell & Thompson

1. Authorization of the issuance of 1976 Series A documents.
2. Approval of new multi-family forms.
3. Approval of logo.
4. Any other business to come before the Board.



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

Minutes of the August 12, 1976 Commission Meeting
of
The Vermont Housing Finance Agency

Present: Chairman Myette, Commissioners Alexander, Bruley, Shaw, designated Commissioners Farmer (representing the Office of the Agency of Development and Community Affairs), Ms. King (designee of Commissioner Guest), Stella Hackel, State Treasurer, VHFA staff members Don Dickson, Adam Bortz, Ronne Thielen and Jain Detora, Allan Hunt, Executive Director, VHFA.

The meeting was called to order by Chairman Myette at 2:40 p.m. On motion of Commissioner Shaw and duly seconded by Commissioner Farmer, the minutes of the June 23, 1976 Commission Meeting were approved. Mr. Hunt pointed out that the Rutland Project was inadvertently omitted on page 3, paragraph 4, where at the last meeting it had been included in that discussion and approved along with the other projects. The Board unanimously agreed that the Rutland Project should have been included and instructed the Secretary to so note. The minutes were unanimously approved with the foregoing amendment included.

Mr. Hunt then introduced the new members of the staff: Adam Bortz, Construction Inspector, Donald Dickson, Elderly Housing Specialist, and Ms. Ronne Thielen, Housing Development Analyst for Vermont Housing Finance Agency.

Chairman Myette explained the relocation of the VHFA offices to 135 Church Street per his past phone conversations with each of the Board members and asked for formal ratification at that time. Commissioner Alexander moved that this be ratified and Mr. Shaw seconded the motion. It was passed unanimously.

Chairman Myette gave an update of the Windsor Prison rehabilitation project and then introduced Mr. Doherty, Attorney for Peabody Construction, Edward Fish, President of Peabody Construction, and Jim Alexander, a member of the architectural firm of Anderson/Notter who are employed by Peabody.

Mr. Alexander presented a slide show of his firm's past projects and explained their plans for Windsor. Mr. Farmer told Mr. Doherty that there were two things which bothered him about the project. The first was the high rents, and second, that they were asking us for 2-1/2 million, over half of our total allocation for this year. Mr. Doherty responded that he believes that the rents can be worked out with HUD and, that since their architect can get immediate certification from HUD and their project is in a ready-to-go position, they are in a better position for financing than the other projects we are considering because the others could potentially all fall through.

Chairman Myette asked Mr. Alexander whether phasing was a possibility. Mr. Doherty responded that if they were offered less than the 2 1/2 million they are seeking, they would all have to get together very quickly to consider phasing. He indicated that it was a strong possibility that they could work something out.

After the representatives of Peabody Construction left, Mr. Hunt expressed concern over the high rents, that they might set a precedent of escalating rents around the state. A letter was read from the Town Manager of Windsor expressing the town's approval of the project and explaining the needs of the town for the housing.

Mrs. Hackel made the motion that we offer Peabody Construction something around \$1 million for the Windsor Prison Rehabilitation Project, with the suggestion that VHFA would give them first priority on all funds not utilized of our present \$5 million allocation and a commitment that we'll go to the legislature this session to seek additional funds to complete the Windsor Project, all of which is subject to the approval of HUD of the rent structure and the verification by the staff of VHFA that there is a market need and that the project meets our specifications and also that we would strongly request a 15% equity. This was seconded by Ms. King and unanimously approved by the Board.

Mr. Hunt gave a synopsis of VHFA's present multifamily projects. He said that it is HUD's intention to go with the projects we presently are considering (except for Windsor Prison where further work needs to be done on the rent structure before HUD approval) and that most of the projects are now subject to review and approval by the Department of the Interior as to historic preservation guidelines before final HUD approval is received.

Chairman Myette mentioned that he, Director Hunt and Ms. Detora had gone to Montpelier to discuss the implementation of the administrative functions of the VHMGB with Mr. Pingree and Nancy Trepto. Ms. Trepto has been promoted and the timing is right for a new person to take over the responsibility of VHMGB. Mr. Pingree still voices some objection but does not back it up with any reasons. A VHMGB meeting is scheduled for tomorrow and the situation will be further discussed at that time.

Commissioners Hackel, Farmer and King all voiced favorable opinions of the change.

The upcoming Loans to Lenders/Mortgage Purchase Program was next discussed. All final documents have been mailed to the prospective participants and the deadline for their response and commitment is August 25th. There were no substantial problems with any of the changes that were proposed.

Mr. Hunt mentioned that in connection with the Mortgage Purchase Program, Don Robinson was somewhat concerned with allowing the banks to hold collected funds for the Agency in an interest-bearing account for as long as 6 months before remitting them to Trustee. He felt it might affect the eventual interest rate. Mr. Hunt will continue to work on this with Mr. Robinson.

Mr. Hunt mentioned that we have proposed to have 3 closings for the next Mortgage Purchase Program. He also mentioned the change in the definition of "family". The definition has been expanded to include small groups of developmentally disabled individuals. The ceiling on the mortgage has also been expanded. Only in the case of the developmentally disabled groups has the ceiling been raised to \$55,000 to accomodate them.

The meeting then proceeded to a discussion concerning amendments to the Rules and Regulations of the Agency. Secretary Hunt presented a proposed Notice of Rulemaking outlining amendments to the Agency's Rules and Regulations. After discussion and on motion duly made and seconded, the following resolution was unanimously adopted;

Resolved:

That the Notice of Rulemaking submitted and read at this meeting be published as required by Law, and that the Secretary insert a copy of such Notice of Rulemaking in the Minute Book immediately following the minutes of this meeting.

Chairman Myette discussed the feasibility of refunding the 1974 Loans to Lenders Program. It would yield the Agency approximately \$210,000 over 10 years. It would not affect the Agency's bonding limit due to the first series being defeased.

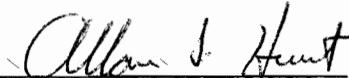
Chairman Myette asked what the Board's opinion was of financing projects that were not total Section 8 projects. It was the opinion of the Board that if it was viable in the market place they saw no objection. No decision was made, but the Board was asked to consider it.

The Board then reviewed the annual fiscal budget for 1976. It was noted that we were 1) under budget in cash disbursements by \$18,488, 2)

still waiting for a \$47,600 draw down from Trustee for our 1975 Mortgage Purchase Program and 3) that a more explicit budget, one that would show what was budgeted and spent for each month, as well as a year-to-date, would be preferable.

There being no further business, the Commission, upon motion duly made, seconded and unanimously adopted, adjourned at 5:10 p.m.

Respectfully submitted,



Allan S. Hunt



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

September 13, 1976

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
September 17, 1976, 11:00 a.m.
at the offices of Smith Bell & Thompson

1. Discussion and approval of a resolution relating to the acceptance of the applications and commitments of mortgage lenders to make certain mortgage loans, such mortgage loans to be purchased by the Agency from the proceeds of the 1976 Series A Single Family Insured Bonds.
2. Discussion and approval of a resolution relating to the acceptance of the applications for loans to be made by the Agency from the proceeds of the 1976 Series A Mortgage Loan Bonds.
3. Discussion and approval of a resolution entitled "Single Family Insured Mortgage Bond Resolution."
4. Discussion and approval of a series resolution relating to authorizing the issuance and sale of approximately \$11,770,000 Single Family Insured Mortgage Bonds, 1976 Series A.
5. Discussion and approval of a resolution entitled "Loans to Lenders General Bond Resolution."
6. Discussion and approval of a series resolution relating to authorizing the issuance and sale of approximately \$12,095,000 Mortgage Loan Bonds, 1976 Series A.
7. The discussion and approval of any other matter relating to the 1976 Series A Programs.
8. Brief discussion of the timetable relating to the Multi-Family Housing Program.
9. Any other business to come before the Board.



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

Minutes of the September 2, 1976 Commission Meeting
of
The Vermont Housing Finance Agency

Present: Chairman Myette, Commissioners Alexander, Shaw, designated Commissioners Farmer (representing the Office of the Agency of Development and Community Affairs), Ms. King (designee of Commissioner Guest), Jain Detora, Ronne Thielen and Allan Hunt, Executive Director, VHFA.

The meeting was called to order by Chairman Myette at 3:00 P.M. Upon motion of Commissioner Shaw and duly seconded by Commissioner King, the minutes of the August 12, 1976 Commission Meeting were approved subject to correction of a misspelling.

Chairman Myette discussed the recent poor publicity that he and the Agency had received due to political tactics on the part of the Brian Burns election office. He circulated copies of a letter of explanation that he had sent to the Governor relating to the allegations made by Mr. Burns. Two discrepancies that the Board commented on were 1) VHFA's group and general insurance being provided by Smith Bell & Thompson and 2) parking spaces for VHFA staff being provided by Smith Bell & Thompson. The Board reaffirmed the need to put Item 1 out for bid.

The Multi-Family forms were explained by Director Hunt and reviewed by the Board. Some concern was expressed about Equal Opportunity Regulations which may affect the Agency's loan policies. Ms. King was asked to look into any obligations on the part of the Agency in this regard. Ms. King moved that the forms be approved by the Board. Ms. Alexander seconded the motion and it was passed unanimously.

Director Hunt next discussed the pending bond sale. He informed the Board that according to Mr. Gurley from First Boston, the Hartford Fire and Life was potentially interested in purchasing all or a great part of the issue. This would save the Agency a considerable amount of money.

Copies of a resolution were circulated and read relating to authorizing the release of the Official Statements for both the upcoming Loans to Lenders and Mortgage Purchase Program. Upon motion of Commissioner Shaw, duly seconded by Commissioner Farmer, the documents were accepted pending alterations and corrections.

Director Hunt next informed the Board that September 15, 1976 had been designated as the day for closing on the bonds; probably in the morning and would constitute an important and necessary Commission Meeting.

The new logo for the Agency was reviewed with Ms. Alexander asking that the print within the logo be changed to a different style. Mr. Farmer thought that some of the lines ought to be made darker for emphasis. Ms. King moved that the logo be approved in concept, Mr. Shaw seconded the motion and it was passed unanimously.

Director Hunt presented an update of the multi-family program. He mentioned that the staff and the consulting architect, Bill deGroot, had made a tour of the southern Vermont projects and that Mr. deGroot has subsequently made some excellent comments in his critique of those projects. Those comments along with staff comments will be discussed with the developers to see what changes can be effected at this time. Director Hunt expressed hopes that the financing may take place as soon as mid-October or early November. He also mentioned that the Rules and Regulations should be ready by the September 15, 1976 meeting of the Board of Commissioners.

Mr. Farmer informed the Board that the State Transportation Board will most likely approve a resolution that only U.S. steel be used on their construction projects because of a possible problem of Canadian companies attempting to dump their steel on the U.S. market. It was felt by the Board that this might be something that we would ask the developers to consider when purchasing steel for projects financed by VHFA.

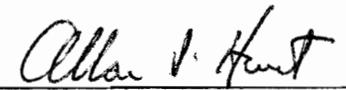
The survey of the elderly market demand in the Windsor area was discussed in some detail. There is some concern that there might not be a large enough market to fill the Windsor Prison Project in a reasonable length of time. Director Hunt informed the Board that he had done a cursory survey and saw a definite need for a more detailed market study before the Windsor project is committed.

Chairman Myette next discussed the draft of the next fiscal budget, item by item. Upon motion of Commissioner Shaw and duly seconded by Commissioner Farmer, the new fiscal budget was conceptually accepted pending submission of the budget in final form.

Director Hunt mentioned the Notice of Rule Change that was being put into effect and reminded the Board that a conference call would be scheduled for Tuesday, September 7, 1976 at 11:15 A.M. to ratify the Rule Change.

There being no further business to come before the Board, the meeting was adjourned at 5:00 P.M. upon motion duly made, seconded and unanimously accepted.

Respectfully submitted,



Allan S. Hunt



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE SEPTEMBER 7, 1976 COMMISSION MEETING
OF
THE VERMONT HOUSING FINANCE AGENCY
(CONFERENCE CALL)

PRESENT: Commissioners Alexander, Farmer, King, Shaw
and Ms. Detora.

A special meeting of the Commissioners of the Vermont Housing Finance Agency was called to order by Acting Chairman Shaw.

Upon motion duly made, seconded and unanimously adopted, Jain Detora was chosen Temporary Secretary for the meeting.

The purpose of this special meeting was to allow the Commissioners to adopt the resolution related to the Notice of Rulemaking discussed at the August 12, 1976 Commission Meeting. Upon motion of Commissioner Alexander, seconded by Commissioner Farmer and unanimously agreed upon, the Resolution relating to the aforementioned Notice of Rulemaking was adopted.

A discussion ensued concerning the definition of "developmentally disabled". Should it be more clearly defined? The Commissioners agreed that as long as the entire Board was in agreement with the definition of "developmentally disabled" it would not need to be further defined in the documents. It was suggested that the subject be brought up at a further meeting, discussed and decided upon.

There being no further business, upon motion of Commissioner Alexander and seconded by Commissioner Farmer, the meeting was adjourned at 11:24 a.m.

Respectfully submitted,

Jain H. Detora
Jain H. Detora



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

October 22, 1976

RICHARD A. MYETTE
Chairman

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
October 29, 1976, 2:30 p.m.
at the offices of Smith Bell & Thompson

1. Approval of minutes of September 17, 1976 Commission Meeting.
2. Discussion and approval of multifamily rules and regulations.
3. Discussion and approval of status report on multifamily housing projects.
4. Discussion of issues relating to single family program.
5. Formal approval of annual budget.
6. Report on feasibility of refunding 1974 bond issue.
7. Review bids on health insurance plan.
8. Personnel policy discussion.
9. Discussion of required signatures for Agency checking account.
10. Any other business to come before the Board.



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE SEPTEMBER 17, 1976 COMMISSION MEETING OF VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Director Hunt, Commissioners Alexander, Bruley, Farmer & King, Messrs. Gurley, Fippinger, Engels, Freund, Attorney Desautels, Ms. Detora, Ms. Thielen and Mr. Dickson.

The meeting was called to order at 11:15 a.m. Upon motion of Commissioner Alexander and seconded by Commissioner King, the minutes of the September 7, 1976 conference call were unanimously accepted. Upon motion of Commissioner King and seconded by Commissioner Bruley, the minutes of the September 2, 1976 commission meeting were unanimously accepted as amended.

Mr. Gurley of the First Boston Corporation felt that the bonds had sold extremely well with very good interest rates compared to others recently sold. The Agency's cash flow will be increased as a result of the sale. The cost of issuance amount will aid the repayment of the outstanding bills.

Next a discussion ensued of a resolution entitled "Single Family Insured Mortgage Bond Resolution". Mr. Fippinger explained that we could have issued additional series bonds under the old resolution but significant changes were provided for by a new bond resolution. Some of the major changes were:

- 1) Striking the purchase of conventional loans in order to effect a better interest rate;
- 2) Allowing partial excess in cost of issuance account to go directly to general account;
- 3) Investment of certificate of deposits may be made in Vermont banks;
- 4) The appointment of a new Trustee (Shawmut Bank of Boston, N.A.) will be effected;
- 5) Although the bonds still have a moral obligation of the State, the "Debt Service Reserve Fund" was slightly lowered.

Upon motion of Commissioner Alexander and seconded by Commissioner King, the aforementioned resolution was unanimously adopted.

A discussion of the resolution entitled "Loans to Lenders General Bond Resolution" followed. Mr. Fippinger repeated that new series bonds could have been issued under the old resolution but the following significant changes made necessary the forming of a new resolution:

- 1) The moral obligation of the State no longer considered necessary. The collateral schedules offered by the participants will be sufficient to secure the issue.
- 2) Partial excess from the cost of issuance will flow directly into General Fund.
- 3) Investment of certificates of deposit may be made in Vermont banks that are not in the Federal Reserve System.
- 4) The appointment of a new Trustee (The Howard Bank) will be possible.

Upon motion of Commissioner Farmer and seconded by Commissioner Bruley, the aforementioned resolution was unanimously adopted.

A discussion of a series resolution relating to authorizing the issuance and sale of approximately \$11,770,000 Single Family Insured Mortgage Bonds, 1976 Series A, followed. A section by section review of this document was led by Mr. Fippinger. Upon motion of Commissioner King and seconded by Commissioner Alexander the aforementioned resolution was unanimously adopted.

Next followed a discussion of a series resolution relating to authorizing the issuance and sale of approximately \$12,095,000 Mortgage Loan Bonds, 1976 Series A. A section by section review was led by Mr. Fippinger. Upon motion of Commissioner Alexander and seconded by Commissioner Farmer, the aforementioned Resolution was unanimously adopted as amended. The third paragraph concerning collateralizing the "good faith deposit" was removed.

Next there was a discussion relating to the acceptance of the applications and commitments of mortgage lenders. The following motion was introduced by Commissioner Alexander and seconded by Commissioner Bruley:

BE IT RESOLVED AS FOLLOWS: The acceptance by the Chairman or Executive Director of the applications and commitments of mortgage lenders to make certain mortgage loans to be purchased by the Agency from the proceeds of the 1976 Series A Bonds is hereby authorized and confirmed as follows:

Bennington Co-Operative Savings & Loan Association	\$ 250,000
Chittenden Trust Company	750,000
First Vermont Bank & Trust Company	1,500,000
Franklin-Lamoille Bank	1,000,000
Howard Bank	500,000
Inter-State Trust Company	500,000
Merchants Bank	1,000,000
Middlebury Co-Operative Savings & Loan Association	200,000
Peoples Trust Company of St. Albans	500,000
Randolph National Bank	150,000
Vermont National Bank	1,000,000

The resolution was agreed upon unanimously.

Chairman Myette stated it was advisable to accept the applications for loans by the applicants. The following resolution was introduced by Commissioner King and seconded by Commissioner Farmer:

BE IT RESOLVED AS FOLLOWS: The acceptance by the Chairman or the Executive Director of the applications for loans to be made by the Agency from the proceeds of the 1976 Series A Bonds is hereby authorized and confirmed as follows:

Burlington Savings Bank	\$4,000,000
Randolph Co-Operative Savings & Loan	150,000
Rutland Savings Bank	4,000,000
Vermont Federal Savings & Loan	2,500,000

Chairman Myette stated it was advisable to authorize the form of the Mortgage Loan Purchase Agreement and Mortgage Loan Servicing Agreement with the mortgage lenders seeking to sell mortgage loans to the Agency, as well as authorize the form of loan agreement, statement of terms and conditions of the loan applications and the Collateral Assignment Agreement for the Loans to Lenders Program. The following resolution was introduced by Commissioner Alexander, seconded by Commissioner King:

BE IT RESOLVED AS FOLLOWS: The Chairman or Executive Director of the Agency are hereby authorized and directed to execute, attest, and deliver the Mortgage Loan Purchase Agreements and the Mortgage Loan Servicing Agreements by and between the Agency and each mortgage lender, as well as the Loan Agreement and the Collateral Assignment Agreement for the Loans to Lenders Program.

The resolution was agreed to unanimously.

Mr. Gurley discussed the spread to the bond underwriters. It compared favorably with other state issues.

Mr. Gurley noted that the proceeds of the Bond Issue would be invested as follows:

Certificates of Deposit

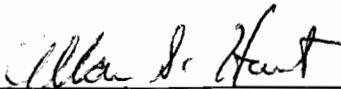
Chittenden Trust Co.	\$2,000,000	at 5.4 %	due March 30, 1977
Chittenden Trust Co.	\$2,000,000	at 5.65%	due June 29, 1977
Chittenden Trust Co.	\$2,000,000	at 6.15%	due Sept. 29, 1977
Burlington Savings Bank	\$1,450,000	at 6.00%	due Sept. 29, 1977
Merchants Bank	\$1,000,000	at 5.75%	due April 1, 1977
Franklin-Lamoille Bank	\$ 200,000	at 6.25%	due Oct. 1, 1977

The remaining proceeds of the issues are to be invested pursuant to the securities investment contracts with The First Boston Corporation dated September 17, 1976. Upon motion of Commissioner Alexander and seconded by Commissioner King, the investment contracts between the Agency and First Boston Corporation and the certificates of deposit with the above-mentioned lenders were unanimously approved.

Mr. Hunt presented both the elderly and family projects submitted to VHFA by Lunde Construction Company. The elderly proposal is for new construction consisting of 24 units located on Depot Street in Lyndonville, Vermont. The Commissioners authorized the issuance of a letter of interest to finance for each of the projects conditional upon the availability of funds and upon further review and approval of the project design and the development team. The letter on the family project is also to be subject to FHA approval.

There being no further business to come before the Board, upon motion of Commissioner Farmer and seconded by Commissioner Bruley, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,



Allan S. Hunt



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF CONFERENCE CALL OF SEPTEMBER 17, 1976
OF
THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Commissioners Alexander, Farmer, Bruley and King and Executive Director Hunt

A special meeting of the Commissioners of the Vermont Housing Finance Agency was called to order by Chairman Myette at 5:05 p.m.

Executive Director Hunt explained that this conference call was necessary so the Board could authorize the submission of an application for an interest subsidy grant under Section 802(c)(2) of the Housing and Community Development Act of 1974. Director Hunt explained that this grant would provide a subsidy of up to 1/3 of the interest rate on taxable bonds issued by the Agency for the multifamily program. Director Hunt indicated that applying for this grant would not obligate the Agency to sell taxable bonds but rather allow the Agency to choose the most favorable method of financing (tax exempt vs. taxable) when the time came to sell the bonds.

Commissioner Farmer commented he thought that this alternative made a lot of sense and that we should proceed with it. Commissioner Farmer introduced the following Resolution, seconded by Commissioner Bruley:

Resolved, that the application for an interest subsidy grant under Section 802(c)(2) presented to the meeting by Executive Director Hunt be and hereby are duly approved.

Resolved, that Allan S. Hunt is duly authorized to execute and deliver said application to the Department of Housing and Urban Development on behalf of the Agency.

Resolved, that any bond, debenture, note or other obligation to which the interest subsidy grant requested in said application will be applied, is, or will be, an eligible obligation.

The Resolution was passed unanimously.

Respectfully submitted,

Allan S. Hunt
Executive Director



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE SEPTEMBER 27, 1976 COMMISSION MEETING
OF
THE VERMONT HOUSING FINANCE AGENCY
(CONFERENCE CALL)

PRESENT: Chairman Myette, Commissioners Alexander, Bruley, King, Farmer, Hackel; Allan Hunt and Don Dickson.

A special meeting of the Commissioners of the Vermont Housing Finance Agency was called to order by Chairman Myette at 10:00 a.m.

Executive Director Hunt explained that proposed rules and regulations pertaining to loans to multifamily housing sponsors were mailed to the Commissioners on September 21, 1976. The purpose of this meeting was to authorize the staff to submit the proposed rules to the legislative committee on administrative rules via the legislative council, and to send them out to be published in newspapers for two weeks. This submission is required by the Administrative Procedures Act. The proposed rules were drafted by Don Dickson with the assistance of bond counsel and the underwriters, who said they foresaw no major problems with them. The Commissioners will have further opportunity, during a mandatory 30-day waiting period, to make changes to the rules before they are adopted. The rules must be adopted by the time of bond closing.

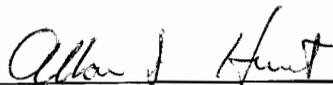
Chairman Myette pointed out that an earlier draft of rules had been returned by bond counsel, saying that they were too vague and not sufficiently comprehensive. The present draft is more comprehensive than may be necessary but is also intended to serve the function of a handbook, which will take 4 - 6 months to develop.

Commissioner Hackel moved and Commissioner Alexander seconded the following resolution:

RESOLVED, that proposed rules and regulations of the Vermont Housing Finance Agency pertaining to loans to multifamily housing sponsors be submitted to the legislative committee on administrative rules via the legislative council, and be sent to newspapers for publication.

The resolution was adopted unanimously. There being no further business the meeting was adjourned at approximately 10:10 a.m.

Respectfully submitted,



Allan S. Hunt



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

December 3, 1976

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
December 9, 1976, 2:30 p.m.
at the offices of Smith Bell & Thompson

1. Approval of minutes of October 29, 1976 Commission Meeting.
2. Status report on multifamily projects.
3. Discussion of taxable bond option and its effect on timing of multifamily bond issue.
4. Discussion and final approval of employee contract for Executive Director.
5. Discussion of weekly disability option on health insurance.



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

RICHARD A. MYETTE
Chairman

MINUTES OF THE OCTOBER 29, 1976 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Myette, Director Hunt, Commissioners Alexander, Bruley, Farmer, King & Shaw; Staff D. Dickson, Ms. Thielen & Ms. Detora, and Mr. Peter Dott of E.F. Hutton.

The meeting was called to order at 2:43. Upon motion of Commissioner Bruley and seconded by Commissioner Farmer, the minutes of the September 17, 1976 Commission Meeting were unanimously accepted as amended below to show the actual depositories and amounts deposited, in the form of Certificates of Deposit, from the proceeds of the Bond Issue, as follows:

Burlington Savings Bank	\$1,450,000	at 6%	due 9/29/77
First Vermont Bank	877,538	at 5 3/4%	due 3/30/77
First Vermont Bank	1,000,000	at 5 7/8%	due 6/29/77
N.E. Merchants Nat'l. Bank	1,556,000	at 5 3/4%	due 6/29/77
Franklin-Lamoille Bank	200,000	at 6 1/4%	due 9/29/77
Vermont National Bank	583,333	at 6 1/8%	due 9/30/77

Mr. Dickson reviewed the proposed Rules and Regulations for the multifamily program for the Commissioners, pointing out that the proper procedures had been followed and that no comments had been received and therefore no public hearing was necessary. After extensive discussion and upon motion of Commissioner Farmer and seconded by Commissioner Alexander, the Rules and Regulations, although approved in principle, were unanimously tabled until the next meeting.

Director Hunt presented a status report on the multifamily housing projects mentioning that VHFA did receive the interest subsidy grant they had requested which allows the sale of taxable bonds in the amount of \$4,830,000. The status of the Windsor Prison project was explained by Ms. Thielen. After much discussion the following resolution was presented by Commissioner Bruley and seconded by Commissioner Farmer.

BE IT RESOLVED AS FOLLOWS: Insofar as Peabody Construction Company has submitted a proposed plan to phase the rehabilitation of the Windsor Prison, the Board would approve a mortgage of no more than \$1.4 million for the first 42 units of elderly housing (this to include the total rehab of Wings 1-A, 1-C and 1-D for the 42 units, some renovations to Wing 1-B to be used as a community space and substantial site work around the entire project to ensure a pleasant environment). However, a commitment to finance this project would be contingent upon: satisfactory results of the present market study; a financial analysis showing that the phasing is feasible; receipt and approval of plans and specifications; the actual purchase price of the land and related fees only be used; further negotiations be done on their equity position since it is felt that some of the temporary 15%

should stay in the project beyond rent-up; a concerted effort by Peabody Construction to obtain FHA insurance to complete the project. If FHA insurance is found unavailable, second phase financing would be contingent upon the above contingencies plus approval of the legislature to participate in additional multifamily housing financing and a sufficient waiting list to fill the 39 additional units.

Next, Mr. Dott explained why the refunding of the 1974 Series A Loans to Lenders bond issue was not feasible. This was investigated as a way to lift the moral obligation of the State on this particular issue.

The Annual Budget was presented and a motion to approve was presented by Commissioner Shaw and seconded by Commissioner Alexander. The motion was passed unanimously.

Ms. Detora presented some problems she has encountered in the single family program. Chairman Myette asked that she put the problems on paper and submit them to the Board before the end of the year so that action could be taken to clear up the language of the law.

It was agreed that the Annual Report should follow the same format as last year's.

Chairman Myette absented himself from the room while the bids for group insurance for the VHFA staff were discussed. Ms. Thielen presented a chart outlining the basic plans of each of the seven bids. It was noted that eight agencies had been solicited for bids and that all had responded. Three agencies had sent in identical plans from one insurance company and one agency had sent in two separate plans. Therefore, there was a total of seven plans to choose from. The Policyholders Employees Trust was undoubtedly the best insurance from the standpoint of cost to VHFA and the benefits provided to the employees. Upon motion of Mr. Shaw and seconded by Mr. Bruley, the PET insurance plan was unanimously accepted.

The question of required signatures was deferred until such time as a Controller is hired.

Chairman Myette presented to the Board the question of giving the Executive Director a one-year contractual agreement that would protect him from removal of office for reasons other than doing an unsatisfactory job. The Board agreed that it was a policy question to consider and asked that the Agency attorney draft a contract and that Chairman Myette look into what other agencies do in this matter.

There being no further business to come before the Board, upon motion of Commissioner Farmer and seconded by Commissioner King, the meeting was adjourned at 5:17 p.m.

Respectfully submitted,



Allan S. Hunt