

**February 8, 2018 CD Board Meeting (Approved) Minutes
Deane Davis Building (Calvin Coolidge Room)**

Board Members in attendance: Cynthia Gubb, David Scherr (in at 9:45), Angus Chaney, Sarah Carpenter (left at 12:45)

Staff Members in attendance: Katie Buckley, Ann Kroll, Nathan Cleveland, Cindy Blondin, Patrick Scheld

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

Cynthia directed the Board to the Award Condition Extensions.

Award Condition Extensions

Ann went over the status of The Strand Public Infrastructure in Winooski. Angus asked about Randolph and Montpelier projects to see if the extension impacted the projects being reviewed today. Nathan went over the status of 28 South Main Street for the Town of Randolph. Ann went over the French Block's project in Montpelier. Sarah asked about Newport planning grant. Nathan provided an update on the Newport Feasibility Study project. Angus stated he heard the EB-5 funds were close to a settlement and wondered if those funds could potentially help with the Newport planning Grant.

Angus made a motion to approve the award condition extensions for the list of grants presented by staff to June 1, 2018. Sarah seconded the motion. The motion carried 3-0-0

October 12, 2017 Draft Minutes

Angus made a motion to approve the draft minutes from the October 12, 2017 board meeting, with minor corrections he noted. Sarah seconded the motion. The motion carried 3-0-0.

City of Montpelier – Taylor Street

Patrick presented an overview of the City of Montpelier's application requesting \$505,000 in VCDP funds and issues raised in the analysis. The City will provide a deferred loan to a Limited Partnership to be formed by Housing Vermont and Downstreet Housing and Community Development for the construction of 30 units of housing co-located with the City's Transit Center. Three stories of housing will include 6 studios, 18 1-bedroom units, and 6 2-bedroom units of which 23 will be affordable and 7 will be targeted to households earning between 80-120% of the area median income.

Questions or comments raised during Patrick's presentation to the Board: Ann noted some Federal Highway funds could be at risk if this project did not break ground this year. Nathan questioned if there was a specific deadline date to meet the federal requirement. Sarah noted VHFA will need to pay attention to the timing for all the projects at their April 2018 Tax Credit board meeting. Angus questioned why program management costs were so high, at 21% of the project costs. Ann stated there were costs under the development agreement with Redstone that was included in the new development agreement with DEW that raised the project costs. However, since the housing is being built above the transit center significant costs are being absorbed by the transit center that otherwise would normally be carried by the whole housing project. In addition, Ann reminded the Board about the \$850,000 in CDBG-DR funding that went into the retaining wall that supports this property. She also noted the project is in the floodway and the environmental review has been completed for this project. Angus questioned it being built in the floodway. Cynthia asked how high the previous flooding rose. Ann said they will be building an additional wall.

The following individuals came before the board to present on behalf of the City of Montpelier: William Fraser and Sue Allen, City of Montpelier; Eileen Peltier, Downstreet Housing and Community Development; Kathy Beyer, Housing Vermont

Questions raised by the board/staff and discussed with the applicant: Cynthia asked if SASH would be on site. Sarah questioned the bedroom mix. Angus asked about noise mitigation. Cynthia asked how many buses would be going through on any given day. Sarah asked if there will be air conditioning in the building. Cynthia questioned the meaning of the transit station being in compliance with the flood way. The City noted there would be no buses parked or idling under the building. The buses will be parked on Taylor Street. The bulk of the bus traffic is during working day hours, with one gray hound bus at 3am coming through. The Transit Center will be built at the elevation of 2 feet above the 100 year floodplain level.

She also asked how the project would be impacted if there was no funding or reduced funding. Sarah asked if all the permits were in place. Nathan asked about the ownership of the transit center and housing. The City will own the Transit Center, while the Partnership will own the housing units. Eileen noted if this project is awarded Downstreet Housing and Community Development's portfolio of units for the homeless would be at 17%, taken in conjunction with the units at the French Block, moving them closer to the goal of 25%.

Cynthia asked if the award conditions were acceptable and applicant responded yes.

Town of Randolph - LEDdynamics

Nathan presented an overview of Randolph's application requesting \$1,000,000 in VCDP funds and issues raised in the analysis. Subgrant to GMEDC to plan and construct a 25,000 to 30,000 square foot mixed office and manufacturing facility to be leased to LEDdynamics resulting in the creation of 41 new jobs, of which 21 (51%) will be made available to or filled by LMI Persons.

Joan Goldstein and Brett Long of the Department of Economic Development joined this presentation.

Questions or comments raised during Nathan's presentation to the Board: Cynthia questioned if the current facility would be closing. She also asked if there was enough housing in the area to support the workers. Brett noted their department has met with many business owners and many are looking for space. Angus questioned he number of jobs, on page 17 of the responses they indicated 64 jobs but in the table they provided it had 67 for 2017.

The following individuals came before the board to present on behalf of the Town of Randolph: Adolfo Bailon, Town; Bob Haynes, Green Mountain Economic Development Corporation; Tom Appel, Consultant; Jim Larsen, Tim Loucks, Spencer Newman, and Bill McGrath with LED; Lisa Henderson, Vermont Manufacturing Extension Center

Questions raised by the board/staff and discussed with the applicant: Sarah asked about the current health of the other businesses in the building and if they are in need of expanding. Cynthia asked if LEDdynamics worked with Vermont Technical College or any other colleges? She asked if they had any new products coming in the future. Angus asked for a clarification on the number of jobs was the baseline 67 with 41 new jobs being created with the expansion. Cynthia asked how the availability of housing was for the area. Bill McGrath said finding housing hasn't been an issue but more services are needed in the area to entice a younger workforce with restaurants and shopping

Cynthia asked if the award conditions were acceptable and applicant responded yes.

Town of Hartford – Sykes Mountain Avenue

Nathan presented an overview of Hartford’s application requesting \$600,000 in VCDP funds and issues raised in the analysis. Subgrant to Twin Pines Housing Trust who will loan to a limited partnership (formed by Twin Pine Housing Trust and Housing Vermont) to construct 30 units of affordable housing on land off Sykes Mountain Avenue in White River Junction.

Questions or comments raised during Nathan’s presentation to the Board: Katie questioned if it was ok for Twin Pines Housing Trust to loan to the limited partnership they would be part of. Sarah asked if there was any opposition or appeals for this project. Sarah said having underground parking adds \$15,000 a unit but the lot isn’t large enough to allow for a typical parking area. Angus wondered if non-residents have access to the trail. David asked how the Low-Income Housing Tax Credit program fared with the new tax reform.

The following individuals came before the board to present on behalf of the Town of Hartford: Lori Hirshfield, Town (by Phone); Samantha Dunn, Housing Vermont; Andrew Winter, Twin Pines Housing Trust

Questions raised by the board/staff and discussed with the applicant: Sarah asked the project had any appeals. She also asked the status of their permits. Cynthia asked with the low unemployment rate if any of the larger employers in the area are being proactive in helping with the housing needs. Andrew noted the new CEO of Dartmouth is looking into the possibility of housing on campus. Lori noted Dartmouth is not the only business with this need, and the Upper Valley Coalition formed with bankers and businesses on both sides of the river is looking at this issue. Andrew said VT and NH Regional Planning Commissions are currently working on housing needs study to help address the issue as well. Sarah asked about the concept of targeting the funds as a grant to the Twin Pines Housing Trust for acquisition. Andrew said this could potentially work for this project but may not work for every housing transaction.

Cynthia asked if the award conditions were acceptable and applicant responded yes.

At 11:40 a.m., Sarah made a motion to move the board into executive session to discuss a potential real estate development transaction. Angus seconded the motion and the motion carried 4-0-0

The board came out of executive session at 11:45 a.m.

Board Funding Recommendation

Sarah asked if all the accessibility modification grants were ready to go. Ann noted the Town of Weathersfield food shelf is at risk. Nathan noted the Town of Royalton’s library has code violations and potentially could close. Angus questioned Town of Royalton’s response for municipal performances. Nathan went over our internal process for risk assessments required on project that impact the analyses.

Sarah moved to fund \$2,105,000 to the following implementation Grant at the levels listed:

\$600,000	Town of Hartford – Sykes Mountain Avenue
\$505,000	City of Montpelier – Taylor Street
\$1,000,000	Town of Randolph – LEDdynamics

Angus seconded the motion. The motion carried 4-0-0.

Town of Bennington – Rental Rehab Pilot Program Enhancement

The following individuals came before the board to present on behalf of the Town of Bennington enhancement request: Ludy Biddle and Gregg Over, NeighborWorks of Western Vermont

Questions raised by the board/staff and discussed with the applicant: Cynthia questioned if the landlords are required to keep the units affordable are they able to cash flow. Ludy said the program hasn't gotten to the 5-year mark yet, that there will be a new study point for them. Gregg said HUD's rental cost requirement is not an issue because the average market rate in Bennington is lower than the affordability rate required by HUD's guideline. Cynthia asked if they had a waiting list of landlords? She also asked what NWWVT's next steps are to expand this program to other communities in Addison, Rutland and Bennington counties. Ludy said having the ability to provide incentives creates more of an impact for the program. Angus questioned the loaned capitol. Ludy said the landlord can choose to come to them for the capitol or can go to the town or private banking to provide the match requirement of the incentive given. NWWVT's one-stop shopping has definitely been very attractive to the landlords of having the opportunity of getting the loan through NWWVT as well as the grant incentive. Angus questioned the metric for affordability. He also asked if the vacant units that were rehabbed were vacant due to the market. It should be noted that it was the original intent to target the vacant derelict buildings first in an effort to avoid a repeat of the City of Rutland where they are demolishing buildings that have been vacant for so long. Who will be doing the HQS inspections. Ann asked if NWWVT would be assisting the landlords with lease up. Cynthia stated at the end of 5 years the affordability requirement is lost. Angus asked how the potential new Homeowner Rehab Tax Credit from ACCD if passed would impact this program. Nathan asked what the vacancy rate was in Bennington.

Board Enhancement Recommendation

Angus made a motion to fund \$105,000 to the Town of Bennington for their enhancement request for the Rental Rehab Pilot Program. David seconded, and the motion carried 3-0-0

Adjourned 1:45