



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

Andrew Field

~~Chairman~~
Chairman

January 13, 1978

AGENDA
FOR THE VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
JANUARY 19, 1978 - 9:30 A.M.
4TH FLOOR - PAVILION BUILDING, MONTPELIER

1. Approval of minutes of December 22, 1977 meeting.
2. Update on status of legislation.
3. Discussion with representatives of the First Boston Corporation regarding effect of recent personnel changes.
4. Approval of Resolution authorizing permanent mortgage for St. Albans.
5. Approval of Resolution authorizing permanent mortgage for Woodstock including request to return commitment fee.
6. Authorization for Letter of Intent for the Lane Shops project in Montpelier.
7. Discussion of VHFA policy on land valuation.
8. Six months budget update for General Fund.
9. Discussion of Hartford Housing for the Elderly sites.
10. Any other business to come before the Board.



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

Andrew Field

Chairman

December 30, 1978

MINUTES OF THE DECEMBER 22, 1977 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Vice-Chairman Shaw, Commissioners Hebard, Spangler, Myette and Gardner; Mr. Simson, Director of the Vermont State Planning Office; Executive Director Hunt, Deputy Director Dickson, Mr. Frazier, Ms. Detora, and Ms. Nichol.

The meeting was called to order at 2:10 p.m. Mr. Simson began the meeting by presenting a summary of recommendations which he intends to make to the Governor regarding the Agency's debt ceiling and how to make the Section 8 "fast track" system work better. The Board discussed the recommendation but took no action.

The minutes of the meeting of November 17th were approved unanimously. The minutes of the meeting of November 3 were amended to include a paragraph which was inadvertently deleted in typing pertaining to the Board's approval of a change in developers in the Rutland Project from William B. Kohlhepp to Linden Terrace Limited Partnership.

The Group Home Regulations were then adopted unanimously on a motion by Commissioner Hebard and a second by Commissioner Myette. Publication of the regulations as required by law produced no changes in the regulations as originally drafted by the Agency.

The meeting then turned to discussion of the single family program. Ms. Detora presented the results of a survey conducted by Agency staff on the impact of single family programs.

The Commissioners then returned to Agenda Item #3, "status of current multifamily developments." The first project discussed was the Lane Shops proposal of David DuBrul.

The developer has revised the proposal considerably since it was presented to the Board in September. Ms. Nichol and Mr. Hunt outlined these changes for the Board and discussed the efforts of the City of Montpelier to obtain a grant for rehabilitation of surrounding buildings. Commissioner Spangler expressed the opinion and the others concurred that VHFA financing should be provided only if additional funds are found by the City or the Developer to improve the surrounding neighborhood. It was also agreed that every effort should be made to reduce the rents if other federal funds come into the project.

Commissioner Hebard made and Commissioner Spangler seconded a motion that the proposal be forwarded to the State Housing Authority for submission to HUD once the developer increases the size of the studio and certain one bedroom units, and that Mr. DuBrul be allowed to act as the General Contractor if he posts a Letter of Credit in the amount of 25% of the cost of construction and utilizes bondable subcontractors. The motion was approved unanimously.

The second multifamily project discussed was the Derby Line proposal. The developers, Barbara Postman and Charles Warren, have requested a 5% increase in the rents and a \$20,000 increase in the mortgage due to unforeseen construction and financing costs. These unanticipated costs have arisen for the following reasons:

(1) The construction lender is requiring the developers to use a bondable general contractor. Originally, the architect intended to act as the contractor, thus saving money for the project. Because of the bank's insistence on a general contractor, these anticipated savings will not be realized. Contractor's overhead and profit may add as much as 15 percent to the construction costs.

(2) Construction financing costs are higher than projected in the original financial analysis. The developers believed that the construction interest rate would be approximately 10 percent. The actual rate of interest will be 10.5 percent plus a one-point financing fee. This higher interest on a larger construction loan has added approximately \$3,500 to the project costs.

(3) Extensive foundation work is required to meet HUD Minimum Property Standards. The architect was initially unaware that such work would be necessary. The house presently has a partially stone foundation and a dirt cellar floor. The architect originally intended to make only minor improvements to the foundation walls. He has recently learned that the HUD MPS requires a concrete slab as well as the addition of a considerable amount of concrete to the basement walls. This has resulted in a major cost increase to the project.

Commissioner Myette made a motion to approve the rent increase, to forward the revised proposal to the State Housing Authority, to approve the mortgage increase if construction bids necessitate it and if HUD agrees to the rent increase. Commissioner Hebard seconded the motion. The motion passed unanimously.

Executive Director Hunt then gave a report on the status of the Home Improvement Loan Program. He noted that, so far, only one bank had expressed an interest in participating in the program. Furthermore, current projections of cash flow seem to indicate that the program may not be self-supporting and may require some operating subsidy from Agency funds. Discussion ensued with the Commissioners agreeing that this program was needed by low and moderate income Vermonters and well worth the staff's time despite the possible need for operating subsidies.

An amendment to the Bylaws pertaining to the responsibilities of the Deputy Director was the next item discussed. The amendment is attached. Commissioner Myette moved that the Deputy Director be allowed to assume all responsibilities of the Executive Director in the absence of the Executive Director. Commissioner Gardner seconded the motion. It passed unanimously.

Proposed "Energy Conservation Requirements" were distributed to the Board. Commissioner Myette suggested that the word "Requirements" be changed to "Guidelines", that the words "Multi-Family" be added to the heading, and that the request for triple glazed windows be changed to double glazed. Commissioner Hebard suggested that more research be done on the contents of the regulations and the required method of adoption and that the guidelines be discussed at a future date.

Commissioner Hebard moved that the meeting be adjourned. Commissioner Gardner seconded. The meeting was adjourned at 4:20 p.m.

Respectfully submitted,



Allan S. Hunt

PROPOSED AMENDMENTS
TO
VERMONT HOUSING FINANCE AGENCY
BYLAWS

I, Allan S. Hunt, Executive Director of the Vermont Housing Finance Agency, do hereby submit the following proposed amendments to the Bylaws of the Agency to the Commissioners for vote pursuant to Article IV, Section 4.1 of said Bylaws:

(a) That Article II, Section 2.1 of the Bylaws of the Agency be amended to read as follows:

Section 2.1. Officers. The Officers of the Agency shall be a Chairman, a Vice Chairman, an Executive Director employed by the Commissioners who also shall serve as Secretary and who may serve as Treasurer, a Deputy Director employed by the Executive Director with the consent of the Commissioners, a Treasurer who may be either a Commissioner or employed by the Commissioners, and such other officers as may be determined annually by the Commissioners.

(b) That Sections 2.6, 2.7, 2.8, 2.9, and 2.10 of Article II be redesignated as follows:

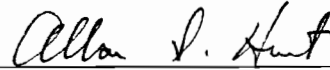
<u>Old Section Number</u>	<u>New Section Number</u>
2.6	2.7
2.7	2.8
2.8	2.9
2.9	2.10
2.10	2.11

(c) That the following be added to the Bylaws of the Agency and designated Article II, Section 2.6:

Section 2.6. Deputy Director. The Deputy Director shall perform the duties of the Executive Director in the absence or incapacity of the Executive Director; and, in the case of the resignation or death of the Executive Director, the Deputy Director shall perform the duties of the Executive Director until such time as a new Executive Director shall be employed by the Commissioners; and, the Deputy Director shall

perform such other duties as from time to time may be assigned to him by the Executive Director or by the Commissioners.

Dated at Burlington, Vermont, this 22nd day of December, 1977.

A handwritten signature in cursive script, reading "Allan S. Hunt". The signature is written in dark ink and is positioned above a horizontal line.

Allan S. Hunt
Executive Director



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

Andrew Field
~~VERMONT HOUSING FINANCE AGENCY~~
Chairman

January 16, 1978

M E M O R A N D U M

TO: VHFA Commissioners

FROM: Allan S. Hunt

SUBJECT: Authorization of Permanent Loan to Sponsor Ottauquechee Non-Profit Housing Development Corporation to be secured by a mortgage on the Woodstock Housing for the Elderly Development, Woodstock, Vermont

In accordance with Section 625 of the Vermont Housing Finance Agency Act and with established VHFA regulations and procedures, I hereby recommend that the Commissioners approve the above-referenced loan by adopting the following resolution:

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) the Woodstock housing for the elderly in Woodstock (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which elderly persons and families of low or moderate income are able to afford within the general housing market area of Woodstock and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such elderly persons or families; and

- (4) the Sponsors of the Development will increase the supply of well-planned, well-designed housing for elderly persons and families of low and moderate income and such Sponsors are financially responsible persons.

"Therefore, the Executive Director is hereby authorized and directed to ascertain that the Development is substantially complete and acceptable in all respects, that all covenants and conditions of the Letter of Commitment have been fulfilled, and that a Housing Assistance Payments Contract has been executed. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter, and to furnish any appropriate certifications required by HUD to maintain the Housing Assistance Payments Contract in effect".



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

January 13, 1978

Andrew Field
~~Executive Director~~
Chairman

M E M O R A N D U M

TO: VHFA Commissioners

FROM: Allan S. Hunt

SUBJECT: Authorization of Permanent Loan to Sponsor William D. Flanders to be secured by a mortgage on the Beth-El Development, St. Albans, Vermont

In accordance with Section 625 of the Vermont Housing Finance Agency Act and with established VHFA regulations and procedures, I hereby recommend that the Commissioners approve the above-referenced loan by adopting the following resolution:

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) the Beth-El housing for the elderly in St. Albans (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which elderly persons and families of low or moderate income are able to afford within the general housing market area of St. Albans and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such elderly persons or families; and

- (4) the Sponsors of the Development will increase the supply of well-planned, well-designed housing for elderly persons and families of low and moderate income and such Sponsors are financially responsible persons.

"Therefore, the Executive Director is hereby authorized and directed to ascertain that the Development is substantially complete and acceptable in all respects, that all covenants and conditions of the Letter of Commitment have been fulfilled, and that a Housing Assistance Payments Contract has been executed. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter, and to furnish any appropriate certifications required by HUD to maintain the Housing Assistance Payments Contract in effect".



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

Andrew Field

Chairman

February 10, 1978

AGENDA
FOR THE VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
FEBRUARY 16, 1978 - 9:30 A.M.
4TH FLOOR - PAVILION BUILDING, MONTPELIER

1. Approval of minutes of January 19, 1978 meeting.
2. Update on status of legislation (see enclosed bill).
3. Mortgage Purchase Program: report on February 1 closings
4. Multifamily Program:
 - a. Derby Line and Middlebury projects: change of developers to limited partnership.
 - b. Essex Junction project: change of developers to limited partnership and addition of Weston Associates as general partner. Presentation of revised proposal by Weston Associates.
 - c. Hartford proposals: Presentation of proposals by Jud Babcock and Joe Wishcamper.
 - d. Randolph proposals: discussion of alternative sites and decision of whether or not to finance.
 - e. Bradford proposal: status report
5. Approval of VSHA request for set-aside of Section 8 new construction, substantial rehab, and existing units (see enclosed).
6. Any other business to come before the Board.



VERMONT HOUSING FINANCE AGENCY

ALLAN S. HUNT
Executive Director

Andrew Field

Chairman

January 23, 1978

MINUTES OF THE JANUARY 19, 1978 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioners Hebard and Spangler, Commissioner Ledbetter was represented by Mr. Dunstan, Deputy Commissioner of Banking & Insurance, Executive Director Hunt, Deputy Director Dickson, Mr. Frazier, Ms. Nichol, Mr. Ziese of E.F. Hutton, Mr. Dietrich and Mr. Shoemaker of First Boston Corporation; Mr. Simson, Director of the Vermont State Planning Office was present for a portion of the meeting.

The meeting was called to order at 9:50 a.m. at which time the minutes of the December 22nd meeting were unanimously approved.

Discussion then turned to agenda item #4, approval of a resolution authorizing a permanent mortgage to the Beth-El Court project in St. Albans. Mr. Hunt explained that the 32-unit project is nearing satisfactory completion. Vice-Chairman Shaw moved the following resolution which was seconded by Commissioner Hebard and adopted unanimously:

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) the Beth-El housing for the elderly in St. Albans (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;

- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which elderly persons and families of low or moderate income are able to afford within the general housing market area of St. Albans and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such elderly persons or families; and
- (4) the Sponsors of the Development will increase the supply of well-planned, well-designed housing for elderly persons and families of low and moderate income and such Sponsors are financially responsible persons.

"THEREFORE, the Executive Director is hereby authorized and directed to ascertain that the Development is substantially complete and acceptable in all respects, that all covenants and conditions of the Letter of Commitment have been fulfilled, and that a Housing Assistance Payments Contract has been executed. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter, and to furnish any appropriate certifications required by HUD to maintain the Housing Assistance Payments Contract in effect".

Agenda item 5 "Approval of Resolution authorizing permanent mortgage for Woodstock including request to return commitment fee" was introduced by Mr. Hunt. He presented a letter from Richard Carbin, Executive Director of the Ottawaquechee Non-Profit Housing Corporation requesting that VHFA waive its commitment fee since the project has encountered financial difficulties and needs that money to pay existing bills. Mr. Hunt explained that the project is ready for a permanent loan closing and any delays will merely increase the amount of interest which must be paid on the construction loan. VHFA cannot close on the project if there are any liens nor can the project begin operation without any money. A lengthy discussion ensued about the reasons for the deficit and the out-of-pocket expenses incurred by the Agency on this project.

Chairman Field expressed his reluctance to pass on this issue before Agency staff has had an opportunity to examine the Ottawa-quechee Non-Profit Housing Corporation books. Commissioner Shaw noted that the Agency should be certain that there is an accrual clause in our mortgage.

Commissioner Hebard moved that the following resolution be adopted and that, if Mr. Frazier determines it necessary after examination of their books, that the Ottawaquechee Non-Profit Housing Corporation be loaned up to an additional \$4,274 until operating revenues are sufficient to repay it. The resolution is as follows:

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) the Woodstock housing for the elderly in Woodstock (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which elderly persons and families of low or moderate income are able to afford within the general housing market area of Woodstock and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such elderly persons or families; and
- (4) the Sponsors of the Development will increase the supply of well-planned, well-designed housing for elderly persons and families of low and moderate income and such Sponsors are financially responsible persons.

"THEREFORE, the Executive Director is hereby authorized and directed to ascertain that the Development is substantially complete and acceptable in all respects, that all covenants and conditions of the Letter of Commitment have been fulfilled, and that a Housing Assistance Payments Contract has been executed. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee

and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter, and to furnish any appropriate certifications required by HUD to maintain the Housing Assistance Payments Contract in effect".

Commissioner Shaw seconded the motion with the understanding that "this is not a precedent". He then suggested that perhaps the amount of the additional loan should be left to the discretion of the Chairman and Executive Director. Commissioner Hebard withdrew his previous motion. Commissioner Shaw moved adoption of the foregoing resolution and that the Agency "authorize an additional loan of the amount necessary to close; such loan to be secured by a demand note and the amount of the loan to be determined by the Chairman and Executive Director".

Commissioner Hebard seconded the motion which passed unanimously.

Executive Director Hunt then introduced Mr. Dietrich and Mr. Shoemaker of The First Boston Corporation, who discussed the dismissal of Mr. Gurley from that Corporation and reaffirmed First Boston's commitment to VHFA and its ability to continue providing the same level of service.

Discussion then turned to the "Lane Shops" proposal in Montpelier. Ms. Nichol explained to the Board that the developer had been asked to increase the size of the one bedroom units in one of the buildings and that those units had been increased to 491 sq. ft. The Board found this size unit acceptable because of the constraints imposed by the existing structures, though not particularly desirable. Commissioner Hebard moved that the Board authorize a Letter of Intent for this proposal to be issued when the remaining necessary documents are received and contingent upon rehabilitation of surrounding Lane Shop properties. Commissioner Spangler seconded the motion which passed unanimously.

State Planning Office Director Simson then reported on the status of legislation dealing with both the Vermont Housing Finance Agency and the Vermont State Housing Authority.

Agenda item #7 "VHFA policy on land valuation" was deferred until a later date.

Mr. Frazier then presented the six-month budget update to the Board. Chairman Field noted that in the future he would like to see the category "professional fees" broken down into such subcategories as "legal", "accounting" and "architect". Commissioner Hebard moved that the Board approve the revised budget. Commissioner Shaw seconded the motion. The revised budget was unanimously approved.

Ms. Nichol presented the Board with a description of the four sites on which developers are proposing housing for the elderly in the town of Hartford. Proposals were received as a result of an advertisement by VHFA and the State Housing Authority. The Board agreed that Mr. Goodhue's site on North Elm Street should be eliminated because of its proximity to the railroad tracks and its location in the flood plain near the sewage treatment plant, and that the other two developers, Mr. Babcock and Mr. Wishcamper, should be asked how they propose that tenants be transported to services such as shopping, doctors offices, etc. since the three remaining sites are rather isolated from essential services. There was discussion of not approving any of the proposed sites and of trying to find an alternative location within the Town of Hartford. However, no action was taken.

Mr. Dickson presented a recommendation for escrow of a certain portion of proceeds of syndications in cases where a multifamily development is being proposed by a limited partnership. After a discussion regarding the necessity of this additional security, Commissioner Hebard moved that Chairman Field and VHFA multifamily counsel work out the details of the escrow arrangement and decide if such an arrangement is necessary. Commissioner Shaw seconded the motion which passed unanimously.

Commissioner Hebard suggested that the Agency use the CETA program to hire an elderly person as a consultant on the multifamily program. Mr. Hunt responded that staff will explore that possibility and that perhaps an alternative would be to have an advisory board including senior citizens.

Mr. Frazier requested that the Board authorize Mac Keyser, his assistant, to enter the Agency's safe deposit box. Chairman Field made a motion to this effect which was seconded by Commissioner Shaw and passed by the Board.

The meeting was adjourned at 11:59 a.m.

Respectfully submitted,





ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

March 29, 1978

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
April 4, 1978 - 9:00 A.M.
2nd Floor - Administration Building - Montpelier

1. Approval of minutes of February 28, 1978 Commission Meeting.
2. Legislative review and wrap-up.
3. Swanton Project - presentation by developers.
4. Discussion of Northfield project(s).
5. Discussion of Agency participation in Burlington Neighborhood Strategy Area Program.
6. Vermont State Housing Authority statewide allocation plan -- presentation by Jeffrey Rand.
7. Resolution for Permanent Closings - Poultney and Castleton projects.
8. Discussion of electric generator -- Lane Shops.
9. Manchester project: Approval of change to limited partnership.
10. Any other business to come before the Board.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

March 8, 1978

MINUTES OF THE FEBRUARY 16, 1978 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Field, Commissioners Hebard and Gardner, Commissioner Ledbetter was represented by Mr. Dunston, Deputy Commissioner of Banking & Insurance, Executive Director Hunt, Deputy Director Dickson, staff members Ms. Nichol and Ms. Thielen, and Louis Berney of the Rutland Herald.

The meeting was called to order at 9:40 a.m. Upon motion of Commissioner Hebard, seconded by Commissioner Gardner, the minutes of the January 19, 1978 meeting were unanimously approved.

Chairman Field and Director Hunt explained the present status of the two bills affecting the VHFA presently in committee for legislative action.

Director Hunt then reported on the February 1 Mortgage Purchase Program closing. He stated that the Agency bought from participating banks \$3,775,000 in loans under the most recent 6.95% bond issue. The average income of home buyers in this closing was \$13,500, lower than any previous program.

The Board was told that both the Derby Line and Middlebury developers have requested a change in sponsorship from individuals to limited partnerships. After some discussion, Commissioner Hebard made the motion, seconded by Commissioner Gardner that both developers be granted permission to change to limited partnerships subject to normal staff approval of the form of the partnership. The motion passed unanimously.

Director Hunt explained the present status of the Bradford elderly housing project. He said that the project has come to a virtual standstill, that most of the original Board members have resigned and that the drawings they have for the rehabilitation are presently unacceptable to the Vermont Historic Preservation office. Director Hunt recommended that the Agency

no longer tie up the money it has set aside for this project but that we leave the door open to them at a future date when they are ready to again begin processing. Commissioner Hebard made the motion that we retract our commitment at this time. Commissioner Gardner seconded the motion and it passed unanimously.

A discussion of the Essex Junction proposal followed. Mr. Dickson began the discussion by referring to the information which was mailed to the Board members describing the changes which have occurred in the Essex Junction proposal since it was last discussed by the Board five months ago. He stated that the Board has essentially two decisions to make, the first regarding the substitution of developers, from Claude Gagne and Nancy Lang to Weston Associates, the second regarding the number of units, mortgage amount and rent subsidy allowance.

Mr. Reese and Mr. Conners of Weston Associates, along with Claude Gagne and Nancy Lang, were introduced to the Board. Mr. Reese presented some background information about Weston Associates and their development and management experience. In response to a question from Commissioner Gardner, Mr. Reese explained that Weston Associates will be the project manager and main participant in the development process and will be the management agent of record although a local manager will be hired. When asked about reports by Maine and Massachusetts housing agencies of arrearages and problems with Weston Associates projects in those states, Mr. Reese remarked that Maine and Massachusetts had not given VHFA the full story. He admitted that Weston Associates has made mistakes but reassured the Board that they have learned from their mistakes. Where there are problems, he said, Weston will stand behind the project.

Discussion continued as to whether or not Weston has adequate staff to do both project management and development, who the architect, lawyer and contractor will be and when these relationships will be finalized and how Gagne and Lang decided to have Weston Associates take over the project.

The Board next heard Mr. Jud Babcock and Mr. Joe Wishcamper describe their respective proposals for 35 units of housing for the elderly in Hartford. Mr. Babcock's proposal is off "A" Street in the Village of Wilder. Mr. Wishcamper presented two proposals, one off Mountain Avenue in White River Junction, the other adjacent to the Holiday Inn in White River Junction.

Ms. Thielen presented a change in site plan and building layout which the South Burlington developer wishes to make. The reason for the change is economic -- by combining the two buildings into one the developer feels he can realize a cost saving of about \$200,000.

In negotiations with a contractor they found that the lowest cost of construction was some \$200,000 over budget and the developer is hoping that the savings inherent in constructing one building rather than two will allow them to come in at budget. The Commissioners asked that the developer provide finalized drawings with elevations and present them at the next Board meeting. Also, before the next Board Meeting, they asked that the developer talk with the contractor to see if in fact they can save the \$200,000.

Due to other commitments of some Commissioners, leaving only two in attendance, the meeting was recessed at 1:30 p.m. to reconvene at the earliest possible date.

The meeting of February 16th reconvened at 9:45 a.m. on February 28, 1978 in the State Treasurer's Office. In attendance: Acting Chairman Hebard, Commissioner Myette by speaker phone, Commissioner Gardner, Commissioner Ledbetter, Commissioner Spangler; Executive Director Hunt, Deputy Director Dickson, Polly Nichol, VHFA staff. Guests: Ms. Glasgo, Ms. Levitt, Ms. Parker, Mr. Derosie, Mr. Post of the White River Council on Aging, Mr. Gloger of Hartford Alliance, Mr. Cook of White River Junction, and Mr. DaVia of the Department of Housing and Community Affairs.

The meeting began with a reopening of the discussion of the three proposals for 35 units of housing for the elderly in the Town of Hartford which were presented on February 16th. Ms. Nichol briefly summarized the three proposals. She stated that after further consultation with members of the White River Council on Aging and the Hartford Alliance and after another site visit, the staff recommended that the Board approve the Holiday Inn site.

Members of the White River Council on Aging and Hartford Alliance who were present were introduced and they presented the reasons their group favors the Holiday Inn site.

Mr. Cook, owner of the Hotel Coolidge in White River Junction then spoke to the Board about his plans to convert the hotel into 50 units of housing for the elderly under HUD's Section 202 Program. He requested that the Board not approve any of the

any of the proposals since it might jeopardize his chances of obtaining HUD approval. The senior citizens were asked for their opinion and they stated they still preferred the Holiday Inn site.

Commissioner Myette moved that the staff proceed at once with the project on the site adjacent to the Holiday Inn. Commissioner Spangler seconded the motion. Commissioner Gardner offered an amendment that this project be approved under the following conditions:

- (1) that the proposed budget is sufficient to support construction costs and operating expenses;
- (2) that the budget is sufficient to support any site development contingencies which might arise due to the rocky nature of the site;
- (3) that a van be provided either by the developer or through a grant to the Council on Aging;
- (4) that aesthetic changes be made to the exterior of the building;
- (5) that laundry and other common facilities be located in such a manner as to be easily accessible to all tenants in inclement weather.

The amendment passed unanimously.

The Board then reopened discussion of the proposal for 64 units of housing for the elderly in Essex Junction. Mr. Dickson summarized developments on this project to date and stated that Weston Associates were now proposing a local architect (Dorwin Thomas), a local management agent (Lang Associates), and a local attorney (Gravel, Shea & Wright). VHFA staff recommended that the Board accept the new proposal with the following conditions:

- (1) that an independent cost estimate confirm the proposed construction costs, or the mortgage request will be reduced to conform to such estimate;
- (2) that the rents be negotiated with the State Housing Authority.

A lengthy discussion of the proposed development team and project ensued during which various commissioners expressed their concern over whether the development team would be able to successfully complete and manage the project, and their reservations about the development of the project itself. It was suggested that Gagne and Lang start from scratch on the same site and come in with an entirely new proposal. Commissioner Gardner moved to reject both the Brickyard development team and project as they currently stand. Commissioner Ledbetter seconded the motion which was approved unanimously. Commissioner Spangler sug-

gested that Gagne and Lang be asked to notify VHFA within 10 days what action they intend to take regarding submission of a new proposal.

The Board then reviewed the two proposals that were received in response to a VHFA-VSHA advertisement for 24 units of housing for families in Randolph: one from Housing Economics and one from Lunde Construction. Director Hunt informed the Board that the State Housing Authority has approved the Housing Economics Proposal.

After lengthy discussion, Commissioner Ledbetter moved that the Housing Economics proposal be rejected for the following reasons: the isolation of the site, the concentration of units on one site, the small unit size and the feeling that these factors combine to present a strong underwriting risk. He continued by expressing the feeling that large structures and concentration of units are inappropriate in a rural community.

Commissioner Hebard suggested that the developers might return with an innovative, "rural New England" type project featuring a smaller number of units on each of several scattered sites.

Commissioner Spangler seconded the motion which passed unanimously.

Mr. Lunde's proposal was then discussed and the feeling of the Board was that the same considerations, with the exception of the isolation of the site, apply to this proposal as that of Housing Economics. Commissioner Gardner made the motion that this proposal be rejected because of the feeling that concentrating a large number of families on one site presents an underwriting risk, particularly in a small community. He reiterated the Board's encouragement of a small number of units on individual scattered sites. Commissioner Spangler seconded the motion, which passed unanimously.

Commissioner Ledbetter then moved that the Agency approve the State Housing Authority's request to HUD to convert these 24 units for Randolph from "fast track" to "slow track", thus permitting the developers to seek financing from another source. Commissioner Spangler seconded the motion which passed unanimously.

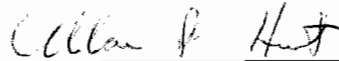
Director Hunt informed the Board that the Agency has been asked to support the State Housing Authority's request for 1978 set-aside of Section 8 funds for substantial rehab and new construction. He recommended that the Agency support the application submitted by the Authority to HUD for 490 units of substantial rehab. Commissioner Spangler made a motion to that effect, which was seconded by Commissioner Ledbetter and passed unanimously.

Mr. Hunt then presented VSHA's request for approval of their request to HUD for a set-aside of Section 8 funds for existing housing as distributed by counties. He reported that in the past the Authority had issued certificates for existing housing where new subsidized housing was also under construction. He suggested that Agency approval be qualified by the request that no certificates be issued where subsidized housing projects are in the planning stage or under construction. Commissioner Gardner moved that the Authority's request be supported as qualified above. Commissioner Myette seconded the motion which passed without opposition.

Mr. Hunt reported that Chairman Field wanted to appoint a subcommittee to study the ramification of the proposed VHFA - VSHA merger. He suggested that the committee be composed of Chairman Field, Commissioner Spangler and Director Hunt. Acting Chairman Hebard made these appointments.

At 12:35 Commissioner Ledbetter moved that the meeting adjourn. The motion was seconded by Commissioner Gardner and unanimously approved.

Respectfully submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

April 21, 1978

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
April 27, 1978 - 9:00 A.M.
2nd Floor - Administration Building - Montpelier

1. Approval of minutes of April 4th meeting.
2. Discussion of request to co-sponsor "Mainstreet Conference."
3. Discussion on establishing Advisory Committee.
4. Neighborhood Strategy Areas Presentation -
Randy Kamerbeeck - Burlington City Planner
5. Review of Northfield proposal -
Judson Babcock - Developer
6. Bond market forecast and pipeline financing concept -
Andrew Gurley - Goldman Sachs
7. Revolving Credit Line - Hartford National Bank
8. Group Home Financing Discussion.
9. Mortgage request increase - Heaton/Manchester Project.
10. Other old and new business to come before the Board.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

April 5, 1978

MINUTES OF THE APRIL 4, 1978 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Field, Commissioners Ledbetter, Hebard and Gardner; Executive Director Hunt, Deputy Director Dickson; staff members Ms. Nichol and Ms. Thielen; Jeff Rand, VSHA Consultant, and Swanton developers Paul Poquette and Wayne Larry.

The meeting was called to order at 9:20 a.m.

The developers for the Swanton elderly housing project presented their proposal for 16 units on Liberty Street in the Village of Swanton. After much discussion, and after agreement to a number of changes, such as changing the location of the exterior stairways, rearranging the closet design and providing for some division between the living room and kitchen, the Board gave their encouragement to the developers to continue development of this proposal.

Upon motion of Commissioner Gardner, seconded by Commissioner Hebard, the minutes of the February 16, 1978 meeting were unanimously approved.

Director Hunt gave a brief review of 1978 legislative actions which affected the Agency. He stated that House Bill 741 had been passed and awaits signing by the Governor. The merger bill never came out of committee and, therefore, was dead for this session.

Jeff Rand, as consultant for the VSHA, gave a brief explanation of his housing allocation plan. He stressed that it was not a housing needs study but that it could be used as

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one tool in determining the housing needs in a given area. The Commissioners recommended that the study could be used as one of several guides for determining housing needs.

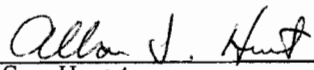
The Resolutions for Permanent Closing for Poultney and Castleton (attached hereto and made a part hereof) were moved by Commissioner Hebard and seconded by Commissioner Gardner. The motions were approved unanimously.

Director Hunt presented an update of the Northfield elderly housing situation, stating that, besides the Babcock proposal for 12 elderly units, there was another developer interested in doing a 12 to 16-unit elderly rehab project in downtown Northfield. Director Hunt said that, although the VSHA does not want to consider the later proposal, he felt the second developer should be given a hearing. The Board determined that they would hold off consideration of the Babcock proposal until the next meeting when more plans would be available and that, meanwhile, the second developer would be allowed to submit his proposal as long as he understood the situation with VSHA and that he would have a minimal chance for approval.

Motion was made by Commissioner Ledbetter, seconded by Commissioner Gardner to approve the change from an individual to a limited partnership for the Manchester elderly housing project. The motion passed unanimously.

At 11:30 a.m., Commissioner Ledbetter moved that the meeting be adjourned. The motion was seconded by Commissioner Hebard and unanimously approved.

Respectfully submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

May 19, 1978

AGENDA
for the Vermont Housing Finance Agency
Commission Meeting
May 26, 1978 - 1:00 P.M.
Second Floor VHFA Conference Room - Burlington

1. Approval of minutes of April 27th meeting.
2. Discussion of Single Family bond issue with possible approval of distribution of Official Statement for Single-Family program.
3. Resolution Authorizing the Issuance of Multi-Family Bond Anticipation Notes, Issue B
4. Discussion of Essex Junction proposals
5. Discussion of Morrisville site
6. Developer's presentation on Richford proposal
7. Discussion of Northfield proposal revisions
8. Mike Richardson -- presentation re Winooski NSA
9. Endorse VSHA allocation of 1978 Section 8 substantial rehab funds
10. Preliminary discussion of 1979 budget
11. Recommendation to Board on changing auditors
12. Any other old or new business to come before the Board.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

May 5, 1978

MINUTES OF THE APRIL 27, 1978 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioners Gardner, Ledbetter, Hebard and Spangler; Executive Director Hunt and Polly Nichol, VHFA staff; Andrew Gurley and Peter Freund of Goldman-Sachs; William Kearns, Gordon Miller and J. Malgeri of the Vermont State Housing Authority; Richard Moran of HUD; R. Kamerbeek, Burlington City Planner; and J. Babcock and R. Kate.

The meeting opened at 9:30 a.m. Commissioner Ledbetter made the motion that the minutes of the meeting of April 4 be approved. Commissioner Hebard seconded the motion. The minutes were approved unanimously.

Mr. Hunt explained to the Board that the Agency had been asked to co-sponsor a "Main Street Conference", dealing with the renovation and revitalization of downtown areas. The meeting will be held in May at the Tavern Motor Inn in Montpelier. Commissioner Hebard made the motion that VHFA co-sponsor the meeting. Commissioner Gardner seconded the motion which carried unanimously.

Mr. Hunt then suggested that the Agency establish an Advisory Committee consisting of various interest groups which would meet 3 - 4 times a year to comment on Agency programs and attitudes. Chairman Field countered with the proposal that the Agency meet once a year with selected guests and that Agency staff make a greater effort to attend meetings of groups with overlapping concerns. Commissioner Ledbetter suggested that the Board travel to various parts of the state more frequently. Although a formal vote was not taken, the Board did not appear in favor of establishing an Advisory Committee.

Randy Kamerbeek, Burlington City Planner was then introduced to explain the City's efforts at revitalization of the King Street Neighborhood. After considerable discussion, Commissioner Spangler proposed the following resolution:

"BE IT HEREBY RESOLVED that the Vermont Housing Finance Agency expresses its strong interest and support in participating in the King Street N.S.A. Project which emphasizes the rehabilitation and conservation of existing housing stock and which is designed to stabilize the neighborhood in question".

Vice-Chairman Shaw seconded the Resolution. All were in favor.

Mr. Judson Babcock and Mr. Dick Kate were then introduced to the Board. Mr. Babcock outlined his proposal for 12 units of elderly housing and 8 units of family housing in the Town of Northfield. Considerable discussion ensued about the proposed building location vis-a-vis the floodplain, Mr. Babcock's disagreements with the Town of Northfield over a cracked water line and the withholding of water rent due to a disagreement over cost of water used by residents of the project, and the suitability of the site for development, particularly for housing for the elderly and the presently unpaved road. Mr. Babcock assured the Board that the water line would be reburied by someone and that he would consider paving the road. Both Commissioners Shaw and Gardner expressed their desire to discuss the proposal again when some of the issues had been resolved.

Commissioner Gardner then made the motion that the Board approve continued processing subject to the following terms and conditions.

(1) An appraisal of the land be obtained at an early date to determine if the \$28,000 which the developer attributed to land costs in his mortgage request is justified.

(2) A sidewalk be constructed along Route 12 connecting the project with the shopping center to the North or a walkway and bridge be constructed across the river to the shopping center.

(3) The developer should investigate providing or helping the Area Office on Aging to provide transportation from the site to the Northfield business district if such transportation does not already exist.

(3)

(4) Road surfaces and parking areas throughout the development should be paved to avoid dust and mud.

(5) The community room be located adjacent to the units for the elderly rather than in its present location next to the family apartments.

(6) Flood insurance be obtained.

(7) The problems with the Town of Northfield pertaining to the cracked water line and withholding of water rent be resolved.

(8) The size of the 1 bedroom units be increased, and ceiling insulation added.

Commissioner Ledbetter seconded the motion. In favor were Chairman Field, Vice-Chairman Shaw and Commissioner Gardner. Opposed were Commissioners Hebard and Spangler. Commissioner Ledbetter abstained. Chairman Field asked that the record show that his vote in favor was solely to support the action of approval already taken by the State Housing Authority.

Mr. Gurley and Mr. Freund were then presented to the Board. Mr. Gurley indicated to the Board that they had studied the feasibility of an advanced refunding of the 1975 Single Family Program and found it very feasible if it was combined with the sale of \$10 - \$12 million of additional bonds for the purpose of making new loans. The benefits of this approach are: (1) A substantial reduction in the debt service of the 1975 program; (2) an improved cash flow for that program; (3) it would enable the Agency to make new mortgage loans at substantially lower rates.

Next Mr. Gurley explained the concept of pipeline financing as it related to multifamily housing. Under this concept, bonds to finance projects that the Agency had given only conceptual approval for would be sold at the earliest possible date. The advantages would be that the permanent interest rate would be established at an earlier point in time and, in a rising market, the net interest cost may be lower.

Commissioner Ledbetter made the motion that the Board express its conceptual approval and go forward with the single family financing. Vice-Chairman Shaw seconded the motion. Director Hunt suggested that this program be oriented towards new construction and the Board seemed to agree. All voted in favor of Commissioner Ledbetter's motion.

The meeting then turned to the request by Windsor Housing Associates that the Agency allow the restructuring of the partnership to include two general partners. Director Hunt reported

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that the Agency's attorney advised that this arrangement would be better for the Agency than the present one.

Commissioner Hebard made the motion that the request be approved upon receipt of a formal letter from Windsor Housing Associates, and upon review of the letter by the Chairman.

Commissioner Spangler seconded the motion which passed unanimously.

Chairman Field noted that he had received a request from Vermont State Housing Authority Chairman Finneran of a joint Board meeting. The Commissioners agreed to such a meeting and suggested May 11th as the date.

Mr. Hunt then suggested that the first lien on excess mortgage payoffs be to finance the Group Home Program at an interest rate of 6.95%. Commissioner Ledbetter suggested that the 6.95% interest rate only be for those loans already committed. Vice-Chairman Shaw made the motion to this effect which was amended by Commissioner Gardner to state that only \$200,000 should be set aside at a 6.95% interest rate. Commissioner Hebard seconded the motion. It passed unanimously.

Commissioner Ledbetter then suggested that the agenda item pertaining to a revolving line of credit be tabled. Commissioner Spangler seconded the motion which passed unanimously. Mr. Hunt then pointed out that the Lane Shops project would probably be under construction before bonds would be sold. Commissioner Hebard then made the motion that the Agency issue a bond anticipation note and if that proved infeasible, a revolving line of credit be reconsidered. Commissioner Gardner seconded the motion. Commissioner Hebard then amended his motion to provide for issuance of a bond anticipation note for the Lane Shops Project and to suggest that a line of credit with Vermont banks be explored. The amended motion passed unanimously.

Director Hunt then explained to the Board that Jack Heaton's project in Manchester was in need of a mortgage increase of approximately \$40,000. He asked that the Board approve this increase by means of a participation loan with the Rutland Savings Bank, whereby the Rutland Savings Bank would provide the additional money. Commissioner Ledbetter made the motion that the Agency enter into a participation loan with the Rutland Savings Bank. Commissioner Spangler seconded the motion which passed unanimously.

The meeting adjourned at 12:30 p.m.

Respectfully submitted,


Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

July 7, 1978

AGENDA
FOR THE VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
JULY 14, 1978 - 1:00 P.M.
4TH FLOOR CONFERENCE ROOM - PAVILION BUILDING

1. Approval of minutes of May 26th meeting.
2. Approval of minutes of June 8th joint meeting with VSHA.
3. Approval of minutes of June 16th meeting(s)
4. Approval of minutes of June 22nd joint meeting with VSHA.
5. Line of credit (Hartford National Bank Proposal)
6. Adoption of Fiscal Year 1979 Budget (enclosed)
7. Discussion of revised Home Improvement Loan Program and possible pilot program with the Howard Bank.
8. Discussion of Group Home Program (see letters enclosed)
9. Discussion of Manchester project (Enclosed)
10. Discussion of Essex Junction project
11. Status report on Derby Line project
12. Status report on Lane Shops
13. Resolution authorizing Rutland permanent loan.
14. Any other business to come before the Board.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

June 8, 1978

MINUTES OF THE MAY 26, 1978 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioners Myette, Hebard, Gardner, Ledbetter; Executive Director Hunt, Deputy Director Dickson, Mr. Frazier, Ms. Detora, Ms. Thielen, Ms. Nichol; Mr. Gurley and Mr. Freund of Goldman-Sachs; Mr. DeSear of Brownwood, Ivey, Mitchell and Petty; Mr. Ingalls of Hawkins, Delafield & Wood; Mr. Carr, Mr. Richardson, and Mr. and Mrs. Postman.

The meeting opened at 1: 20 p.m. Commissioner Hebard moved the minutes of the May 5, 1978 meeting be accepted. Commissioner Gardner seconded the motion and it was approved unanimously.

Director Hunt informed the Commissioners that the State agencies had received a set-aside of 125 units under the Section 8 substantial rehabilitation program and that it was necessary to allocate the units to individual communities. Based on Director Hunt's memo outlining the recommended communities, Commissioner Gardner moved that the tentative allocation plan be approved. Upon a second from Commissioner Shaw, the motion was approved unanimously.

Next the resolution authorizing the issuance of \$1,525,000 in bond anticipation notes to provide a take-out for the Montpelier "Lane Shops" project was discussed. John Ingalls noted the resolution was similar in most respects to the resolution authorizing the sale of notes for Cummings Street with the following exceptions: (1) provides for a private sale; (2) provides interest rate not to exceed 6%. Director Hunt noted the sale was needed to induce the construction lender to provide the interim financing and, with a few exceptions, the project could proceed within 3 weeks. Commissioner Gardner made the motion to approve the resolution entitled "Resolution Authorizing the Issuance of Multi-Family Bond Anticipation Notes, Issue B: dated May 26, 1978. Upon seconding by Mr. Hebard, the motion was approved unanimously.

Next the discussion moved to a discussion of auditors. The staff solicited and received two proposals; from Haskins & Sells and Coopers and Lybrand. The strengths of the Coopers and Lybrand proposal were (a) the lowest cost (\$7,500 plus expenses); (b) their general experience in auditing other housing finance agencies (14); (c) their added capacity of providing management consulting services. Haskins & Sells strengths include (a) good past track record; (b) familiarity with Agency books. After some discussion over the pros and cons of each proposal, Commissioner Myette moved we accept the Coopers and Lybrand proposal. Upon a second from Mr. Shaw, the motion was approved unanimously.

The need for a new single family bond issue was then discussed. Director Hunt outlined the letter questionnaire that was sent to all Vermont Banks and indicated the banks expressed a need for approximately \$30 million in funds. The program would involve using half the funds for existing housing and half for new construction/substantial rehabilitation.

Next Andrew Gurley of Goldman-Sachs described the current market conditions, which had deteriorate substantially from his initial presentation but would still allow new mortgages at 7-3/4%. The recycling part of the program would generate an additional \$20,000,000 in mortgage loans over 10 years. The bond issue would contain no "moral obligation" due to the defeasance of the old resolution.

Commissioner Ledbetter moved to allow the Executive Director and Chairman to authorize the distribution of the Preliminary Official Statement when they felt the time was appropriate. Commissioner Shaw seconded the motion and it was approved unanimously.

Ms. Nichol reported to the Board that Mr. Babcock had met all of the conditions imposed by the Board regarding his Northfield project with the exception of the sidewalk to the Grand Union and he was working on providing the sidewalk. Mr. Hunt asked if the Board had continued objections to Mr. Babcock's proposal. It was the consensus of the Commissioners that the Agency should continue processing Mr. Babcock's proposal.

Richard Carr of Franklin-Grand Isle Housing then presented to the Board his proposal for 24 units of housing for the elderly in Richford, the Section 8 subsidy for which had been awarded in response to a HUD Notice of Fund Availability. The consensus of the Commissioners was that the proposal was not of high quality and should not be funded by the Agency. Director Hunt suggested that he tell HUD that the Agency is reluctant to fund the proposal because of the low rents, high density and poor quality building materials, that the Agency request that HUD give the set-aside to VSHA-VHFA and that a portion of the state agency set-aside be added to it to facilitate the development of a quality project in Richford. The Board supported this approach.

Barbara and Arthur Postman explained to the Board their difficulties in finding a bondable general contractor willing to build their 11-unit project in Derby Line within the construction budget. They requested the following:

- (1) That Mr. Postman, the architect, be allowed to act as General Contractor without a bond;
- (2) that they obtain financing from a Boston construction lender at a higher interest rate since the Community National Bank will not finance the project without a 100% bond.

Chairman Field suggested instead that the Agency agree to buy the construction loan from the bank as of a certain date whether or not the project is complete, that the Postmans be personally liable on the construction loan, that as many of the subcontractors as possible be bonded and that a non-bonded general contractor be employed. Other Board members concurred with Chairman Field's suggestion.

Mike Richardson, Assistant Community Development Director for the City of Winooski asked the Agency to endorse Winooski's application for Neighborhood Strategy Area set-aside special demonstration rehab units. The city proposes to rehabilitate three dilapidated mill buildings to provide both low and moderate income housing. Commissioner Hebard moved the following:

"BE IT HEREBY RESOLVED that the Vermont Housing Finance Agency expresses its strong interest and support in participating in the Winooski N.S.A. Project which emphasizes the rehabilitation and conservation of existing building stock and which is designed to stabilize the neighborhoods in question".

Commissioner Myette seconded the motion which passed unanimously. Chairman Field requested that the State Housing Authority be informed of the Board's actions.

Mr. Dickson summarized for the Commissioners, each of the seven proposals received for 64 units of housing for the elderly in Essex. Commissioner Hebard moved that the following developers make oral presentations of their proposals to a joint meeting of the State Housing Authority and VHFA Boards on or about June 8, and that the other proposals be suspended:

- (1) Robert Clark's Warner Avenue proposal
- (2) Shelter Group, Inc.'s West Street proposal
- (3) Shelter Group, Inc.'s Brickyard proposal

Commissioner Ledbetter seconded the motion which passed unanimously.

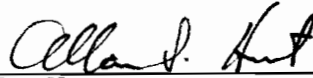
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Director Hunt reported that the Agency is still attempting to obtain an option on the house in Morrisville discussed previously, to be used for housing for the elderly. He displayed a possible apartment layout developed for the Agency by Bill Truex, consulting architect.

Director Hunt then briefly presented anticipated highlights of the 1978 - 1979 budget to the Board, informing them that the budget will not increase drastically, but that several additional staff members are needed to adequately service the Agency's programs.

The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Allan S. Hunt", is written above a horizontal line.

Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

June 21, 1978

MINUTES OF THE JOINT MEETING OF
THE VERMONT HOUSING FINANCE AGENCY
AND
VERMONT STATE HOUSING AUTHORITY
JUNE 8, 1978, 9:35 a.m.

In attendance: VHFA Chairman Field, Vice-Chairman Shaw, Commissioners Ledbetter, Gardner, and Spangler; Mr. Gallison substituting for Commissioner Hebard; VSHA Chairman Finneran, Vice-Chairman Arioli, Commissioners Harris and Spangler; VHFA Director Hunt, Deputy Director Dickson, Ms. Nichol; VSHA Director Kearns, Deputy Director Hahn, Mr. Malgeri, Mr. Miller and Ms. Stubbs; Mr. and Mrs. Fisher from Essex Junction, Mr. Donaghue from the Burlington Free Press; Mr. Clark and Mr. Truex; Mr. Griswold, Mr. Hamlin, Mr. Peterson, Mr. Nadeau and Mr. Richmond.

The purpose of the meeting was to hear proposals on three sites for 64 units of housing for the elderly in the Town of Essex. Mr. Robert Clark of Roles Development Corporation and Mr. William Truex, his architect, presented two proposals for 60 units of housing for the elderly located off Warner Avenue. Concerns of the Boards relating to this proposal were as follows:

- (1) The length of time which will be involved in the zoning approval process
- (2) Adequate ventilation of the "greenhouse" spaces during the summertime
- (3) The reliability of his estimate of construction costs
- (4) The exact shape and layout of the community space
- (5) The fact that the laundry areas are spread out
- (6) The small size of the second bedroom in the two bedroom units

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Both Boards expressed a preference for the proposal in which all the units are located in the town (12 Warner Avenue) as opposed to the proposal in which all units are located in the Village (10 Warner Avenue).

Mr. Steve Griswold, Don Peterson and Terry Nadeau of Shelter Group, Inc. then presented four proposals which were as follows:

- (1) Brickyard site - low-rise proposal
- (2) Brickyard site - mid-rise proposal
- (3) West Street site - low-rise proposal
- (4) West Street site - mid-rise proposal

Mrs. Ethel Fisher of the Essex Senior Citizens Club expressed her strong preference and that of the group for the West Street site.

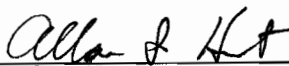
It was the concensus of the Commissioeners that both Warner Avenue and West Street are more attractive residential neighborhoods with better soil conditions than the Brickyard, and that the Brickyard site should not be considered unless insurmountable problems arise with the other two sites. The following questions and concerns were then expressed about the Shelter Group West Street proposals:

- (1) Is the road through the park and over the railroad tracks kept clear of snow in the winter?
- (2) Clarify the room sizes.
- (3) The site plan for the low-rise units could be improved in order to optimize views
- (4) Management history

The Commissioners asked that the staffs of the two agencies clarify the points of concern with the developers and be prepared to make a recommendation to the Boards regarding which proposal should be selected. It was decided that a joint meeting of the two boards would be held at 10:30 a.m. on Friday, June 16th to select a proposal.

The meeting adjourned at 12:20 p.m.

Respectfully submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

July 7, 1978

MINUTES OF THE JUNE 16, 1978 COMMISSION MEETING OF THE VERMONT HOUSING FINANCE AGENCY

PRESENT: Chairman Field, Commissioners Gardner, Myette, Spangler, and Hebard; Andrew Gurley of Goldman Sachs & Co.; Charles Ziese of E.F. Hutton; John Ingalls and Donald Robinson of Hawkins, Delafield & Wood; Ann Stern and Ed DeSear of Brown, Wood, Ivy et al; Executive Director Hunt; Jain Detora and Scott Frazier, staff.

The meeting was called to order at 11:50 a.m. in the office of the State Treasurer. Mr. Ingalls was requested by the Chairman to discuss the various documents related to the issuing of \$27,210,000 Single Family Mortgage Purchase Bonds, 1978 Series A.

Mr. Ingalls proceeded to explain the General Bond Resolution entitled "Single Family Mortgage Purchase Bond Resolution", noting differences from the General Bond Resolution covering the 1976 and 1977 Single Family bond series. The major differences are the provision to allow the Agency to purchase conventional mortgages and the provision for a cash flow certificate which would allow the recycling of principle into new mortgages. Mr. Ingalls also noted the new resolution provides the Howard Bank be appointed as Trustee for the issue.

Upon motion of Commissioner Gardner and seconded by Commissioner Hebard, the General Bond Resolution entitled "Single Family Mortgage Purchase Bond Resolution" was unanimously adopted.

A discussion of a series resolution relating to authorizing the issuance and sale of approximately \$27,210,000 Single Family Mortgage Purchase Bonds, 1978 Series A, followed. A section by section review of this document was led by Mr. Ingalls. The two most important sections related to the establishment of an escrow for the refunding of the 1975 bonds and Article 4 which specifies the absence of a moral obligation. The Series Resolution also authorizes the distribution of the Official Statement. Mr. Ingalls also noted a change in the printed document on page 28, where the amount to be deposited in escrow was changed from \$14,795,933 to \$14,775,000.

Upon a motion by Commissioner Spangler, seconded by Commissioner Gardner, the Series Resolution authorizing the issuance and sale of \$27,210,000 Single Family Mortgage Purchase Bonds, 1978 Series A, was unanimously adopted.

Next, the Purchase Contract was executed with the Goldman, Sachs & Company and E.F. Hutton & Co., Inc. representatives and a good faith check in the amount of \$273,000 was presented to the Agency.

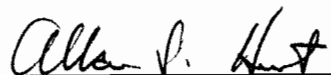
Next there was a discussion relating to the acceptance of the applications and commitments of mortgage lenders. The following motion was introduced by Commissioner Gardner and seconded by Commissioner Spangler:

BE IT RESOLVED AS FOLLOWS: The acceptance by the Chairman or the Executive Director of the applications and commitments of mortgage lenders is hereby authorized and confirmed as follows and the following are appointed Depositories under Section 1101 of the Single Family Mortgage Purchase Bond Resolution:

Bennington Cooperative Savings & Loan Assoc., Bennington	\$ 250,000
Bradford National Bank, Bradford	350,000
Chittenden Trust Company, Burlington	1,250,000
First Inter-State Bank, White River Junction	800,000
First Vermont Bank and Trust Company, Brattleboro	900,000
Franklin-Lamoille Bank, St. Albans	250,000
The Howard Bank, Burlington	1,750,000
Marble Savings Bank, Rutland	800,000
The Merchants Bank, Burlington	400,000
Middlebury Cooperative Savings and Loan Association, Middlebury	250,000
Mountain Trust Company, Stowe	250,000
Peoples Trust Company of St. Albans, St. Albans	600,000
Randolph Cooperative Savings and Loan Association, Randolph	250,000
Randolph National Bank, Randolph	250,000
Rutland Savings Bank, Rutland	2,000,000
The Union Bank, Morrisville	300,000
Vermont Federal Savings and Loan Association, Burlington	850,000
The Vermont National Bank, Brattleboro	500,000
	<hr/>
	\$12,000,000

There being no further business to come before the Board, upon motion of Commissioner Spangler and seconded by Commissioner Hebard, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,


 Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

June 30, 1978

MINUTES OF THE JOINT MEETING OF THE
VERMONT HOUSING FINANCE AGENCY
AND
VERMONT STATE HOUSING AUTHORITY
JUNE 16, 1978, 10:30 A.M.

IN ATTENDANCE: VSHA Commissioners Finneran, Chairman, Mr. Arioli, Vice-Chairman, Mr. Spangler; VSHA staff Executive Director Kearns, Deputy Director Hahn, Mr. Miller and Ms. Hudson; VHFA Commissioners Field, Chairman, Mr. Hebard, Mr. Gardner and Mr. Spangler; VHFA staff Mr. Hunt, Executive Director and Mr. Dickson, Deputy Director.

The purpose of the meeting was to select one of the two proposals that had been presented and discussed at the meeting of June 8, 1978. Executive Director Kearns of VSHA reported that pursuant to instructions of the Commissioners, staff members of the two agencies and Commissioner Harris of VSHA met separately with the two competing developers (Mr. Clark of Roles Development Corp. and Mr. Griswold of Shelter Group, Inc.) on June 14 and discussed the issues raised at the previous meeting. Shelter Group, Inc. had been directed to modify their site plan slightly; the modification was presented at this meeting. Following these discussions a joint staff recommendation was prepared.

Mr. Kearns presented the four-page joint staff report to the Commissioners, which read in part: "it was the unanimous recommendation of agency representatives participating that the Boards of Commissioners endorse and give preliminary approval to the proposal by Shelter Group, Inc. for development and construction of 64 units of housing for the elderly on West Street."

A lengthy discussion ensued regarding the relative merits and problems of the two proposals, and the revised site plan submitted by Shelter Group at the Commissioners' direction. The consensus of those present was that although Mr. Clark's proposal for Warner Avenue was very attractive, the problems of zoning and utilities might not be solved in time to meet the HUD deadline. Staff was

(2)

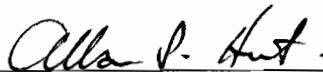
instructed to write Mr. Clark and invite him to resubmit his designs on another appropriate site in the future.

Chairman Field reported that Commissioner Myette and Vice-Chairman Shaw were unavoidably absent and both of them had asked that a decision on the Essex proposals be delayed until they could be present. Therefore, it was agreed that the two Board of Commissioners will meet again at 1:00 p.m. on June 22 to make the formal decision.

Chairman Finneran of VSHA reported that Mr. Daniel J. O'Brien, who had submitted one of the proposals that had been suspended at the VHFA meeting of May 26, 1978, had requested an opportunity to submit a new proposal for consideration by the two agencies. It was agreed that Mr. O'Brien would be permitted at his request, to submit a new proposal on June 22 if he chose to do so. It was the general understanding that unless the O'Brien submission was superior, the Shelter Group proposal would be selected.

The meeting was adjourned at 12:15 p.m.

Respected submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES OF THE JOINT MEETING OF THE
VERMONT HOUSING FINANCE AGENCY
AND
VERMONT STATE HOUSING AUTHORITY
JUNE 22, 1978, 10:30 A.M.

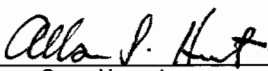
IN ATTENDANCE: Vermont Housing Finance Agency Board Members: Chairman Field, Commissioners Myette, Hebard and Spangler; Vermont State Housing Authority Board Members: Chairman Finneran, Vice-Chairman Arioli, Commissioners Condon, Harris and Spangler. VHFA staff Director Hunt, Deputy Director Dickson, Ms. Nichol; VSHA staff Director Kearns, Deputy Director Hahn, Mr. Malgieri, Mr. Williams, Mr. Miller, Mr. Ludington, Ms. Stubbs; Others present: Mr. Connor from Burlington Housing Authority, Mr. O'Brien, Mr. Dubie, Mr. Donaghue from the Burlington Free Press, Mr. Williams, Mr. Lanphere, Mr. Morrissey, Mr. Shea, Mr. Conlon and other members of the public.

The meeting was called to order at 10:30 a.m.

Mr. O'Brien presented a new proposal for 64 units of housing for the elderly located on the Whitcomb property off West Street in the Village of Essex Junction. Numerous questions were asked of the development team by various staff and board members. After lengthy discussion, both boards recessed at 12:20 p.m. to decide individually whether to select the O'Brien proposal or the proposal previously submitted by Shelter Group Inc. on the same site.

The VHFA Board reconvened at 12:30 p.m. Chairman Field, Commissioners Myette and Hebard, and staff members Hunt, Dickson, and Nichol were present. Chairman Field reported that Commissioner Spangler, who could not attend the reconvened meeting, asked him to record his vote on the matter as being in favor of the O'Brien proposal. After some discussion of the two proposals, Commissioner Myette made the motion that the Board select the O'Brien proposal. Commissioner Hebard seconded the motion which passed unanimously. The meeting then adjourned.

Respectfully submitted,


Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

August 10, 1978

AGENDA
FOR THE VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
AUGUST 17, 1978 - 1:00 P.M.
STATE TREASURER'S OFFICE, ADMINISTRATION BUILDING

1. Approval of minutes of July 14th meeting.
2. Authorize Letter of Intent to Finance:
 - (a) Essex Junction
 - (b) Northfield
 - (c) Swanton
 - (d) White River Junction
3. Authorize preparation and distribution of official Statement for Multifamily Mortgage Bonds, 1978 Series A
4. Resolution authorizing permanent loan:
 - (a) Randolph
 - (b) Cummings Street, Montpelier
5. Approval of Request for Application of Set-Aside
6. Any new business to come before the Board.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
JULY 14, 1978 - 1:00 p.m.
4th FLOOR CONFERENCE ROOM - PAVILION BUILDING

IN ATTENDANCE: Chairman Field, Vice-Chairman Shaw, Commissioners Spangler, Myette, Hebard, and Gardner. Director Hunt, Deputy Director Dickson, Mr. Frazier, Ms. Nichol, Mr. Driscoll of the Dept. of Housing and Community Affairs, Mr. Blake of the Hartford National Bank.

Commissioner Gardner questioned the minutes of the meeting of June 16, 1978 which stated "It was agreed that Mr. O'Brien would be permitted at his request, though not formally invited, to submit a new proposal on June 22 if he chose to do so. It was the general understanding that unless the O'Brien submission was clearly superior, the Shelter Group Proposal would be selected." Chairman Field made the motion that the words "clearly" and "not formally invited" be stricken from the minutes. Commissioner Gardner seconded the motion. All were in favor.

Commissioner Gardner then questioned whether Commissioner Spangler's departure from the June 22 meeting prior to the vote on the Essex Junction proposals destroyed the quorum. Chairman Field opinioned that it did not and suggested the addition of the following sentence in the appropriate place: "Chairman Field reported that Commissioner Spangler, who could not attend the reconvened meeting, asked him to record his vote on the matter as being in favor of the O'Brien proposal."

Director Hunt then passed around changes to the minutes of the meeting of June 16, 1978 which were requested by bond counsel. Commissioner Spangler made the motion that Chairman Field's addition to the June 22 meeting minutes and bondcounsel's changes to the June 16 meeting minutes be approved. Commissioner Gardner seconded the motion. Approval was unanimous.

Commissioner Hebard made the motion that the four sets of minutes (May 26, June 8, June 16, June 22) be approved as amended. Commissioner Myette seconded the motion. It passed unanimously.

Director Hunt then introduced John Blake of the Hartford National Bank who explained his proposal that Hartford National provide VHFA with a \$5-6 Million line of credit. Mr. Blake agreed to provide the Board with copies of the specific terms of the credit which had been used in other states. The Board requested this information before taking formal action.

Commissioner Gardner made the following motion pertaining to the forthcoming permanent loan closing in Rutland: (Resolution attached).

Commissioner Hebard seconded in the motion. All were in favor.

Mr. Dickson gave a status report on the Lane Shops and Derby Line projects. He then summarized the easement problem confronting the Manchester project and presented Mr. Heaton's suggested solution.

The concensus of the Board was that the northern 30 ft. of the right away be utilized as the road way, that the parking be removed from the 50 ft. right-of-way, and that a greenbelt consisting of 6" trees separate the parking and turnaround area from the roadway. Chairman Field initialed the approved drawing.

Mr. Frazier then presented the proposed budget for Fiscal Year 1979. Commissioner Hebard mentioned that the \$15,000 travel budget seemed high. Chairman Field suggested \$12,000 for travel. Commissioners Gardner and Myette requested that the Board be provided with a projection of future income and expenses over the next several years. Chairman Field suggested that the Exhibit A category "multifamily commitment fees" be footnoted to explain the decrease in revenues between Fiscal Year 1978 and 1979.

Vice-Chairman Shaw made the motion to adopt the budget as amended. Commissioner Myette seconded the motion. All were in favor.

Director Hunt then explained the proposal from the Howard Bank for a pilot Home Improvement Loan Program. He asked that a commitment for the pilot program be made to the Howard, Rutland Savings and Bradford National, who had expressed interest in the program. Commissioner Hebard suggested that the Howard be directed that its funds not be used exclusively in Chittenden County. It was the consensus of the commissioners that as much as possible, the money should go to people with incomes under \$16,000 and that half be used outside of Chittenden County. Commissioner Gardner made the motion to proceed with the pilot program. Commissioner Hebard seconded the motion. All were in favor.

The next issue raised was "to what kind of groups should the Group Home Program be extended?" Director Hunt explained that the Agency of Human Services had requested that VHFA finance six residences for juvenile delinquents. Commissioners Gebard and Shaw suggested that VHMGB guarantees be required. Commissioner Hebard made the motion to approve the request subject to a legal opinion that such was not in conflict with Agency legislation. Commissioner Spangler seconded the motion which was then amended by Chairman Field to include only VHMGB loans. The motion, as amended, was approved unanimously.

The next issue to be discussed, also pertaining to group homes was "should low interest financing be available only to non-profit groups?" After some discussion Commissioner Hebard moved the interest rate be the same whether the sponsor be non-profit or profit motivated but that the fees charged the tenants by the sponsor

be reviewed annually and found reasonable by the Agency of Human Services. Commissioner Gardner seconded the motion. All voted in favor.

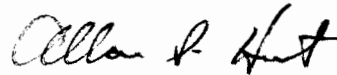
Commissioner Spangler suggested that he and others interested develop a processing procedure to avoid hasty decisions on selecting competing proposals as occurred in the case of Essex Junction. Commissioner Myette moved and Commissioner Hebard seconded the motion that "Commissioner Spangler develop a procedure and present it at the next meeting." The motion passed unanimously. It was the consensus of the Board that the Agency should either advertise on a particular site or option the land itself, to avoid future difficulties.

Mr. Dickson reported to the Board that the Agency now appears to have several acceptable alternatives for developing housing in Morrisville.

Joe Wichcamper's revised proposal for housing for the elderly in White River Junction was presented to the Board. Mr. Wishcamper is proposing to reduce the number of units to 34 and increase the rents to \$335.00/unit/month for one-bedroom units and \$399.50/unit/month for two-bedroom units. Commissioner Myette made the motion to approve the proposal as revised. Commissioner Shaw seconded the motion. All voted in favor of the motion.

The meeting adjourned at 4:30 p.m. upon a motion by Commissioner Gardner and seconded by Commissioner Myette.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Allan S. Hunt". The signature is fluid and cursive, with the first name "Allan" being the most prominent part.

Allan S. Hunt
Executive Director



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES OF THE JULY 26, 1978 COMMISSION MEETING

of

THE VERMONT HOUSING FINANCE AGENCY
(CONFERENCE CALL)

PRESENT: Chairman Field, Commissioners Hebard, Ledbetter, Shaw, Gardner,
and Executive Director Hunt.

A special meeting of the Commissioners of the Vermont Housing Finance Agency
was called to order by Chairman Field at 3:56 p.m.

The subject of the conference call was the need to determine what limits should
be set for a borrower's assets under the 1978 Single Family Mortgage Purchase
Program. It had come to the Agency's attention via several loan officers that
it was possible for a borrower with substantial savings to qualify for our pro-
gram and be able to finance a home well in excess of a modest or low and moderate
income home. For example: a borrower, whose income was below \$16,000, could
add \$20,000 savings to our maximum \$38,000 and purchase a home that costs \$58,000
and would probably be appraised for a bit more. This would certainly not fall
within the intent of the program. Although the percentage of low and moderate
income borrowers who have that amount of savings is low - several cases had
arisen and the Board felt it was necessary to establish a rule that would elimin-
ate the problem.

It was decided that instead of giving the servicers a formula for determining
liquid assets it would be far cleaner to simply set a maximum purchase price.

A motion was made, seconded and unanimously approved to set a maximum purchase
price of \$47,500; the maximum loan of \$38,000 plus an additional 25%.

There being no further business to come before the Board, the meeting was
adjourned at 4:07.

Respectfully submitted,

Allan S. Hunt
Executive Director



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

August 25, 1978

AGENDA
FOR THE VERMONT HOUSING FINANCE AGENCY
COMMISSIONERS MEETING
FRIDAY - SEPTEMBER 1 - 1:30 p.m.
STATE TREASURER'S OFFICE, ADMINISTRATION BUILDING

1. Adoption of Vermont Housing Finance Agency Series Resolution authorizing the issuance and sale of \$10,610,000 Multi-family Mortgage Bonds, 1978 Series A.
2. Presentation of proposals: (20-25 minutes each)
 - A. Enosburg - 30 units - elderly - Robert Clark/
Bob Kessel.
 - B. Williamstown - 21 units - elderly
 - C. Bradford - 14 units elderly, 7 units family -
George Huntington
 - D. Brandon - 20 units - elderly - Tony Adams
 - E. Shelburne - 11 units - elderly - Dorwin Thomas
3. Any old or new business to come before the Board.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

September 6, 1978

AGENDA
FOR THE VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
SEPTEMBER 8, 1978 - 1:00 p.m.
STATE TREASURER'S OFFICE, ADMINISTRATION BUILDING

1. Approval of minutes of the August 10 and August 29 Board Meetings.
2. Presentation of Proposals:
 - 1:30 Williamstown - 22 units - Parsons Brinckerhoff
Aaron Gleisch
 - 2:15 Shelburne - 11 units - Dorwin Thomas
 - 3:00 Brandon - 19 units - Anthony Adams
 - 3:30 Brandon - 20 units - Bicknell/Beckwith
 - 4:15 Enosburg - 30 units Bob Kessel



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA
COMMISSION MEETING
OCTOBER 3, 1978 - 1:30 P.M.
VERMONT HOUSING FINANCE AGENCY

1. Review and approval of minutes of August 17 and September 8.
2. Bradford Proposal - George Huntington 1:30
3. Williamstown Proposal - Dybvig/Rolls 2:15
4. Morrisville Proposal - Lunde Construction Co. 3:00
5. Authorize Letter of Intent
 - a. Brandon - 19 units - Tony Adams
 - b. Shelburne - 11 units - Dorwin Thomas
6. Discussion of reduction of developers return on Equity from 8% to 6% for elderly housing.
7. Discussion of requirement for performance and payment bonds on Letter of Credit.
8. Approval of change of owner for the Essex Junction project from Daniel O'Brien to West Street Woods Associates.
9. Other business.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY

COMMISSION MEETING

August 17, 1978 - 1:45 p.m.

State Treasurer's Office

IN ATTENDANCE: Chairman Field, Commissioners Ledbetter, Gardner, Hebard. Director Hunt, Ms. Thielen, Ms. Nichol. Mr. Driscoll of the Agency of Development and Community Affairs, Mr. Gurley of Goldman-Sachs, Mr. Ingalls of Hawkins, Delafield & Wood, Mr. Malley of the Agency of Human Services, Ms. VanBehren of the Barre Project Inc.

1. Commissioner Gardner made the motion that the minutes of the meeting of July 14 be approved. Commissioner Ledbetter seconded the motion. All voted in favor.

2. Next the Board heard presentations by Ms. Thielen and Ms. Nichol of four projects which are ready for a Letter of Intent. Ms. Thielen explained that the developer for the Essex Junction, 64 unit elderly project has satisfactorily completed all requirements necessary for authorization of a Letter of Intent. Upon motion of Commissioner Gardner, seconded by Commissioner Hebard, the Board unanimously agreed to authorize issuance of the Letter of Intent.

Ms. Nichol told the Board that Mr. Babcock had completed all the requirements necessary for the Letter of Intent for his Northfield project. The Board suggested that family tenants pay their own utilities but the developer pay the utilities in the units designed for the elderly. Commissioner Gardner then made a motion that the Letter of Intent be issued for the Northfield project. Commissioner Ledbetter seconded the motion which passed unanimously.

Ms. Thielen then presented the 16 unit Swanton proposal explaining that since the developers' presentation to the Board, the village planning commission had required that they rearrange the site plan because of a set-back requirement on Platt Street. Other than that change, the project was progressing satisfactorily and all required submissions for a Letter of Intent were in hand. Upon motion of Commissioner Ledbetter, seconded by Commissioner Hebard, the Board unanimously approved issuance of a Letter of Intent for the Swanton project.

Ms. Nichol summarized the status of Mr. Wishcamper's White River Junction project for the Board. She suggested that the Letter of Intent be authorized contingent upon receipt of a letter of interest from a construction lender and a letter substantiating the developer's estimate of taxes. Commissioner Ledbetter made the motion that the Board approve issuance of the Letter of Intent for the White River Junction project contingent upon receipt of the necessary documents. Commissioner Gardner seconded the motion. It was approved unanimously.

3. The Board was then presented with resolutions approving permanent financing for both the Randolph and ~~Rutland~~ ^{Montpelier} projects. (See attached). Commissioner Ledbetter made the motion that the Board adopt both resolutions. Commissioner Gardner seconded the motion. All were in favor. As it

4. Director Hunt explained to the Board the series of delays in bringing the Cummings Street project in Montpelier to a permanent closing and suggested that the money the developer is saving on the difference between the construction and permanent interest rates be put into landscaping. Chairman Field suggested that the Agency call the note on the construction loan. Mr. Hunt said he would look into the feasibility of doing that.

5. Director Hunt then explained the Application of Set-Aside which had been agreed upon by the staffs of VHFA and VSHA for the recent allocation of funds from HUD for 190 units of Section 8 housing. Commissioner Ledbetter made the motion, seconded by Commissioner Hebard, to approve the Request for Application of Set-Aside as presented by Director Hunt. The motion passed with Commissioner Gardner abstaining.

6. The Official Statement for Multi-Family Bond Issue was distributed to the Board. Commissioner Hebard then made the following motion:

RESOLVED, that the Executive Director be and hereby is authorized to prepare a preliminary official statement describing the proposed issue of Multi-Family Mortgage Bonds, 1978 Series A in a principal amount not to exceed \$11,000,000 and to distribute the preliminary official statement to prospective investors.

Commissioner Gardner seconded the motion. All were in favor.

Commissioner Ledbetter suggested that the Official Statement emphasize that most of the projects in the bond issue are housing for the elderly.

7. Mr. Hunt then distributed Attorney Desautel's opinion, based on VHFA Regulations, regarding whether or not the Agency could finance homes for juvenile delinquents under its Group Home Program. Chairman Field suggested that the Agency's legislation should also be researched. Mr. Hunt then introduced Tim Malley of the Agency of Human Services to explain why his agency needs VHFA's help to institute its program to close the Weeks School and establish group homes for juveniles throughout the State.

The consensus of the Board seemed to be that the VHFA regulations pertaining to Group Homes do not cover homes for juvenile delinquents and that the decision of whether or not to include such homes under the Agency's Group Home Program should be made by the Vermont Legislature and not the Agency's Board of Commissioners.

Mr. Hunt then introduced Marilyn Van Behren of the Barre Project Inc., a non-profit community based project to aid disturbed and delinquent juveniles. She explained to the Board that her group was trying to purchase a home for juveniles but could not come up with the normal 20-25% downpayment required by conventional lending institutions.

Commissioner Ledbetter moved that the meeting adjourn. Commissioner Gardner seconded the motion, which passed unanimously. The meeting adjourned at 4:05 p.m.

Respectfully submitted,



Allan S. Hunt
Executive Director



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
SEPTEMBER 1, 1978 - 12:30 p.m.
STATE TREASURER'S OFFICE

IN ATTENDANCE: Commissioners Hebard, Ledbetter, Spangler; Commissioner Myette by speakerphone. Executive Director Hunt, Deputy Director Dickson, Ms. Nichol. Mr. Gurley and Mr. Freund of Goldman--Sachs, Mr. Ziese of E.F. Hutton. Mr. Ingalls of Hawkins, Delafield and Wood. Mr. De Sear of Brown, Wood Ivy, Mr. Driscoll of the Department of Housing and Community Affairs.

Mr. Hebard chaired the meeting in the absence of the chairman.

Mr. Ingalls was introduced and asked to explain the three resolutions before the Board.

- (1) The first resolution pertained to the repeal of the resolution authorizing a Bond Anticipation Note for the Lane Shops project. Commissioner Ledbetter made the following motion.

WHEREAS the Agency anticipates the issuance of Multi-Family Mortgage Bonds 1978 Series A to provide in part for the making of a permanent mortgage loan on the Lane Shops project in Montpelier, Vermont and

WHEREAS the Agency has heretofore adopted a resolution relative to the issuance of bond anticipation notes to provide funds for the Lane Shops project in the event Multi-Family Mortgage Bonds were not issued, NOW, THEREFORE,

BE IT HEREBY RESOLVED that the resolution of the Vermont Housing Finance Agency entitled "Resolution Authorizing the Issuance of Multi-Family Bond Anticipation Notes, Issue B" adopted May 26, 1978 be and hereby is repealed, revoked and rescinded in all aspects.

Commissioner Spangler seconded the motion. All were in favor.

- (2) The second resolution pertained to amendment of the Agency's Rules and Regulations to allow for pipeline financing of developments. Commissioner Spangler made the following motion:

WHEREAS the Rules and Regulations with respect to the Agency's Multi-Family Mortgage Loan Program, as adopted by the Agency on December 9, 1976, provide in Chapter Six, Paragraph 5 that upon satisfactory completion of certain requirements and upon receipt of and approval of proposals for Multi-Family Mortgage Loans, the Agency may issue bonds, and

WHEREAS the Agency anticipates the issuance of Multi-Family Mortgage Bonds 1978 Series A to provide funds in part to make mortgage loans on projects which have not completed the Agency's review process and have not been finally approved by the Agency, and

WHEREAS Chapter One, Paragraph 4 provides that the Rules and Regulations may be waived by the Commissioners upon their determination that the application of such rules, in specific cases, may result in undue hardship, and

WHEREAS in order to insure availability of funds for making permanent mortgage loans at favorable interest rates for the projects described in Appendix II, Part 4 of the Official Statement of the Agency prepared for the Multi-Family Mortgage Bonds, 1978 Series A, which will enable such projects to receive construction financing and assure timely completion of construction, it is necessary to consider a waiver of the Rules and Regulations, NOW, THEREFORE,

BE IT HEREBY RESOLVED AND DETERMINED that the provisions of the Rules and Regulations pertaining to loans to Multi-Family Housing Sponsors in Chapter Six, Paragraph 5 be waived with respect to the issuance of Multi-Family Mortgage Bonds, 1978 Series A and the proposals in process as described in Appendix II, Part 4 of the Official Statement for such bonds.

Commissioner Ledbetter seconded the motion. All were in favor.

(3) The third resolution pertained to conformance with Internal Revenue Regulation, and Commissioner Ledbetter moved as follows:

WHEREAS the Federal Income Tax Regulations pertaining to the Multi-Family Mortgage Loan Program provide in part that a governmental program must require that any person (or any related person, as defined in Section 103 of the Internal Revenue Code) from whom the Agency may acquire mortgage loans shall not, pursuant to an arrangement, formal or informal, purchase bonds of the Agency in an amount related to the amount of the mortgage loan to be acquired from such person, and

WHEREAS the Agency intends to comply with the provisions of such regulations in order that interest on its bonds will be exempt from federal income taxation, NOW, THEREFORE,

BE IT HEREBY RESOLVED AND CONFIRMED that any person from whom Multi-Family Mortgage

Loans may be acquired shall not, pursuant to any arrangement, formal or informal, purchase bonds of the Agency in an amount related to the amount of the mortgage loan to be acquired from such person by the Agency, and that the staff of the Agency communicate this requirement to persons from whom mortgage loans will be acquired.

Commissioner Myette seconded the motion which passed unanimously.

Director Hunt then explained to the Board that Mr. Wishcamper, had encountered various problems in conjunction with his White River Junction project and was reluctant to put up the Earnest Money needed for acceptance of the Letter of Intent and sale of the multi-family bonds. He suggested that an addendum be issued to Letter of Intent to allow for return of the earnest money if a project or projects of similar size could be substituted. Commissioner Spangler made the motion that the addendum to the Letter of Intent be issued. Commissioner Ledbetter seconded the motion which then passed unanimously.

Mr. Ingalls then discussed the "Series Resolution Authorizing the Issuance and Sale of \$10,665,000 Multi-Family Mortgage Bonds, 1978, Series A". Mr. Ingalls explained that the resolution was to issue bonds and pay off the Bond Anticipation Note for the Cummings Street project. He pointed out to the Board that the bonds were moral obligation bonds and that the Debt Service Reserve fund would be maintained. Commissioner Spangler moved to adopt the Series Resolution. Commissioner Ledbetter seconded the motion. All were in favor.

After some discussion pertaining to the net increase to the underwriters in this bond issue as compared to previously issues, Mr. Ledbetter made the motion that the meeting adjourn. All were in favor.

The meeting adjourned at 2:00 p.m.

Respectfully submitted,



Allan S. Hunt
Executive Director



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
COMMISSION MEETING
SEPTEMBER 8, 1978--1:00 p.m.
STATE TREASURER'S OFFICE

IN ATTENDANCE: Chairman Field, Vice Chairman Shaw, Commissioners Myette, Ledbetter and Spangler and Mr. Gallison representing Commissioner Hebard. Executive Director Hunt, Deputy Director Dickson and Ms. Thielen. Mr. Driscoll of the Department of Housing and Community Affairs. Vermont State Housing Authority Board Members Finneran, Arioli and Harris, Executive Director Kearns, Assistant Director Hahn, Mr. Williams and Ms. Hudson.

Upon motion of Commissioner Ledbetter, seconded by Commissioner Myette, the minutes of the September 1, 1978 Commissioner's meeting were unanimously approved as presented. Director Hunt informed the Board that the minutes of the meeting of August 17 had not been formally approved and the Board stated they would do so at the next meeting.

The Commissioners entertained presentation by several developers in the following sequence.

Williamstown - Harold Rolles and Richard Dybvig presented their proposal for a combination rehabilitation/new construction of 22 units. They stated that the Parsons Brinckerhoff Development Corporation wished to drop out as sponsors and that either Rolles and Dybvig or they in conjunction with Kessel/Duff Construction Company wished to pursue the development of the project. After the presentation, the VHFA Board directed Mr. Rolles and Mr. Dybvig to 1) firm up their sponsor/developer team 2) re-design the plans to give some privacy to the units in the new construction buildings. 3) resubmit their application based on the revised plans presented by them at the meeting with the changes recommended by the Board.

Shelburne - Dorwin Thomas presented his plans for an 11 unit project in Shelburne. The Board moved to approve forwarding of the proposal to the Vermont State Housing Authority with the express condition that they have the right to request certain changes, if necessary, after

submission. Upon motion of Commissioner Ledbetter and a second by Commissioner Myette, the motion passed unanimously.

Brandon - Anthony Adams presented his proposal to rehabilitate the Conant Square Inn to 19 units of housing for the elderly. There was much discussion about the design of the addition and the necessity for an elevator. Mr. Adams was directed to contact the State Historic Preservation Office immediately to get their input into the design before any more work is done on the plans.

Norman Bicknell and Jack Beckwith presented their proposal to rehabilitate a mansion on Pearl Street to 20 units of elderly housing.

Upon motion of Commissioner Spangler, seconded by Commissioner Ledbetter, the Board unanimously agreed to refer the Anthony Adams proposal to the Vermont State Housing Authority with the express condition that they have the right to request certain changes, if necessary, after submission and that the Beckwith/Bicknell proposal not be further processed due to insufficient and non-supportive information.

Enosburg - Robert Kessel and Robert Clark presented their proposal for 30 units of newly constructed elderly housing in the village of Enosburg. After much discussion, the motion to table the proposal until the Agency has a chance to explore alternative sites and the developers have determined the use of the subdivisions on the back side of the site was made by Commissioner Shaw and seconded by Mr. Gallison. The motion passed unanimously.

Next, the members of both agencies discussed the merits of utility allowances for family projects. The VSHA presently feels that the owner should pay all utilities due to the fluctuation of costs from season to season and the complication of VSHA bookkeeping if allowances are given. Mr. Dickson said he would examine the workability of utility allowances of some projects which presently use that system and present his findings to the VSHA in hopes that they will reconsider their present stand.

The VHFA Commissioners then discussed the problem of Northfield appraisals. VHFA had an appraisal done of the Northfield site which came in at \$12,500. The developer then hired his own appraiser and the price came in at \$45,000. After a great deal of discussion, Commissioner Ledbetter made the motion, seconded by Commissioner Shaw to choose a figure of \$1,000 per unit to ascertain the value of the land for this project only. Commissioner Myette opposed the motion, there was one abstention and the motion passed.

After more discussion, Commissioner Myette, seconded by Mr. Gallison, moved to rescind the previous action on the Northfield appraisal. The motion passed unanimously.

Commissioner Myette then made the motion to get a third appraisal, and that the value of the land then be established as follows:

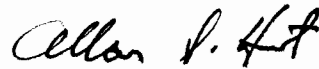
(1) Determine if the third appraisal (Appraisal C) is within 25% of either Mr. Thetford's appraisal (Appraisal A) or Mr. Bredice's appraisal (Appraisal B). If Appraisal C is within 25% of A or B, eliminate either A & B, whichever is not within 25% of C. Then, average the remaining original appraisal with Appraisal C. This average is the new value of the land.

(2) If the third appraisal is not within 25% of either A or B, average A, B, & C to determine the new value of the land.

Mr. Gallison seconded the motion and it passed unanimously.

A motion was made to adjourn by Mr. Gallison, seconded by Mr. Myette and approved unanimously.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Allan S. Hunt".

Allan S. Hunt
Secretary.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners
FROM: Allan S. Hunt
DATE: September 27, 1978
SUBJECT: Communication

I have become increasingly concerned over the frustration expressed by most of the commissioners, verbally or in writing, over the lack of long-term goals, for the Agency as well as the uneasiness in approving large amounts of funds for multi-family projects on the basis of staff recommendation and oral presentations by each developer. This too is a frustration to all of the staff, since we do a great amount of preliminary work before presenting each proposal, and our efforts are not always obvious. Furthermore, from the time the staff does its initial underwriting for the Agency approval, other groups (Staff Housing Authority, Local Zoning and Act 250) have had input, thus necessitating chances even before the Board sees the proposal! Thus the confusion! Another point is that the staff rejects or discourages many proposals, so the Board only sees the approvable ones.

In order to facilitate communications and give more insight into what we are doing, I suggest we do the following things:

1. Directors Activity Capsule - This would be a capsule of Agency Activities from Board Meeting to Board Meeting, mailed before each Meeting. This would include loan closings, single family programs, staff changes and general interest news.
2. Apartment Development Status Report - Enclosed with this mailing, it will give you a summary of the status of all of our apartment projects. This will be updated continually.
3. Loan Committee - I believe serious consideration should be given to setting up a three person loan committee to review with staff each loan application in greater detail. I think this would be most helpful to staff, as well as provide greater insight for Board members. The Loan Committee could recommend approval to the full Board. The full Board would still be given an overview of each project, similar to what is now done.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners
FROM: Allan S. Hunt
DATE: September 28, 1978
SUBJECT: Communication

I have been increasingly concerned over the frustration expressed by most of the commissioners, verbally or in writing, over the lack of long-term goals for the Agency as well as their uneasiness in approving large amounts of funds for multifamily projects on the basis of staff recommendation and oral presentation by each developer. This too is a frustration to all of the staff, since we do a great amount of preliminary work before presenting each proposal, and our efforts are not always obvious. Furthermore, from the time the staff does its initial underwriting for Agency approval, other groups (State Housing Authority, Local Zoning and Act 250) have had input, thus necessitating changes even before the Board sees the proposal! Thus the confusion! Another point is that the staff rejects or discourages many proposals, so the Board hopefully only sees the approvable ones.

In order to facilitate communications and give more insight into what we are doing, I suggest we do the following things:

1. Directors Activity Capsule - This would be a capsule of Agency Activities from Board Meeting to Board Meeting, mailed before each Meeting. This would include loan closings, single family programs, staff changes and general interest news.
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3. Loan Committee - I believe serious consideration should be given to setting up a three person loan committee to review with staff each loan application in greater detail. I think this would be most helpful to staff, as well as provide greater insight for Board members. The Loan Committee could recommend approval to the full Board. The full Board would still be given an overview of each project, similar to what is now done.

4. Developer's Handbook - Staff has been preparing a fairly detailed handbook which details Agency philosophy and processing requirements. Drafts will be circulated as soon as it is ready.

5. Five-Year Goals - We will soon be preparing an analysis of past programs and what we anticipate will be needed for the next five years for commissioner discussion.

I hope all of these steps will be discussed and the commissioners will find them to be helpful.

ASH/el



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MEMORANDUM

TO: VHFA Commissioners
FROM: Allan S. Hunt, Executive Director
SUBJECT: Return on Equity for Multifamily Developers

RECOMMENDATION: VHFA Regulations should be revised to limit the developer's return on equity to the following:

- a. Limited partnership sponsor of elderly housing: 6%
- b. Limited partnership sponsor of family housing: 8%
- c. Individual or corporate sponsor of elderly housing: 8%
- d. Individual or corporate sponsor of family housing: 10%

BACKGROUND: The Vermont Housing Finance Agency Act defines a "housing sponsor" in part as "a person who is organized on a non-profit or limited profit basis..." (10 V.S.A. Sec. 601(7)) and authorizes VHFA to make loans to such housing sponsors. VHFA Regulations define "limited profit" to mean "a yearly profit not to exceed eight percent of the sponsor's equity investment" (Chapter 1, paragraph 3(10)). Most developers are not specifically organized as limited profit sponsors, so in order to comply with this definition the developer's profit is limited administratively by the Regulatory Agreement, which is signed at permanent closing.

RATIONALE: The proposed revision of the profit limit is intended to reflect the different incentives bearing on developers:

(a) For most limited partnership sponsors cash flow is usually of minor importance compared with tax benefits. Therefore, I am recommending that the return on equity be lowered to six percent for elderly projects. This will make some proposals more economically feasible, and for those that are already feasible, it will save some subsidy funds by lowering the rents.

(b) Many developers seem reluctant to undertake housing for lower-income families because of the additional management effort required and economic risk involved. However, HUD has strongly encouraged the state agencies to submit proposals for family housing. In addition, the State Housing

Authority, VHFA staff, and some VHFA Commissioners feel a responsibility for housing Vermont families that has not been fulfilled. In order to encourage developers to undertake family housing, I recommend that the return on equity be kept at eight percent for limited partnership sponsors of family housing, rather than reducing it.

(c) For individual sponsors, annual cash flow is one of the major incentives for undertaking a housing development. Few such sponsors have volunteered; William Flanders, the Berkshire Group, and George Huntington are the only ones to date. To encourage individual sponsorship, I recommend not reducing their return on equity for elderly projects but leaving it at eight percent.

(d) To encourage individual sponsorship of family projects, the rarest kind of proposal, I recommend increasing the return on equity to ten percent. In the initial years of project operation there may not be sufficient cash flow to return a full profit. However, in succeeding years, as the Automatic Annual Adjustments in rents take effect, there may be enough cash flow and the additional profit would reward the sponsor for his risks and for effective management.

EFFECTIVE DATE: I recommend that these changes take effect immediately upon Board approval, except the decrease in allowable profit for syndicated elderly projects should not apply to proposals already received by VHFA.

VERMONT PROPOSED RULE

TITLE OR SUBJECT: Loans to Multifamily Housing Sponsors

AGENCY: Vermont Housing Finance Agency

AGENCY'S REFERENCE NUMBER FOR RULE (IF ANY): None

EFFECT ON EXISTING RULES: Revises rules pertaining to maximum return on equity for Multifamily Housing Sponsors.

STATUTORY AUTHORITY: 10 V.S.A. Chapter 25, Section 624 (b) (5).

Section 1. Chapter One, Section 3(10) is hereby amended to read:

"(10)" "Limited Profit" means

(a) in the case of a limited partnership sponsor of housing primarily for the elderly and handicapped, a yearly profit not to exceed six percent of the sponsor's equity investment;

(b) in the case of a limited partnership sponsor of housing primarily for non-elderly families, a yearly profit not to exceed eight percent of the sponsor's equity investment;

(c) in the case of an individual or corporate sponsor of housing primarily for the elderly and handicapped, a yearly profit not to exceed eight percent of the sponsor's equity investment;

(d) in the case of an individual or corporate sponsor of housing primarily for non-elderly families, a yearly profit not to exceed ten percent of the sponsor's equity investment."

Section 2. This amendment shall take effect on 1978, except that Section 3(10)(a) shall not apply to proposals already received by Vermont Housing Finance Agency on or before that date.

REPORT

Vermont Housing Finance Agency
Morrisville Elderly Housing Complex
Morrisville, Vermont
October 2, 1978

The following report is based on site investigation and plan review made on September 27, 1978. (Present were: Ms. Polly Nichol, Mr. Adam Bortz, Mr. David Luce, the developer, and Mr. William Truex.)

The project consists of two parts, the refurbishing of existing old single family residence/veterinarian hospital and a large piece of property to its rear abutting the railroad tracks and the Lamoille River.

The location of the property within walking distance of the center of Morrisville and all the services associated therewith would appear to be ideal.

Although there would appear to be a fair amount of traffic on Park Street, upon which this project would front, the existence of sidewalks and mature tree growth in this neighborhood of medium to large residences would seem to provide a friendly and comfortable atmosphere for the elderly.

Appropriate site development with proper and sensitive landscaping should enable elderly housing and it's commensurate parking to be developed on this site without substantially intruding upon the present character of the area.

At the time of the writing of this report we do not have before us a copy of the latest site plan which was reviewed with the developer at the site inspection meeting. As I recall, the comparison of the September 5th site plan with the one submitted by the developer on the 27th of September illustrated a much more compact and generally more comfortable project. The tightening up of the relationship between the new building and the old building and stronger right angled relationship seemed to provide more opportunity for protected areas and comfortable human spaces to be developed as the project matures. The one reservation seemed to be in the area of providing adequate parking in an unobtrusive fashion. We would suggest that the developer be asked to submit the site plan with parking circulation and appropriate landscape further defined.

The existing building would appear to be in very good condition. The utilization of the front rooms as common area would seem to be a good choice and lend itself quite well to the needs of the elderly group.

The first floor layout as proposed would seem to work reasonably well with the exception of the area of the new "porch-lift" and backstairs around the existing garage seems to be quite confusing.

Perhaps this whole area could be given more consideration with the possibility of giving up some general storage to straighten out and simplify the circulation system.

The layout of each of the living units in the existing building could use some more study during the development of the project. There is some question in our minds as to the advisability of entering directly into kitchens, for example, on the first floor and the workability of some of the units as shown for the second floor. We would suggest that the developer be asked to provide furnishing layouts for each of the apartment units in the existing building to illustrate that they in fact will be workable living units.

As a suggestion, it might be possible to eliminate the stairway entering the bedroom of unit number 1 on the second floor and increase the space available for bedroom/bathroom combination by having a second means of egress opposite the bathroom entrance into the corridor to the new exit should this second means of egress be required from this unit.

Although it is possible to provide a pleasant sense of entrance into a living space by coming into the unit adjacent to the kitchen, we feel that it is important that one not be forced to go through the kitchen itself to enter the unit. Therefore, we would suggest that all of the units in the existing building proposal be reconsidered and reworked to either provide appropriate screening from kitchen activities as one enters the unit or to enter directly into the living/dining area as opposed to the kitchen itself.

With regard to the proposed new two story building it is clear that appropriate design solutions can be developed on the property. It is also clear that the design of the units themselves will depend upon the siting and orientation of the building on the property. Therefore, we would suggest that the developer be asked to submit up to date plans that conform to the proposed site development that was suggested at our meeting in Morrisville.

Although the basic planning needs much study, it would appear that the project and its location offers much promise for successful housing for the elderly in Morrisville.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

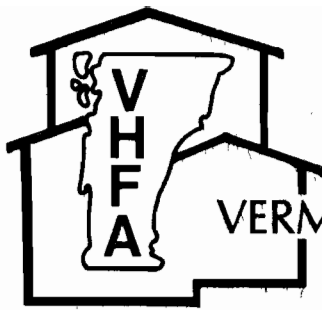
AGENDA

BOARD OF COMMISSIONERS MEETING

OCTOBER 25, 1978--@ 1:00

PAVILION BUILDING, 4th FLOOR CONFERENCE ROOM

1. Review and approval of minutes of October 3 meeting
2. Review of new proposals:
 - A. Hardwick - 16 units/rehabilitated
Freeman and Cover
Lunde Construction Company
Riverview Housing Associates
 - B. Enosburg - 30 units - A. Brown
3. Review of project design modifications
 1. Essex Junction
 2. Swanton
4. Approval of Letters of Intent
 1. Morrisville - Lunde Construction
 2. Bradford - George Huntington
 3. Brandon - Tony Adams
5. Discussion of Agency's audit with George Ingram -
Coopers & Lybrand
6. Discussion on modifying Agency's equity requirements,
(enclosure).
7. Other old or new business.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES OF VERMONT HOUSING
FINANCE AGENCY COMMISSION
October 3, 1978--1:30 p.m.
VHFA OFFICE, BURLINGTON

In attendance: Chairman Field, Vice-Chairman Shaw, Commissioners Myette, Spangler, Ledbetter, Hebard and Gardner, Executive Director Hunt, Ms. Nichol, Mr. Driscoll, Mr. Huntington, Mr. Nicoles, Mr. Dybvig, Mr. Rolls, Mr. A. Lunde, Mr. Cloud, and Mr. Luce.

Commissioner Ledbetter began the meeting by moving that the minutes of the meeting of August 17 be approved. Mr. Myette seconded the motion. All were in favor.

Commissioner Ledbetter then moved that the minutes of the meeting of September 8 be approved. Commissioner Spangler seconded the motion which passed unanimously.

Director Hunt explained that Mr. O'Brien wished to replace himself as developer of the Essex Junction project with a limited partnership called West Street Woods Associates with Mr. O'Brien remaining as general partner. Vice-Chairman Shaw moved that this change in developers be approved. Commissioner Myette seconded the motion. All were in favor.

George Huntington of Bradford, Vermont and Jim Nicoles, his architect, then presented a proposal for 14 units of housing for the elderly and 7 units of family housing in Bradford. Commissioner Myette opinioned that the driveway beginning in the north west corner of the property was unnecessarily long. Commissioner Ledbetter expressed concern that the site was being developed in too dense a manner. Chairman Field suggested that part of the driveway be eliminated and that the parking lot in the center of the property be moved closer to the "handicapped" parking lot. Commissioner Ledbetter made the motion that Chairman Field's suggestions be incorporated, and the project be forwarded to the State Housing Authority. Commissioner Gardner seconded the motion. All were in favor. Chairman Field then suggested that a condition of the Agency's commitment to this project be that the boarding house in the middle of the project be rehabilitated by the developer.

Mr. Dybvig and Mr. Rolls then brought the commissioners up to date on changes in the development team and project design in their Williamstown project. Commissioner Shaw moved that the project be forwarded to the Vermont State Housing Authority and that a Letter of Intent be issued. Commissioner Ledbetter seconded the motion. All were in favor.

It was then suggested that because of the high construction interest being charged in the case of the Williamstown project as well as others, the Agency explore the possibility of doing construction financing in certain instances and that appropriate regulations be drawn up for consideration by the Board.

Mr. Al Lunde, Dell Cloud and David Luce were introduced and presented a proposal for 25 units of housing for the elderly in Morrisville. Commissioner Spangler moved that the proposal be forwarded to the State Housing Authority. Commissioner Shaw seconded the motion. The motion passed unanimously.

Agenda Item #6 on allowable return on developer's equity was postponed until a later meeting.

The Board then discussed whether the Agency should require a payment and performance bond of the contractor, a Letter of Credit, or neither depending on the requirements of the construction lender. Particularly, the Board was asked to consider the case of Swanton project where the construction lender is not requiring either but where the developer has offered to post a \$75,000 Letter of Credit. Chairman Field said it should remain Agency policy to call for a bond but suggested that the policy may be waived under particular circumstances. Commissioner Myette then moved that in the case of the Swanton project, the performance bond be waived and that a Letter of Credit in an amount not less than \$50,000 be accepted. Commissioner Hebard seconded the motion. All Commissioners voted "aye" with the exception of Commissioner Shaw, who abstained.

Director Hunt then directed the Board's attention to a Letter from Governor Snelling asking for suggestions regarding legislation pertaining to the Agency which must be introduced. This provoked a discussion concerning whether or not the Agency's bonding limit should be raised and if a raise should be limited to particular programs. Director Hunt volunteered that VHFA staff would prepare a projection of what portion of outstanding funds the Agency expects to recapture during the next few years.

Director Hunt's memo to the Board regarding "communication" was then discussed. Various suggestions were made including the following:

1. That the Board meet on a regular basis, i.e. particular day each month.
2. That two commissioners visit each site under construction before a proposal is presented to the Board.

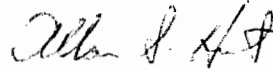
3. That staff present proposals, not developers.
4. That a one-page sheet giving pertinent facts about the particular project to be discussed be mailed to the Board before each meeting, and that a site map be mailed with each project description.

Commissioner Hebard moved that Director Hunt's memo be accepted with the exception of the recommendation that a loan committee be established and that the loan committee recommend-action be tabled. Vice-Chairman Shaw seconded the motion. All were in favor.

Director Hunt then presented the Board with a bill from the State Housing Authority for work done on multi-family projects. Chairman Field suggested that Mr. Hunt compose a memo to the Board outlining the justification or lack thereof for portions or all of the bill and that no action be taken until the memo is received.

Commissioner Ledbetter made the motion that the meeting adjourn. Commissioner Gardner seconded and the Board unanimously agreed to adjourn at 6:05 p.m.

Respectfully submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners

DATE: October 20, 1978

FROM: Allan S. Hunt, Executive Director

SUBJECT: State Housing Authority Bill for Administrative Fees

Attached is a copy of a letter to Chairman Field from James Finneran, and a copy of a bill from the Authority to the Agency for administrative fees for multifamily Section 8 projects. Chairman Field has asked me to draft a memo outlining our obligations in this regard.

VHFA has no legal obligation to reimburse VSHA for its services, either in State or Federal statute or in HUD regulations. HUD has provided for two methods of funding state agency costs under Section 8, neither of which is applicable to the situation in Vermont. Under the so-called "slow-track" process, state agencies are permitted to charge a fee for administration; this fee is paid directly by HUD under the annual contributions contract (see CFR 880.213). Under the "fast-track" process, state agencies are not permitted to charge such a fee (see CFR 883.314). The reason for this is HUD's judgment that HFA's "are compensated sufficiently in the form of lower interest rates from tax-exempt financing" and therefore there is no justification for the separate fee. In Vermont, of course, VHFA is compensated by the spread in interest rates but the Authority is not.

VHFA may feel a moral obligation to the Authority to help support its cost of performing certain functions that the Agency does not perform but which are required by HUD and which the Agency would perform in the absence of the Authority. Examples of such functions are: acceptance and review of sponsor's monthly requisitions for subsidy payments, monthly disbursement of subsidy payments, and the initial and annual review of tenant eligibility. Most of these are routine clerical functions. The Agency, however, may feel not obligated to support the Authority in performing functions that the Agency already performs, such as review of operating budgets and vacancy reports, and on-site inspections.

If the Agency wishes to reimburse the Authority for the cost of essential, non-duplicative functions, the Authority should be asked to document the actual cost of such activities, rather than billing for a flat fee according to the HUD formula. The present bill bears no relationship to actual costs. For example: VSHA has billed \$11,259 for administration of the South Burlington project from 9/15/77 through September, 1978--but in fact the project did not even start construction until July, 1978.

Mr. Finneran's letter raises a concern that the present system of funding endangers the ability of the state to conduct the Section 8 program. I don't believe Mr. Finneran or the Agency need to be unduly concerned about this. The State Housing Authority has the option but is not required under its legislation, to administer the Section 8 program (24 V.S.A. Sec. 4005(d)). If the Authority chooses not to administer the program, the Agency has sufficient statutory powers to administer the program (10 V.S.A. Sec. 621).

A second, more practical consideration to this problem, is the availability of funds to reimburse the Authority. The Agency has two sources of revenues to operate its program: 1) commitment fees 2) spread between cost of borrowing and lending.

COMMITMENT FEE ANALYSIS

The Agency charges a one time commitment fee of 2% of the mortgage, payable at loan closing. These fees are used to offset the cost of underwriting the loan. Costs include: staff time, legal, architectural and cost estimate consulting services; office overhead; weekly inspections, etc.

As shown by the enclosed analysis, the fees do not cover our actual expenses attributable to underwriting the loans. The reasons for this are many: There is a lag between the time that costs are incurred in underwriting the project and the time the fees are collected. Eventually, fees may catch up to costs. Secondly, the Agency spends alot of time on projects that never make it. Third, the average size of our projects are relatively small but require the same amount of processing time.

The Agency's commitment fee is low relative to other states (which average 3% - 5%) but we should keep in mind higher fees mean higher mortgages and higher rents. Also, the size of the commitment fee than reduces the amount of "spread" allowed by I.R.S.

2. Spread - The second potential source of funds (long run) is through the spread achieved through the difference between the Agency's borrowing and lending costs. The I.R.S. regulations limit the maximum spread to 1½%. In reality, the actual Agency spread on the three multifamily issues is approximately 1.2%, which takes into account rates on mortgage loans plus investment rates on required reserve funds. Furthermore, the Agency never realizes the full spread because it must pay trustee fees, the cost of debt service on non-asset bonds and periodic funding of reserve funds. Furthermore, the Agency should probably consider the

establishment of a Multifamily reserve fund out of "spread" revenues to build up a cushion in case one or more projects run into difficulties and can't make their mortgage payments on time. Thus, many factors may claim some or all of the so-called "spread".

When all of the bond proceeds are invested into mortgages, the revenue stream "spread" can potentially generate \$160,000 annually. This will not occur until late 1979, at the earliest, due to the lag in making all of the permanent loans.

The Housing Authority's original bill of \$48,000 plus its estimated quarterly billing of \$15,000+ (which will increase to approximately \$20,000 a quarter as projects are added) would obviously require a substantial portion of our estimated cash flow. This is a situation which I believe to be harmful to the long term security of the Agency's multifamily program.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Board
FROM: Allan S. Hunt, Executive Director
DATE: October 19, 1978
SUBJECT: EXECUTIVE DIRECTOR'S REPORT

CLOSINGS - Staff has concentrated on getting the following projects "into the ground" before winter: Essex Junction, Swanton, Northfield, Williamstown, and White River Junction. All are having their share of last minute problems. Construction loan closings on all are scheduled for the next two weeks!

In addition, permanent closings recently occurred for Rutland and Randolph, with Windsor and Manchester scheduled this month.

STAFF CHANGES - Have been numerous, due to people leaving the area. Carolyn Johnson, with us for two years, has left and has been replaced by Edna LaCivita. Janice Chetti, Supervisor of the Guarantee Board, has been reassigned to help our overworked multifamily staff and Sandra Moore has been hired to replace her. Finally, Karen Ramsey, secretary for the single family programs, has left the state and Aileen Grover has been hired to replace her.

PROJECT PROBLEMS

As you can see by the Agenda, staff will review proposed design modifications on two projects we hope can start construction this fall.

In Essex Junction, Dan O'Brien, Developer, is requesting approval of design changes and deletions in order to bring his bids to within his construction budget. These will be reviewed at the Board meeting.

In Swanton, a last minute site survey revealed a slightly smaller site than originally thought, necessitating some redesign. The new plan will be discussed at the Board meeting.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA BOARD OF COMMISSIONERS
FROM: ALLAN S. HUNT
DATE: OCTOBER 20, 1978
SUBJECT: ESTABLISHING A PAYROLL CHECKING ACCOUNT

As a result of this year's audit, Coopers & Lybrand has suggested that the Agency establish a separate payroll checking account which would require only one signature. The Agency's current procedure is to pay all of its employees through the Agency's Operating Account which requires any two signatures of the Executive Director, Deputy Director, or Controller. All money deposited to this new account would come from the Operating Account and the amounts transferred would equal the net payroll to be distributed in each pay period.

To accomplish the above, the Agency would like a resolution from the Board authorizing:

- A. The establishment of a separate payroll checking account;
- B. The required signature for payroll checks being any one of the Executive Director, Deputy Director or Controller.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

BOARD OF COMMISSIONERS MEETING

NOVEMBER 9, 1978 @ 1:00

VHFA OFFICE, BURLINGTON

1. Minutes of meeting of October 25 and conference call of October 31, 1978.
2. Letters of Intent:
 - Morrisville - Lunde Construction Company
 - Bradford - Huntington
 - Hardwick - Freeman/Cover
3. New Proposals:
 - Enosburg - 30 units, A. Brown
4. Discussion of revised Equity Requirement (mailed previously).
5. Increased mortgage request--Brandon, Anthony Adams.
6. Discussion of VSHA Administration Fee (mailed previously).
7. Additional old or new business.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES OF VERMONT HOUSING
FINANCE AGENCY COMMISSION
OCTOBER 25, 1978--1:00 p.m.
PAVILION OFFICE BUILDING - FOURTH FLOOR

In attendance: Chairman Field, Vice-Chairman Shaw, Commissioners Spangler, Ledbetter and Hebard; Executive Director Hunt, Deputy Director Dickson, Ms. Nichol, Ms. Chetti, Mr. Frazier; Mr. Driscoll from DCA; Mr. Hahn, Mr. Arioli, Mr. Harris, Ms. Rice and Mr. Finneran from VSHA; Mr. George Ingram from Coopers and Lybrand; Mr. O'Brien, Mr. Lamphere, Mr. Dubie.

Commissioner Spangler began the meeting by distributing the first draft of a proposal for a revolving loan fund for housing developments to be set up by DCA. Discussion of the proposal was postponed.

Commissioner Hebard moved that the minutes of the meeting of October 3 be approved. Commissioner Shaw seconded. The motion was carried unanimously.

Chairman Field then proposed that business of concern to the Vermont State Housing Authority be discussed first.

The Board then began a discussion concerning a proposed design modification and mortgage increase for the Essex Junction project. A construction budget analysis which had been prepared by Developer O'Brien was distributed. Director Hunt briefly explained Mr. O'Brien's contention that (a) his contractor's current bid is approximately \$130,000 higher than his original construction cost proposal due to underestimating costs and additional requirements imposed by other Agencies such as the fire marshall; and (b) his currently anticipated construction interest cost is \$30,000 higher than his original proposal had anticipated. Director Hunt had no recommendation to offer the Board.

A lengthy discussion ensued, centered toward the developer O'Brien's original promise at the joint VHFA/VSHA Board meeting of June 22, 1978, that he could build the project for the amount specified in his proposal.

Mr. O'Brien, Mr. Dubie, and Mr. Lamphere then entered the meeting room. Chairman Field stated that the Board understood the problem of increased interest rates, and directed Mr. O'Brien to focus his discussion on the increased construction costs. Mr. O'Brien explained that various agencies had imposed unanticipated requirements which would increase construction costs by \$56,064. These included a water line loop with 4 hydrants, a 580' hedge to screen abutting properties, separate sitting areas off main corridors and shower units for the handicapped.

He then proposed design modification which would include a reduction in community space, and the substitution of asphalt sidewalks, instead of a bridge and covered walkways, to the Pavilion. He stated that these changes would not affect the integrity of the project, but would save about \$37,500 in construction costs.

Another lengthy discussion ensued. After a number of questions were covered by Mr. O'Brien and several alternatives were analyzed, Chairman Field stated that he felt the Board had sufficient information to make its decision and asked Mr. O'Brien, Dubie, and Lamphere to leave the meeting room.

Commissioner Hebard then suggested that VHFA accept the proposed design modifications and also eliminate the separate sitting areas, but not to increase the mortgage amount. Mr. Finneran stated that he felt that the increase in construction interest was a legitimate increase. Mr. Hahn stated that cost increases and design changes should have been anticipated prior to project proposal. Another lengthy discussion ensued.

Commissioner Hebard then made the following motion:

1. Mr. O'Brien's proposed design changes are approved, specifically the following:
 - A. Replace bridge with asphalt sidewalk winding around revine and retain the Pavilion.
 - B. Modifying design of Building "C", the community building, as proposed in drawings dated October 24, 1978.
2. The requirement for separate sitting areas in each building, previously imposed by VHFA, is withdrawn.
3. If the actual certified total development cost is higher than originally proposed on June 22, the excess cost will be allowed as sponsor's equity for purposes of computing a return on equity.
4. The total mortgage amount will remain at \$1,728,667.

Director Hunt explained the design modifications for the Swanton project. He explained that upon surveying the site, they had 20 feet less than originally believed, thus making it necessary to turn

the building around. To accommodate the narrower site, the developers propose to tear down part of the community building and add the extra community space to the rear. Commissioner Hebard moved to accept the change. Commissioner Ledbetter seconded the motion and all were in favor.

Director Hunt displayed a sample of masonite which the Swanton developers proposed to substitute for cedar siding and a sample of T-111 to be used on sides of the building. Commissioner Ledbetter moved to deny substitution. Commissioner Hebard seconded the motion and it passed unanimously. At this point VSHA representatives left the meeting.

Agenda item #5 was discussed. George Ingram, partner from VHFA's auditors, Coopers and Lybrand, presented the VHFA audit and discussed highlights of the management letter. He emphasized a need to consider more systematic monitoring of completed multifamily projects.

Responding to one of the auditors' recommendations, Chairman Field asked for a motion to establish a payroll checking account with only one signature required. Commissioner Shaw moved with Commissioners Hebard seconding. The motion passed unanimously.

The Board briefly discussed approving a Letter of Intent for the Brandon project. Approval was granted by a motion by Commission Hebard, seconded by Commissioner Ledbetter and all others were in favor.

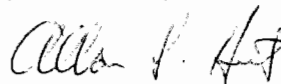
The Board discussed three competing proposals for Hardwick: Cover/Freeman, Riverview and Lunde. It was pointed out that VSHA had already approved the Cover--Freeman proposal and have so informed the developers. The feeling of the Board was that the Cover--Freeman proposal was superior to the others, but that they would like to have evaluated all three proposals without VSHA having eliminated the alternatives. Commissioner Hebard moved to approve the Cover--Freeman proposal with Commissioner Ledbetter seconding the motion. The Cover--Freeman proposal was approved unanimously, in concept, subject to the condition that the cost and rent reductions proposed by VSHA must not endanger the financial feasibility of the project.

Agenda items 2 B and 6 and a discussion of proposed legislation were deferred until a later meeting.

Commissioner Shaw then asked when the on-going problem of VHFA/VSHA relationships would be resolved. After some discussion, the Board concluded that they will consider no new proposals until the current confusion and overlap of responsibility is resolved.

Commissioner Ledbetter moved to adjourn. Commissioner Shaw seconded the motion. The Board unanimously agreed to adjourn at 5:45.

Respectfully submitted,



Allan S. Hunt
Executive Director



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Board
FROM: Allan S. Hunt
DATE: November 3, 1978
SUBJECT: EXECUTIVE DIRECTOR'S NOTES

Multifamily Progress - Ground has been broken on Northfield and Williamstown. Construction expected soon for White River Junction, Essex Junction, and Swanton. A Permanent Loan Closing is scheduled for Windsor.

Single Family Closings - The 1977 Mortgage Purchase Program, with 6.95% mortgages, was closed out with the purchase of \$12,878,800 in mortgages. A complete profile of who got what is in the works.

The first single family closing from the 1978 program was held November 1, with the Agency purchasing \$4,028,300. Three additional closings remain.

Neighborhood Strategy Areas - The City of Burlington has been awarded 350 Section 8 units for the King Street revitalization program. Winooski received 120 units. Agency financing will be sought for some of these units.

ASH/e1



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES OF THE OCTOBER 31, 1978 COMMISSION MEETING
of
THE VERMONT HOUSING FINANCE AGENCY
(CONFERENCE CALL)

PRESENT: Chairman Field, Commissioners Hebard, Spangler, Gardner, Ledbetter and Myette, and Allan Hunt.

A special meeting of the Commissioners of the Vermont Housing Finance Agency was called to order by Chairman Field at 11:30 a.m.

The subject of the conference call was Developer Daniel O'Brien's request for a mortgage increase in the amount of \$61,089 necessitated by rising construction interest rates and project requirements imposed by outside regulatory Agencies. A lengthy discussion ensued regarding the problems and merits of granting such an increase. Many pros and cons were discussed.

The following motion was made by Commissioner Myette and seconded by Commissioner Ledbetter:

1. Due to unusual requirements and circumstances beyond the Developer's control, the Board hereby approves a mortgage increase of \$60,685 for the Whitcomb Woods Project in Essex Junction, Vermont subject to the following terms and conditions.

A. An increase in the interest amount of approximately \$30,000 must be certified as having been spent by the Developer and construction lender at the Permanent Loan Closing. Any savings in the interest expense shall be deducted from the Mortgage Loan Commitment at that time.

B. The Developer shall, at his own expense, provide the sitting areas in the four residential buildings as shown on plans dated September 7, 1978.

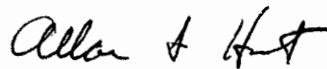
C. The increased mortgage amount shall be approved only in the event that the State Housing Authority and HUD approve a rental increase sufficient to provide the necessary income to support the mortgage increase. In the event that the approval of this increase is delayed beyond the Construction

Loan Closing, the Developer shall be required to provide sufficient additional equity to reduce the permanent mortgage amount back to the original \$1,728,667 until such time as approval is received.

The following Commissioners voted "aye": Field, Hebard, Ledbetter, and Myette. Commissioners Spangler and Gardner voted "nay". The motion was approved.

There being no further business to come before the Board, the meeting was adjourned at approximately 12:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Allan S. Hunt".

Allan S. Hunt
Executive Director



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

OLDE WINDSOR VILLAGE--WINDSOR, VERMONT

1:30 p.m.--COMMUNITY ROOM

NOVEMBER 30, 1978

1. Approval of minutes of November 9th meeting.
2. Approval of resolutions authorizing permanent loans for:
 - Manchester - Jack Heaton
 - Windsor - Windsor Housing Associates
 - Middlebury - The Meadow Associates
3. Discussion of Round Barn project with emphasis on distance from services.
4. Legislation questions - follow-up from last meeting.
5. Enosburg Project - update.
6. Other old or new business.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES OF VERMONT HOUSING
FINANCE AGENCY
NOVEMBER 9, 1978
135 CHURCH STREET, BURLINGTON
2:20 p.m.

In Attendance: Vice Chairman Shaw, Commissioners Gardner, Myette, Spangler and Ledbetter; Executive Director Hunt, Ms. Nichol and Ms. Detora.

Vice-Chairman Shaw chaired the meeting in the absence of Chairman Field.

Mr. Hunt presented the Board with a copy of the bill from Hawkins, Delafield, and Wood for legal work on the 1978 Series A Single Family Mortgage Purchase Bonds. Commissioner Myette suggested that before the bill is paid, Hawkins be asked to document to the Agency time spent on this bond issue.

Commissioner Spangler made the motion that the Board ratify the conference call of October 31, 1978. Commissioner Myette seconded the motion. Commissioner Spangler then expanded his motion to also approve the minutes of the Board meeting of October 25, 1978. Commissioner Myette agreed to second the expanded motion. All were in favor of approving the minutes as submitted. Commissioner Gardner then made the motion that Section 1C of the minutes of the conference call be amended to read as follows:

"That the developer and Agency agree that:

1. the amount of the vacancy reserve be reduced to 1%;
2. that the developer reduce the annual management fee by \$669;
3. that the developer has revised his estimate of revenue from washers and dryers to be \$1,000.

Commissioner Spangler seconded the motion which passed unanimously.

Ms. Nichol then presented Anthony Adam's request for a mortgage increase to cover increased construction interest costs in his Brandon project. Commissioner Myette made the motion that a \$15,000 mortgage increase be approved subject to certification of the amount actually spent on construction interest. If the anticipated amount is not spent the budget mortgage will be reduced accordingly. Commissioner Spangler seconded the motion. All were in favor.

MINUTES OF VHFA

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The Board was then asked to approve issuance of Letters of Intent for several projects:

1. Commissioner Gardner made the motion that a Letter of Intent be authorized for the Morrisville project. Commissioner Myette seconded the motion. The motion passed unanimously.
2. Commissioner Myette moved that a Letter of Intent be issued for the Hardwick project. Commissioner Gardner seconded and all commissioners were in favor with the understanding that an attempt be made to save the large maples adjacent to the buildings.

The Board then discussed the request of the Historic Preservation Division that the siding and roof materials in the Bradford project be of one type per building, i.e. clapboard rather than a different type siding on each individual unit. Commissioner Gardner expressed the opinion that he had no objection to the siding being all clapboard as long as the reduction in cost was reflected in the project budget. He then made the motion that if the staff is satisfied with changes in the exterior appearance of the project, the Board is satisfied. Commissioner Spangler seconded the motion which passed unanimously.

The Board was then presented with two competing proposals (one from Clark-Kessel/Duff and one from A. Brown) for 30 units of housing for the elderly in Enosburg. Commissioner Ledbetter made motion that the A. Brown proposal be encouraged subject to a meeting between Agency staff and senior citizens in Enosburg and that the State Housing Authority, "in their wisdom", be encouraged to do the same. Commissioner Myette seconded the motion. All were in favor.

Mr. Hunt then presented the Board with a proposal that non-syndicated projects be allowed a higher return on equity than syndicated projects. He suggested the following:

- 6% return on equity for syndicated elderly projects.
- 8% return on equity for non-syndicated elderly projects.
- 8% return on equity for syndicated family projects.
- 10% return on equity for non-syndicated family projects.

Commissioner Gardner made the motion to approve Mr. Hunt's recommendation. The motion was seconded by Commissioner Myette with the suggestion that if necessary, a rule change be published to this effect. The Board unanimously approved the motion.

The Board then discussed the bill the Agency had received from the State Housing Authority. The Commissioners expressed the opinion that the Authority should not be paid for work which duplicates that already being done by the Agency. Commissioner Ledbetter made

the motion that VHFA not pay those portions of the bill which represent a duplication of effort. Commissioner Myette seconded the motion. Commissioner Ledbetter then explained that the effect of his motion is to refuse to pay the bill but that reasonable compensation for ongoing management functions might be considered. It was suggested that a letter be written to the State Housing Authority with a copy to the Governor outlining the Board's action and explaining its position. All Commissioners voted in favor of the motion.

The Board was presented with a sample of the vinyl siding that the developers of the Williamstown Square project propose to use on the exterior of the buildings. The motion was made by Commissioner Ledbetter to permit use of the siding. Commissioner Gardner seconded the motion which passed unanimously.

Ms. Detora explained to the Board that the First Vermont Bank had inadvertently collected only $\frac{1}{2}$ point as opposed to a point for the VHFA fee on conventional loans made under the recent single family mortgage purchase program. Mr. LeClair of that bank has asked that the Agency accept only $\frac{1}{2}$ a point fee on those loans already closed. The motion was made by Commissioner Myette not to approve Mr. LeClair's request on the grounds that VHFA did not wish to set a precedent of reimbursing the bank for this error. Commissioner Ledbetter seconded the motion. All were in favor.

The Board then discussed the possibility that perhaps the Agency only needs a $\frac{1}{2}$ point fee. The Board decided to reopen discussion of this matter next time there is a single family bond issue.

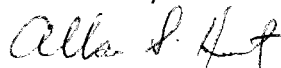
Mr. Hunt discussed questions he had asked of John Ingalls vis-a-vis appropriate use of the line of credit which the Agency is considering establishing with the Hartford National Bank. He asked the Board for permission to go ahead and develop the documents necessary for the line of credit and bring them before the Board for formal action. Commissioner Myette moved that the staff continue to work on establishing this line of credit. Commissioner Spangler seconded the motion contingent upon a firmer estimate of legal fees from Hawkins, Delafield and Wood. All Commissioners voted in favor of the motion.

Commissioner Shaw then asked what the extent of the Agency's involvement would be in Burlington's King Street area Redevelopment project. Mr. Hunt explained that approximately 100 of the Section 8 units designated for Burlington during the first two years were slated for Agency financing as were 20 of the units received by Winooski.

The date for the Board meeting was set for November 30 at the Windsor Prison Project.

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,



Allan S. Hunt
Executive Director

SUGGESTED DISTANCES FROM
HOUSING SITE TO STORES AND
COMMUNITY FACILITIES

	Elderly	Family
Full Service Food Store	$\frac{1}{4}$ mile	$\frac{1}{2}$ mile
Other essential services such as drug store, bank and post office	$\frac{1}{2}$ mile	1 mile
Stores that get occasional use such as clothing stores, hardware stores, beauty shop	$\frac{1}{2}$ - 1 mile	1 mile
Medical and health facilities	$\frac{1}{2}$ - 1 mile	1 mile
Community facilities such as church, Sr. Citizens Center, recreational facilities	$\frac{1}{2}$ - 1 mile	1 mile
Public transportation	conveniently accessible	
Elementary School		
Junior & Senior High School		



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners

FROM: Allan S. Hunt, Executive Director

DATE: November 22, 1978

SUBJECT: Site Location Guidelines

We have noticed a trend in recent months in which developers have been proposing more and more marginal sites for multifamily housing—marginal from the standpoint of accessibility to community facilities. We would like some general guidance on how to proceed in these cases.

HUD Section 8 regulations require VHFA to certify to HUD that each development is "accessible to social, recreational, educational, commercial, and health facilities and services..." (24 CFR Part 883.209(a)(b)). In order to further define these criteria, we propose to adopt the attached guidelines.

We also propose to use these guidelines in the following way:

1. If a site is within these guidelines, and other location aspects are also acceptable, the developer will be encouraged to prepare and submit his proposal.
2. If a site is not within these guidelines but (a) other location aspects are acceptable, (b) there appear to be no superior alternatives, and (c) the region and the town constitute high priority area according to the housing allocation plan, then the developer will be encouraged to prepare and submit his proposal.
3. If a site is not within these guidelines, and there appears to be a possibility of superior alternatives, and the region and town constitute a high priority area, then the developer will be permitted to submit a proposal but the Agency will also solicit competing proposals on other sites.
4. If a site is not within these guidelines, and the region and the town are not a high priority area, the developer will be asked not to submit a proposal.



ANDREW R. FIELD, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Board
FROM: Allan S. Hunt *ASH*
DATE: November 22, 1978
SUBJECT: Executive Director's Note

Board Meeting--Windsor, Vermont - Board meeting will be held at 1:30 in the community room. (Please park at rear of main building.) Entrance to community room on left side rear of main building. Lunch will be at 12:15 at a yet-to-be decided location. Please meet in community room at 12:00 for lunch. Tour of facility will be held after Board Meeting.

Merger Issue - I have enclosed three letters for your information:

1. Letter from HUD to governor requesting designation of our Agency.
2. Jim Finneran's response.
3. Letter from Bill Kearn's requesting joint board meeting to discuss processing problems.

Happy Thanksgiving.