

November 10, 2022, CD Board Meeting DRAFT Minutes
DHCD Calvin Coolidge Conference Room D613
Virtual Microsoft Teams (Meeting ID: 214 388 686 087 Passcode: SFVasC)

Board Members in attendance: Angus Chaney, Bruce MacLean, Cynthia Gubb, Kenneth Niemczyk, Lisa Sullivan, Maura Collins, and Gabrielle Lajeunesse (new board member joined at 12:40 pm)

Attended virtually: Elizabeth Ruffa

Staff Members in attendance: Josh Hanford, Ann Kroll, Nathan Cleveland, Patrick Scheld, Cindy Blondin and Julia Connell

Attended virtually: Brett Chornyak, Grace Vinson and Gretel St. Lawrence

Members of the public: None

Cynthia called the meeting to order at 9:00 a.m. There were no members of the public in attendance for Public Comment.

Josh introduced Ann Kroll as the new Director of Federal Programs oversees all VCDP staff.

Ann noted the new community development board member Gabrielle Lajeunesse will be joining the meeting this afternoon. She noted the April 2023 Board meeting is canceled. Cynthia said she will be recusing herself from the Town of Windsor's application she is on the board of Windham Windsor Housing Trust.

City of Barre – Granite City Apartments

Julia presented the open issues of the City of Barre's application to provide a \$500,000 subgrant to Downstreet Housing and Community Development to acquire and renovate the historic Ward 5 School into 9 new units of rental housing. Additionally, Downstreet will upgrade two existing, occupied buildings on Bromur Street, with a total of 18 units of rental housing.

The following individuals came before the board to present on behalf of the of the City of Barre: Tyler Labrie, Evernorth; Angie Harbin and Nicola Anderson, Downstreet; Janet Shatney, City of Barre

Questions, comments, and discussion raised by the board, staff, and applicant:

Julia noted the environmental review is nearly complete, and 3 units will be designated for the homeless. Nicola said all units will serve household under 60% of median income. She said construction is expected to start in 2023 and complete in 2024. Angus commended the makeup of the residents being served for this project and wondered if they were working with Continuum of Care. Nicola said yes, the 3 units serving the homeless will be coming from the list for Continuum of Care. Cynthia asked about exterior work. Tyler said the exterior walls will have spay foam. Cynthia asked if the wingnut on the sides of the building was going to change anymore. Tyler said it will not change much from the original structure. Bruce asked about the proximity of the location to stores. Nicola said less than a half a mile walk. Liz asked if there was public transportation available. Nicola said they can access transportation just down the street. Tyler said if funded construction would start in May or June 2023.

Cynthia asked what the impacts would to the project be if no funding was awarded this round. Tyler said they would need to look at ARPA, they would have to pause the design phase and come back to the CD Board in June 2023. Angie Harbin said the Federal Home loan bank funding would be at risk.

Cynthia asked if the award conditions were acceptable, Nicola and Tyler confirmed they were.

Town of Hinesburg -- Kelley's Field II

Julia presented the open issues of the Town of Hinesburg's application to provide a \$600,000 subgrant to Cathedral Square to develop 24 units of new affordable senior housing as part of the second phase of senior housing being built on the property previously acquired by Cathedral Square as part of the Kelley's Field project which was previously completed 2017.

The following individuals came before the board to present on behalf of the Town of Hinesburg: Alex Weinhagen, Town of Hinesburg; Cindy Reid, Cathedral Square; Tyler LaBrie, Evernorth.

Questions, comments, and discussion raised by the board, staff, and applicant:

Julia said the project had a tax credit issue back in June, but the project is ready to go now. She said 100% of the 24 units would serve low and moderate households. She noted the environmental review is complete. Maura said they have received their tax credits. Originally applied for 9% tax credits and changed to 4% because the budget works with 4% tax credit. Cynthia asked if they were just waiting for commitment from us.

Alex the Town has not received an award in 5 years, and the Town fully supports the project. He said the project is in the Neighborhood Designation, so they don't have to go through Act 250. Cindy Reid said there is a .08 percent vacancy rate for housing in Chittenden County which has the fastest population growing in the state. She said the community room will be used by Kelly's Field 1 residences as well. She said the project is centrally located and construction would begin in March 2023. Tyler said the project is shovel ready. He said they anticipate their AHP funding being known in mid-December. He said the project will have 8 project-based vouchers from VSHA. He said they expect to out to bid in early December and construction will start in spring.

Ken asked if the new building would have solar as part of the design for construction and about what the plans were for heat. Cindy Reid said it will have heat pumps, and if the contingency has money remaining at the end, they would like to put some solar on the roof. Ken asked if they could seek other grants to help with funding solar for the project. Cindy Reid said she will keep an eye out to seek other sources, but they want to get the base building built. Ken said it was his understanding that heat pumps are only effective to a certain temperature so wondered what the required back up was. Cindy said there would be an energy recovery ventilation system and a generator. Cynthia questioned if the AHP funding was bank financing. Tyler said they are working with Mascoma bank for the AHP funding. Cynthia asked if there would be an office for SASH in Kelly 2 building. Cindy Reid, said no that is in Kelly Field 1 building, but there would be flexible arrangement for meeting folks in Kelly Field 2.

Cynthia asked if the award conditions were acceptable, Tyler confirmed they were.

Town of Newport – Newport Crossing

Nathan presented the open issues of the Town of Newport's application to provide a \$400,000 subgrant to Rural Edge to complete the demolition of two buildings and construction of two new buildings that will consist of fourteen (14) affordable rental housing units located at 4116 and 4127 VT Rt. 105, Newport Town, VT 05857.

The following individuals came before the board to present on behalf of the Town of Newport: Patrick Shattuck, Executive Director Rural Edge in person and Becky Masure, Rural Edge, Liz Nickerson, Development Consultant, Denise Daigle, Newport Town Clerk and Treasurer

Questions, comments, and discussion raised by the board, staff, and applicant:

Nathan said 329 Main Street apartment building 1 unit will be used for relocation. He said CDBG funding will only be going into the 14 units in Newport Town, but the whole project will have a total net new units of 33 units. He said there are an existing 7 units.

Patrick Shattuck said this is a substantial housing projects with 43 units in 4 building within two communities. He said this is the first time the Town has applied for CDBG funding. He said the project is adjacent to community green space and in a rural town center. He said they will be demolishing one of the buildings and constructing a new building, which will include a community room and will have services available. He said the larger project includes 26 units at Sacred Heart in Newport City and 3 units at 329 Main Street. He said there is an 18-month phased build out. He said project has project-based vouchers committed. He said RCT will be available for rides. Denise said the Town is excited about the project.

Ken asked if through the development design if they have worked with Efficiency Vermont (EVT). Becky said they are working with 3E thermal. She said there will be pellet system. She said that EVT will be part of the team for best choice and design for the property.

Josh asked if Act 250 was required. Patrick Shattuck said they are optimistic they can amend the design and are hopeful that Act 250 shouldn't be required.

Cynthia asked about status of funding. Patrick Shattuck said VHCB funds are committed. He said VCLF is donating Newport Center Mortgage value of \$560,000 existing debt with a sales agreement for \$1 transfer. He said they will be going for 4% Tax credit next month.

Angus asked about vacancy rate. Patrick Shattuck said Rural Edge's portfolio is completely full. He said the market study indicates very high demand for housing. He said 329 main street 1 unit will be vacant to be used for relocation. He said there's a 4-year waiting list. Lisa questioned if they needed another home for relocation.

Cynthia asked if there any other permitting issues. Patrick Shattuck said they are moving along, are in constant contact with the City of Newport. He said they have only had positive responses of the redevelopment of that site.

Nathan noted a later phase of 24 additional condo units that is expected to be created on the City of Newport's Sacred Heart site which has potential for up to 110 units. Patrick Shattuck said it's an 8.5-acre parcel. He said the development will be named Four Founders in honor of the 4 sisters of sacred heart which was very important to them. Josh said there are a lot of properties around the state with vacant churches and convents on them.

Bruce asked where Newport City was with the big hole in the community. Patrick Shattuck said there is a lot of discussion going on. Josh said the State has been trying to negotiate with the receiver to build a new courthouse and state offices and it hasn't worked out due to the price wanted by the receiver.

Liz Ruffa asked about the neighborhood's proximity to services and stores. Patrick Shattuck said the Newport center units are very close to a store, school, town office, and post office. He said residents can call RCT set up rides. He said the convent site in Newport City is an easy walk to everything.

Cynthia asked if the award conditions were acceptable, Patrick Shattuck confirmed they were.

City of Rutland – Rutland Housing Initiative

Julia presented the open issues of the City of Rutland’s application to provide a \$650,900 subgrant to Rutland Housing Initiative I, LLC to renovate 120 Maple Street from 3 units of rental housing into 5 units of rental housing. Of the 5 units that will be created, 2 units will be market-rate and 3 units will be rented to LMI individuals.

The following individuals came before the board to present on behalf of the City of Rutland: Mayor David Allaire, Barbara Spaulding, Jon and Zak Hale of Hale Resources LLC.

Questions, comments, and discussion raised by the board, staff, and applicant:

Julia the project is not eligible for ARPA funding from the city. She said it needs to be completed by 2024, a requirement for VHIP funding. She said they are still working on environmental review and hope it will be complete in November.

Zak said Hale Resources LLC have 8 employees. He said issues arose with opportunity to purchase properties in Bennington so reached out to Rutland City which has been quite welcoming. He said they have been working with Housing Groups on Housing Action Plan for Rutland, Bennington, Brattleboro and hopefully Hartford.

Jon said the 120 Maple Street property has been vacant 7 years. He said there are 3 units now this project will allow it to increase to 5 units. He said 3 will be for low- and moderate-income households and 2 will be market rate. He said the property needs to be secured for the winter.

Maura asked about the sewer line work. Jon said just the typical replacement for sewer lines. Maura asked how their portfolio is going with meeting the executive order by Governor which mandates 15% units in their portfolio be for housing of the homeless. Zak said they are already at 15%. He said they completed 20 units with Neighborworks of Western Vermont’s through VHIP which targets units to the homeless.

Cynthia asked about their occupancy rate. Zak said less than 2% vacancy rate. Cynthia asked how many units were in their portfolio. Zak said they own 150 and manage 50 other units.

Patrick asked them to speak to the tax sale and time constraints of the project timeline. Zak said they have 24 months to complete a requirement from the city to have project complete within 2 years from the time of sale, which started in August 2022.

David Allaire said their program is to move vacant housing back into the private hand. He said they have had 35 to 40 units brough back and that’s why they set goals and timeline with private developers to get the units back onto the grand list.

Angus asked about other resources and if CDBG funding would be in all 5 units. Josh said the goal is to develop mixed income properties. Zak said having mixed income helps the project cashflow.

Jon said they have completed the environmental review, but they are now just waiting for 106 review determination. He said that determination will affect the scope of work and expects to know within a week or two.

Josh asked if environmental review was signed off and all the other resources were in place when did they expect construction to start. Jon said it would start in March 2023 and complete in December 2023. Ann asked about the emergency repair. Jon said they would need to put some rubber down for the roof to seal it for the winter.

Cynthia asked if the award conditions were acceptable, Zak confirmed they were.

Town of Shelburne – Bay Ridge

Nathan presented the open issues of the Town of Shelburne’s application to provide a \$1,000,000 subgrant to Champlain Housing Trust (CHT) to redevelop a transitional housing motel with 59 short-term rooms into a new mixed-income and mixed-tenancy neighborhood with 68 units of affordable rental housing and 26 shared equity homeownership units.

The following individuals came before the board to present on behalf of the Town of Shelburne: Lee Krohn, Town Manager, Miranda Lescaze, CHT, Jess Neubelt, Evernorth, Javier Garcia, CHT

Questions, comments, and discussion raised by the board, staff, and applicant:

Nathan said 79% of the projects funding is in place. He said they need more information about the 2nd phase supporting 70 to 100 AMI. He said the cost for water and wastewater is \$400,000.

Lee said the project was supported unanimously by the selectboard. He said the project has been approved by development review board.

Miranda said this will be a new mixed income neighborhood. She said CHT purchased the property in 2013. She said the redevelopment of the site will include new infrastructure, rehabilitation to 20 existing units and 48- new units in two new buildings. She said a total of 94 new homes all together after all phases are complete, a playground, community greens, and on the bus line. She said its built by the form base code by the Town. There will be 21 3- and 4-bedroom units. She said CHT has waitlist for over 300 households. She said they shifted from 9% to 4% which combines all phases creating operating efficiencies. She said construction will start this summer. She noted there is an Environment Review Corrective Action Plan required.

Jess said there is upgrades to electrical system underground, storm water drainage and underground mitigation centers, sprinklers, and sewer work. She said \$400,000 is for infrastructure and remaining \$600,000 is for housing. She said they are trying to get an easement with neighbor for wetlands because there would be cost savings with that. She said the environmental review will be complete January 2023. She anticipates going out to bid May 2023, construction state July 2023 and project completion September 2024. Lee said Shelburne has plenty of water and capacity.

Bruce asked the Town to elaborate on their vision Shelburne Road corridor. Lee said it’s a commercial corridor and there’s commuter traffic. He said housing is severely needed and that’s why they adopted form base code. He said they are trying to facilitate a more mixed-use corridor, not purely commercial.

Angus asked if Harbor House was still housing the homeless. Miranda said the site where the project is on Harbor House is no longer being utilized, but across the road harbor house is being used.

Maura asked about mixed income nature of the building in the project. Miranda said by combining the project the homeless units will be spread-out among the 4 buildings. Jess said the building being rehabilitated will not have market rate.

Josh asked about Act 250, if they had any challenges and the costs for it and the benefit of Act 250. Jess said the cost for permitted reaches the maximum \$170,000. She said the Town is in support of the project and they have had the most positive feedback so don’t anticipate any appeals. She said she didn’t see much benefit of act 250. Josh asked the Town if there was any way to make this a neighborhood

designation, so they don't have to go through act 250. Lee said that's great question and wasn't sure but would look at it.

Cynthia asked what the impacts would to the project be if no funding was awarded this round? Miranda said they want to start construction in July 2023. She said cost would increase and CHT has been carrying costs. They would need to seek additional funding from VHCB to minimize the gap.

Nathan asked about long term maintenance of road and sewer to the property what the annual costs were or if it was just fees for wastewater. He asked if they talked to the Town about taking over the ownership and maintenance of the road/sewer/water infrastructure. Miranda said it would be privately owned by the community and they have not had conversation with the Town. Lee said those fees are one-time fees for prorated shares.

Cynthia asked if the award conditions were acceptable, Miranda confirmed they were.

Town of Windsor – Central & Main Housing

Nathan presented the open issues with the Town of Windsor's application to provide a \$550,000 subgrant to the Windham and Windsor Housing Trust to contribute funds to a LLP that will construct a new 30-unit mixed-income rental housing building within the Designated Downtown located at 133-139 Main St, Windsor, VT 05089

The following individuals came before the board to present on behalf of the of the Town of Windsor: Peter Paggi – WWHT, Matt Moore – Evernorth, Tom Marsh – Town of Windsor, Donna Sweaney – Windsor Improvement Corporation, and Bob Flint – Windsor Improvement Corporation

Questions, comments, and discussion raised by the board, staff, and applicant:

Cynthia recused herself and left the meeting.

Nathan said there's an issue with the project they are having to go back to Design Review Board (DRB) for changing the project from 4 story to 3 story. He noted there is low acquisition costs in the budget. Some of the parcel is in the flood plain but is minimal.

Peter said they are working on moving the project to 3 story and refining the design. He said Windsor Design Committee decision will be known in January 2023. He said the project is to start in late spring. He said there is walkability at this site and no Act 250 required.

Bob Flint provided a summary of the work that the Windsor Improvement Corp. (WIC) completed to allow the property to be redeveloped. He said the property is 3 different parcels with some development challenges with infill construction and is a priority project for the Regional Development Corporation.

Tom Marsh noted that the Town has infrastructure to support the development which is in walking distance of services. He said they are in the beginning phases of micro transit.

Nathan asked them to elaborate on the upper valley workforce fund. Matt said its new loan fund created by Evernorth with 8 million in it to focus on the upper valley. He said the project has a \$500,000 loan from the loan fund, which allows them to do one additional market rate unit.

Josh said with the extreme need for housing, and the Town's zoning which allows for the 4 story, can the Town make it work on the site instead of losing a story and 5 units. Matt said it's not easy to build a new building in a downtown that is not a small building. He said It will change the look of the community and the residents care about that. He also noted Division of Historic Preservation (DHP) has been as strong to

redesign this building. Maura asked about the cost of a redesign. Matt said it would be \$10,000 to \$15,000 plus all the staff time and a delay. Josh is someone on record voting the 30 units down. Tom said no. Matt said they have been to the design review committee and their advisory to DRB is to not support a 30-unit 4 story building as well as DHP during the Section 106 review. Ken understands where the developers are trying to maintain the design of the area and community wishes to maintain the character of Windsor. He said Litigation could come into play it's a balancing act.

Peter said with the merger with Windham Windsor Housing Trust and Rockingham Area Community Land Trust this is first project before the Community Development Board.

Angus asked if the award conditions were acceptable, Peter confirmed they were.

June 9, 2022, Board Meeting Minutes

Angus made a motion to approve the draft minutes from the June 9, 2022, board meeting, Kenn seconded the motion.

The motion carried: 6 Yes – 1 Abstention – 0 No

**Cynthia - Y
Ken - Y
Lisa – Y
Maura - Abstained**

**Angus – Y
Elizabeth – Y
Bruce - Y**

Award Condition Extensions

Ann said the Hardwick Yellow Barn project the cost of materials has gone up. She said there are 3 businesses committed to going in now not just Jasper Hill, Cabot and Vermont Center of Agriculture will also be there. She said staff are working on the grant agreement. Cynthia asked when they will start. Ann said late spring. Bruce said with the European design driving the cost up for Jasper Hill and spiked construction costs are we nearing the point for rescinding the grant. Josh said no we are just a small piece we will continue to work with them. Maura stated the cost for affordable housing has gone up 30% since 2019. She said things are going to take longer for housing projects.

Cynthia asked about Newport Gardner Park project. Patrick said there are environmental issues being worked on.

Lisa made a motion to approve the award condition extension list as presented by staff to extend each of the grants award conditions to May 1, 2023. Bruce seconded the motion.

The motion carried: 7 Yes – 0 Abstention – 0 No

**Cynthia - Y
Ken - Y
Lisa – Y
Maura - Y**

**Angus – Y
Elizabeth – Y
Bruce - Y**

Recovery Housing Program Consent Agenda

Julia said the project had significant cost increase. Maura is this project moving forward with the constraints of the developer. VHFA was hopeful that 4% tax credits could work for these projects.

Angus moved to fund the Recovery Housing Program Grants as presented by the Consent Agenda at the levels below. Ken seconded the motion.

The motion carried: 7 Yes – 0 Abstention – 0 No

Cynthia - Y
 Ken - Y
 Lisa – Y
 Maura - Y

Angus – Y
 Elizabeth – Y
 Bruce – Y

Grant Identifier	Project Title	Funding Recommendation
07110-IG-2021-Bennington-04	612 Gage Street Recovery Housing	\$139,460
Total Funds Recommended		\$139,460

Scattered Site Implementation Grant Consent Agenda

Patrick gave an overview of the Scattered Site program.

Angus asked about the breakout for WWHT/Downstreet and the numbers from ARPA and VHIP. Josh said the numbers he seen have been evenly spread, except for slightly lower in Downstreet and Rural Edge. Maura asked about other money for counseling. She said their ARPA funding for the mortgage program the Homeownership centers haven’t used a lot of counseling funds from it. Patrick said HUD CHAPA funds are currently not available. He said 30 of the 60 units are and Downstreet region.

Patrick said any new loans with WWHT/Downstreet all repayments will stay with WWHT. He said they have received \$400,000 in Rehabilitation funds during the previous grant over the past 3 years.

Josh said we may need to raise the scattered site set aside to keep performing the number of units. Angus asked if the pot could be raise based on performance for each homeownership center.

Maura asked when WWHT and Downstreet merged to address capacity what has changed that supports a level of confidence for them to go back out on their own. Patrick said the new staffing at Downstreet. Maura asked if staff have ever met with them to discuss their budgets, to have them utilize other resources available. Cynthia requested staff work toward some conformity of the budgets of Other Resources.

Ken moved to fund the Scattered Site Implementation Grants at the levels below as presented on the Consent Agenda. Lisa seconded the motion.

The motion carried: 6 Yes – 1 Abstention – 0 No

Cynthia - Abstained
 Ken - Y
 Lisa – Y
 Maura - Y

Angus – Y
 Elizabeth – Y
 Bruce - Y

Municipality	Project Title	Funding Recommendation
Town of Brattleboro	WWHT Homeownership Services	\$405,000
Town of Lyndon	NEK Home Repair Program	\$285,000
City of Montpelier	Green Mountain Home Repair Downstreet	\$270,000
Town of St. Albans	CHT Home Repair Loan Program	\$525,000
Town of West Rutland	Comprehensive HOME/RENTAL Repair 2022	\$335,000
Total Funds Recommended		\$1,820,000

Planning Grant Consent Agenda

Angus moved to fund the Planning Grants as presented by the Consent Agenda at the levels below. Ken seconded the motion.

The motion carried 7 Yes – 0 Abstention – 0 No

Cynthia – Y
 Ken – Y
 Lisa – Y
 Maura – Y

Angus – Y
 Elizabeth – Y
 Bruce – Y

Municipality	Project Title	Funding Recommendation
Town of Craftsbury	Craftsbury Childcare Expansion	\$60,000
Town of Lyndon	Powers Park Development Plan	\$40,000
Town of Rockingham	BFITC - Construction Docs - RFP	\$0
Town of Swanton	Abenaki Nation - Missisquoi Comm Ctr	\$53,500
Total Funds Recommended		\$153,500

Funding Discussions of Implementation Grants and Enhancement Requests

Angus questioned if Newport has the same rental needs? Bruce said there are teachers not able to find rentals in the area.

Maura noted the Town’s of Newport and Hinesburg could go to VHFA Housing Investment Fund for funding, which is not federal program.

Nathan said Shelburne didn’t qualify for ANR funds. He said Shelburne developers are responsible for the infrastructure. Josh said Shelburne has some planning work that needs to happen, but we support the project.

Julia asked if Hinesburg could go to VHFA, ANR, the Towns ARPA and if they had any funding gap come back.

Ken moved to fund the Implementation Grants at the levels below. Bruce seconded the motion.

The motion carried: 6 Yes – 1 Abstention – 0 No

Cynthia – Y - Abstained from Windsor Decision.
 Ken - Y
 Lisa – Y
 Maura - Y

Angus – Y
 Elizabeth – Y
 Bruce – Y

Municipality	Implementation Grant Project Title	Funding Recommendation
City of Barre	Granite City Apartments	\$500,000
Town of Hinesburg	Kelley's Field II	\$300,000
Town of Newport	Newport Crossing	\$400,000
City of Rutland	Rutland Housing Initiative	\$650,900
Town of Shelburne	Bay Ridge	\$0
Town of Windsor	Central & Main Housing	\$0
Total Funds Recommended		\$1,850,900

Adjourn

Ken moved to adjourned, Bruce seconded.

The meeting adjourned at 3:00 PM, all were in favor, the meeting adjourned.

Ken noted to Josh and Cindy this was his last board meeting.