

June 6, 2024, CD Board Meeting Minutes
DHCD Calvin Coolidge Conference Room D613
Virtual Microsoft Teams (Meeting ID: 282 983 629 670 Passcode: L5CAad)

Board Members in attendance: Angus Chaney, Gregg Over, Maura Collins, Gabriel Lajeunesse, and John Kascenska

Board Members in attendance virtually: Elizabeth Ruffa and Bruce MacLean

Board Members Absent: Cynthia Gubb and Lisa Sullivan

Staff Members in attendance: Alex Farrell, Nate Formalarie, Ann Kroll, Patrick Scheld, Cindy Blondin, Nathan Cleveland, Julia Connell, and Grace Vinson

Staff in attendance virtually: Patrick Scheld, Kristie Farnham

Members of the public: None

Angus called the meeting to order at 9:05 a.m. There were no members of the public in attendance for Public Comment.

Town of Randolph – Hedding -Church-Forest Phase I

Julia presented the open issues of the Town of Randolph’s application to provide \$1,000,000 to subgrant to Randolph Area Community Development Corporation (RACDC) to be used for the design and rehabilitation of 25 existing affordable housing units and construction of 7 additional new units on 3 &5 Hedding Drive, 5 Church Street, and 18 Forest Street in Randolph VT 05060.

Grace noted the project is 700 feet from Ayers Brook River where flooding has occurred and is requiring them to have an evacuation plan and elevation certificate for the environmental review.

The following individuals came before the board to present on behalf of the Town of Randolph: Julie Iffland and Diane Nelligan, RACDC

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

- Julie noted this project has 3 different locations and nine units that are subsidized. She said the Hedding Drive location has 16 units. She said the housing is within walking distance to services and shops. She said Church Street and 18 Forest Street are currently under an option agreement. She said this project has two phases, and phase one includes the rehabilitation of 25 units and 7 new units. The units have not been rehabbed in 30 to 40 years. The three units on Church Street are relatively new and have been created within the last 10 years. The building on 18 Forest has structural issues and if not addressed soon will not be habitable. URA is required for this project but the individuals that will need to be relocated will be moved into the to-be-constructed units at Hedding Drive during renovations. Phase two of the project will have 28 units. Five units in phase one will be homeless preference units. The project is fully permitted. The environmental review is underway and have started the section 106 review with Historic Preservation. 18 Forest Street is not eligible for national or state registry. They anticipate the environmental review to be completed at the end of June. A Residence Service Coordinator will be hired for the project. The project has an award of \$850,000 in funds from the Federal Home Loan Bank (FHLB - AHP). Phase one is seeking VHFA 4% tax credits which aren’t as competitive, and the project is currently being reviewed by VHCB. They anticipate construction to start in March 2025 with full occupancy for phase one in May 2026.

- John asked if they anticipated any issues from the archeological review. Julie said if they did find something at the start of construction it may impact the timeline.
- Gregg asked if 18 Forest Street will be a gut rehab or if anything is salvageable. Julie said there will be substantial work.
- Maura noted a compelling issue with 18 Forest was it is owned by Capstone and that RACDC has stepped forward and is willing to take on these tired properties in their portfolio. She said the new property manager has brought them up to a better grade but can't sustain them without rehabilitation. She noted Capstone is eager to sell the properties.
- Angus asked about direct beneficiaries, especially the targeting of the 13 households currently at 30% of median income. Julie said the 4 units were for HTF and 4 project vouchers are targeted to that income level. Angus asked if the 5 units for the homeless would be all in one building. Julie said they would be scattered through the three buildings.
- Ann asked about the relocation budget. Julia noted to Julie that relocation and new construction will need to be broken out in the budget. Julie said the required URA notices have been sent to the tenants and there is a resident meeting scheduled. Diane said the relocation budget amount is \$230,450.
- Grace said they will need to do an evacuation plan and elevation certificate for the environmental review. Julie said they already have the elevation of the project mapped out.

Angus advised the grant awards will be made not later than July 5, 2024, and asked if the award conditions were acceptable. Julie confirmed they were.

Gregg and Liz asked how relocation costs are determined. Ann said HUD has a formula per unit/bedroom.

City of Rutland – East Creek Commons

Nathan presented the open issues of the City of Rutland's application to provide a \$500,000 subgrant to the Housing Trust of Rutland County (HTRC) to complete the renovation of nine units of affordable rental housing and the construction of 13 new affordable rental units located at 194-208 Columbian Ave, Rutland, Vermont 05701-2721. Nine new affordable housing units will be created through renovations to a third building located at 74 Park Street Rutland VT 05701 and a fourth building located at 18 Drake Road Castleton, VT 05732 will be renovated to create 4 additional affordable housing units.

Nathan noted the building has been vacant for 8 years. He said the only issues raised were regarding services. SASH services will be available. Nine of the units are occupied and so relocation will be required. HTRC had some previous tenants that did a lot of damage to the properties. He said the environmental review has some remediation that needs to be completed. Dept. of Environmental Conservation (DEC) is requiring air quality testing.

The following individuals came before the board to present on behalf of the City of Rutland: Mary Cohen and Dan Caputo, Housing Trust of Rutland County; Ed Bove and Barbara Spaulding – Rutland Redevelopment Authority (RRA); and Tyler Richardson, Municipal designee.

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

- Mary said this project is a different project from the previous submission which was originally 22 units. It is now 35 units and the request amount for CDBG funding has gone down from the last time. The city owns the property. The building on Drake Road in Castleton has been vacant and will have 4 units with tenant-based vouchers for veterans.
- Maura questioned the map layout if the project was ¼ of mile to senior center, and if there were sidewalks to it. Mary said she doesn't think so.

- Mary said the Mandala house on Park Street has been vacant and there will be 3 units rehabbed and 6 new units built.
- Mary went over the relationships of services available.
- Mary said the environmental review draft CAP has 1 more thing for DEC but DEC is paying for the air quality in one of the units on Columbia Ave.
- Mary said they anticipate closing on the project in December 2024.
- Nathan asked with the ER release in October or November how they were going to phase the project to get started as soon as possible. Mary wasn't sure if they would build the addition at Columbia Avenue first or if construction would be concurrent.
- Gabriel questioned the \$969 per square foot which seems high. Mary said that does seem high and noted another project came in lower that they are working on. Julia noted it could have been an error in our system's cost analysis if anything was missing. Nathan asked Mary to look at their proforma. Mary said for just hard costs \$416 sq. ft., for hard costs and acquisition its \$454 sq. ft. and for the total project with everything its \$571 sq. ft.
- Maura encouraged them to have discussions with the Town of Castleton about having sidewalks to the senior center.

Angus advised the grant awards will be made not later than July 5, 2024, and asked if the award conditions were acceptable. Mary confirmed they were.

November 9, 2023, Board Meeting Minutes

John made a motion to approve the draft minutes from the November 9, 2023, board meeting. Liz seconded the motion. Greg correction on last page with Cynthia since she abstained.

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

**Angus - Y
Maura – Abstained
Elizabeth – Y
Bruce – Y**

**John – Y
Gabriel – Y
Gregg – Y**

CDBG-CV Enhancement Request

Nathan said that Springfield Regional Development Corporation had to pay for the roof and Patrick and Ann met with them last week and found that cost to be eligible. Angus questioned if the costs have already happened. Ann said yes.

Maura moved to fund the CDBG-CV for the Town of Springfield enhancement request as presented by the Consent Agenda at the level below. Greg seconded the motion.

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

**Angus - Y
Maura - Y**

**Elizabeth – Y
Bruce – Y**

John – Y
Gabriel – Y

Gregg – Y

Grant Identifier	Project Title	Funding Recommendation
07110-IG-2020-Springfield -53	Huber Building Ventilation System	\$230,000
Total Funds Recommended		\$230,000

Award Condition Extensions

The Award Extension funding requests were presented to the Board.

Nathan went over Proctors planning grant with Zion growers who are trying to become a hemp grower company. They are not current with their taxes. The Town and Zion were in discussions the payment was required today. Preservation Trust of Vermont would like us to continue to support the project. Ann said Zion is also delinquent with taxes in the Town of St. Johnsbury as well.

John asked what the magnitude of what needs to be paid. Nathan said the Town is charging Zions as an equivalent unit there are no meters.

Maura said she is fine with allowing more time for Proctor but questioned others on the list that have been there for 5 years. Nathan said Newport is finally moving. They have submitted their conditions, and we will be offering the grant agreement soon. Grace said they have their ER.

Ann said the Winooski Falls East project is a special situation, the project is in a conservation area and supposed to be doing housing.

Gabriel made a motion to approve the award condition extension list as presented by staff to extend each of the grants award conditions to November 1, 2024. John seconded the motion.

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

Angus - Y
Maura - Y
Elizabeth – Y
Bruce – Y

John – Y
Gabriel – Y
Gregg – Y

Town of Underhill – Harvest Crossing Affordable Housing

Julia presented the open issues of the Town of Underhill’s application to provide a \$500,000 to subgrant to the United Church of Underhill, who will partner with Green Mountain Habitat for Humanity, to eight new units of affordable housing - six single family homes and one duplex - located at 16 Harvest Run, Underhill, Vermont, 05489 and at 422 VT Rte 15 Underhill, Vermont, 05489.

Julia said the project will create 8 units of homeownership; CDBG funds will be funding the infrastructure to support this new housing. What’s unique about this project is the landowner approached the church about the land.

The following individuals came before the board to present on behalf of the Town of Underhill: Brad Holden, Town Administrator for Underhill; Dave Clift and Dan Manz, United Church of Underhill; and David Mullin, Green Mountain Habitat for Humanity

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

- Brad said the selectboard is in full support of this application. He said the Town worked with the church on the planning grant. He has been impressed with everything they have accomplished with the planning funds and the dedication of the team with the church. The Town Plan speaks to housing needs and with the Town's declaration of inclusion are committed to fair and equal opportunity for housing. The Town has committed \$100,000 to the project.
- Dave Clift with the church talked about collaboration with Habitat for Humanity. He noted the challenges young families are having starting up with the actual costs for homes. This project will allow families to pay \$150,000 keeping it affordable.
- David said Green Mountain Habitat for Humanity has been building housing for 40 years in northwestern Vermont. He said it's a 501.c3 organization. All funding raised is at the local and state level. The organization has 100's of volunteers. The partnership with the church is unique and hope it will be a model for other areas. He said the community has rallied to spearhead this project for affordable housing in their community.
- Gabriel questioned the size of the homes. David said they are typically 2-to-4-bedroom homes. These homes will be 1200 sq. ft. and most will have 3 bedrooms.
- Gregg asked if Habitat for Humanity will have a full-time paid superintendent assigned to the project. David said yes, they will have one or more assigned to this project. He said there will be paid staff for overseeing construction. Gregg asked how much gets subcontracted versus sweat equity.
- David said their organization wants to be able to build 10 houses a year to help with the housing crisis.
- Liz asked for a quick snapshot of the Town of Underhill. Brad said the Town has 3000 people. He said they had an influx of people when IBM came in. Mount Mansfield is in the Town. He said the Underhill flats area is outside village center. He said they have rezoned but don't have a lot of other places to go.
- Dave said the housing is still within walking distance of stores and on the bus line.
- Maura asked them to speak about the zoning changes due to this project. She saw the changes for protection of the wetlands.
- Brad said when the project was proposed it was on 1 acre. The zoning is the same today. There is no municipal sewer but there is municipal water. With the planned unit development, they are now able to consolidate and add more units in an acre parcel, up to 5 units per structure.
- Maura asked about how the transfer of property from church to Habitat was going to work. Dan said there is no debt on the property. The church owns the property and due to the use of some federal funds there's a restriction on the property that it cannot be sold.

- Bruce asked if the utilities would be buried? Brad said yes, they would be its a requirement of the Town.
- John asked if it was hard to get subcontractors. David said they have used some of the same electricians and plumbers for the last 20 years so haven't had any issues. He said they typically prioritize work for them.

Angus advised the grant awards will be made not later than July 5, 2024, and asked if the award conditions were acceptable. Brad David confirmed they were.

Town of Bennington– Benn High Redevelopment

Julia presented the Town of Bennington's application enhancement request of \$613,810 to bring that total to \$1,000,000 to provide a subgrant to Hale Resources to purchase the Old Bennington High School Building located at 650 Main Street in downtown Bennington. The building will be renovated into housing, commercial space, and community recreation facilities.

Julia noted this project was funded last June but is now experiencing a \$3 million gap due to brownfields work. She said they are working with state and federal brownfield funding sources for this project and are hoping to close by the end of the year.

The following individuals came before the board to present on behalf of the Town of Bennington: Shannon Barsotti – Community Development Director, Town of Bennington; Zak Hale – Hale Resources, LLC, Sarah Stroney with Rise Community Capital

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

- Sarah said she works with Community Development Project finances and is helping Zac with the funding structure for the project.
- Zak anticipated construction to start June 2024 with completion June 2026. He said the new market requires that all the funds must be in hand at the time of closing. He said they need another \$500,000 to get to closing. The total project cost is \$48 million for development. He said they are in current talks with the Vermont Community Loan Fund and Town for ARPA funding for the project. He said they are also talking with the national US Greenhouse Gas Reduction Fund (GGRF) and may be potentially one of the first in the country to close on funding. Currently the project is at \$39 million committed out of the 48. He said they are trying to be creative to not to have to take a larger bridge loan due to costs. The project is in the designated downtown. The property has been vacant for 20 years. Some of the GAP Funding still waiting for commitments are NRBC App, ACCD BRF, VCDP Enhancement, and BRF RLF2.
- John asked at what point were the cost overruns found. Zak at the beginning of the year, but more so over the last two months. He said they have been working on corrective action plan (CAP) for over a year.
- Shannon said there have been immense challenges with the requirements for the property being on the national register which doesn't allow for a thicker wall. She said pieces that are being weaved together from funding requirements create the budget to be higher.
- Maura suggested they have a Plan B for the GGRF programs funding because she's not sure the federal government's timeline for funding will be available by the end of the year. Sarah said they

have been in contact with the CDI director they have existing loan funds but are hoping for better interest rates with GGRF. She said the budget is modeling the highest interest rate.

- Angus asked about the income targeting for the homes. Zak said 3 units are targeting the homeless and 7 units with project-based vouchers.

Angus advised the grant awards will be made not later than July 5, 2024, and asked if the award conditions were acceptable. Zak confirmed they were.

Planning Grant Consent Agenda

Nathan provided an over of Granville. Julia said they are working with the RPC on that project. No major issues.

Angus wanted an overview of Norwich to house affordable housing project. Angus asked if they looked at other sites. Nathan said yes, they did, and this is the only land the Town owns that can be easily developed.

Angus requested the Town of Norwich be taken off the Consent Agenda. Nathan said he struggled with this project too, being near the landfill but it is the only Town-owned land to move forward. There is no public transportation and are only targeting folks at 50-80% stating they will likely have vehicles.

Nathan said the City of Rutland’s planning grant included another planning grants scope of work so that will need to be removed. Ann said it’s been since the 90’s that the state has been in discussion to consolidate these organizations. VHCB has funding in the project. With NeighborWorks being a CFDI this opens doors for all of them. Alex feels the merger will provide a better delivery mechanism. Maura said the residence and community rental projects in the region will have a non-profit serving the area.

Julia said St. George is an old schoolhouse that will be used as the emergency shelter. This PG will allow them to do the accessibility planning for the school and Chittenden County Regional Planning Commission will be doing the grant administration for the project.

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

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

**Angus - Y
Maura - Y
Elizabeth – Y
Bruce – Y
John – Y**

**Gabriel – Y
Gregg – Y for Granville & St. George (Abstained from Rutland PG)**

Grant Identifier	Project Title	Funding Recommendation
07110-PG-2023-Granville-20	Granville Town Hall Accessibility	\$59,058
07110-PG-2023-Rutland C-15	Merger of HTRC and NWWVT	\$60,000
07110-PG-2023-St. George-17	St. George EOC Accessibility Planning	\$42,600
Total Funds Recommended		\$221,658

Town of Norwich Planning Grant

Maura had concerns about it being adjacent to the landfill.

Angus said as a board member he couldn’t be behind this site with all the environmental concerns.

Gabriel asked about walkability for the site.

Liz wants to give them the opportunity to look at other sites. They have really worked hard on this.

Grace said a portion of the site is in the flood plain, and with HUDs new regulations that would apply to this project if the project went to new construction, they would be required to elevate the project and complete an archeological assessment.

Maura moved to fund the Planning Grant for the Town of Norwich. Greg seconded the motion.

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

Angus - N

Maura - N

Elizabeth – N

Bruce – N

John – N

Gabriel – N

Gregg – N

Grant Identifier	Project Title	Funding Recommendation
07110-PG-2023-Norwich-16	Norwich affordable housing site assess	\$0
Total Funds Recommended		\$0

Funding Discussions of Implementation Grants and Enhancement Requests

The board discussed the applicant presentations, funding, and partial funding.

Randolph

- Gabriel asked if the Town of Randolph project is seeking funding too early with so much uncertainty in funding sources.
- Julia said they are going for 4% Tax Credits and RACDC has shown efforts to bring on more capacity. She said it’s been 2 years since awarded and Salisbury Square has not completed their Award Conditions.
- Angus said if they waited to fund, the project could note any archeological issues.
- Grace said they have hired a consultant and anticipate the environmental review to be complete in a few months.
- Julia said they hope to close by the end of the year.
- Gregg asked what the impacts would be if Capstone pulled out.
- Maura said VHFA has the first right of refusal on the property.
- Nathan there is potential HUD subsidies could be at risk.

Underhill

- Gregg was impressed with the project.
- Angus asked if Maura was satisfied with the debt. Maura said she has strong trust in the Team for Underhill.
- Ann said VCDP did a project with Green Mountain Habitat for Humanity in 2012 and all went well.
- Maura credits the church for all their support.

Bennington

- Angus concerned with the \$3 million in cost overruns.
- Julia said they originally planned to request \$1 million but said they would focus their request on just the low- and moderate-income condo and reduced their ask. Funding request now is for cost overruns.

- Gabriel impressed with the layers of investor and big supporter of the project.
- Ann applauded them for bringing on RISE Community Capital to help with the financing structure. She is impressed to see a private developer take this project on. Julia said there have been numerous attempts for redevelopment that didn't move forward and there is high enthusiasm for the private developer.

Maura moved to fund the Town of Underhill CDBG Grant for Harvest Crossing Affordable Housing at \$500,000. Greg seconded the motion.

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

Angus - Y	John – Y
Maura - Y	Gabriel – Y
Elizabeth – Y	Gregg – Y
Bruce – Y	

Greg moved to fund the City of Rutland CDBG Grants for East Creek Commons at \$500,000. John seconded the motion.

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

Angus - Y	John – Y
Maura - Y	Gabriel – Y
Elizabeth – Y	Gregg – Y
Bruce – Y	

Gabriel moved to fund the Town of Bennington CDBG Grants for Bennington High Redevelopment enhancement request at \$613,810. Bruce seconded the motion.

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

Angus - Y	John – Y
Maura - Y	Gabriel – Y
Elizabeth – Y	Gregg – Y
Bruce – Y	

Gabriel moved to fund the Randolph CDBG Grants for Hedding-Church-Forest Phase I for \$1,000,000. Maura seconded the motion.

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

Angus - N	John – N
Maura - N	Gabriel – N
Elizabeth – N	Gregg – N
Bruce – N	

Municipality	Implementation Grant Project Title	Funding Recommendation
Town of Randolph	Hedding-Church-Forest Ph 1	\$0
City of Rutland	East Creek Commons	\$500,000
Town of Underhill	Harvest Crossing Affordable Housing	\$500,000

Municipality	Implementation Grant Project Title	Funding Recommendation
Town of Bennington	Bennington High Redevelopment	\$613,810
Total Funds Recommended		\$1,613,810

GEARS Online Application Discussion

Cindy noted the VCDP program GEARS system will be upgraded to a new platform for our online grants management system at the beginning of next fiscal year on July 1, 2025. Some board members have accounts in the current system and some do not, wanted to know if the board members want to continue to have access to the applications in the online system. She asked if there was any additional information they would like to have sent to them or included in the analysis.

Board members do want access to the system,

Maura suggested that staff should provide project strengths and weaknesses for project as well as a feedback section from staff.

Maura noted the Housing Conference is on November 14, 2024.

Cindy noted the next board meetings are on November 13, 2024, and June 5, 2025, for FY24.

Adjourn

Angus moved to adjourned Gabriel seconded.

The meeting adjourned at 2:03 PM, all were in favor, the meeting adjourned.