

**November 1, 2018 CD Board Meeting Approved Minutes  
Deane Davis Building (Calvin Coolidge Room)**

**Board Members in attendance:** Cynthia Gubb, Elizabeth Ruffa, David A. Scherr, Sarah Carpenter, Kenneth Niemczyk, Angus Chaney, and Bruce MacLean

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

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.

Josh noted that Amelia Silver has notified the Agency that she will be stepping down from the Board.

**Town of Hardwick - Multi-Tenant Business Accelerator**

Nathan presented an overview of the Town of Hardwick's application to provide a \$1,000,000 grant to the Town to construct a 24,800 square foot business accelerator facility at 281 Route 15 West, Hardwick VT 05843. The facility would be managed and operated by Northeast Kingdom Development Corporation, allowing existing businesses space to expand their operations.

Questions or comments raised during Nathan's presentation to the Board: Nathan noted Jasper Hill Cheese will be an anchor tenant. Ken questioned why they needed to devote the amount floor space to one business at this facility. Nathan noted the Yellow Barn is located close to the Lamoille Valley Rail Trail and Jasper Hill would like to create a facility that would allow them to provide cheese tours. Bruce asked if the cheese would be aged in the barn? And what happens to the current space its aged in? Nathan said the caves are just for the soft cheeses. Cynthia ask if this facility would allow them to expand and make more cheese. Josh questioned since the business is so successful and has received a lot of public investment, if this project could take on more debt. Nathan said NVDA will establish a company to manage the facility and the town will be the owner of the facility. He said there are not strong costs estimates with this application yet. Ken asked about the floodplain mapping issues. Nathan said the Town is going through the process of LOMA to change the map to move the location of this project out of the floodplain. Ken asked if the board can require them to still maintain flood insurance even after the LOMA process.

The following individuals came before the board to present on behalf of the Town of Hardwick: Jon Jewett, Town Manager; Alison Low, NVDA; Eric Remick, Selectboard, Rose Wilson, James Cote, architect.

Questions or comments raised by the board/staff and discussed with the applicant: Jon Jewett said agriculture is the Town's bread and butter and the Yellow Barn building is an icon to the community. He noted the \$43,000 average median income for Town. He said the Town has an economic development fund they actively have been utilizing to invest back in their community. He said Caledonia spirits has moved out of Hardwick to a Montpelier location. He said Jasper Hill will be an anchor tenant. He said Bien Fait is also interested in the facility because they are interested in being on a main road and having the ability have store frontage. He also noted Sawyer Made Chairs wants to have a facility on a main road. There is potential for Northern Vermont University to utilize some of the space for them to be able to provide educational classes. Alison noted through the Vermont Food Venture Center (VFVC), funded by VCDP has had \$1.4 million in private investment through it and 41 jobs created/retained. Jon said the yellow barn facility would be the next step up from the VFVC. He noted Jasper hill originally created 10 jobs with their \$400,000 VCDP grant and to date they have created 80 jobs. Bruce asked if

Jasper Hill is predicting to double the amount of cheese, if it meant they will be reaching out to more farms, and those other farms will receive a premium. James said they reach out to farms and yes Jasper Hill does pay a premium. Jon noted this project has another benefit, it will keep the farming industry alive. Alison noted the project will create 30 new jobs, and it would be a loan to the Town. She said Jasper Hill will be contributing \$3 million. Cynthia asked if the other two tenants will they be contributing? Eric they would be paying lease and fit up costs. James noted the location of the site is the gateway site to the community, but there are also challenges with the site. Cynthia asked them to explain the floodplain issue you noted. Jon noted the Town is currently working on the LOMA process for the site. Ken noted the current floodplain line is for 100-year floodplain and questioned if they will have to take into consideration of the 500-year floodplain. Jon said the state or FEMA have not had any issue with the 500-year floodplain. Ken questioned if the site would have any room to expand on this site in the future. Jon, Eric and James indicated there is additional Town land adjacent to the site. Angus questioned the length of time for the LOMA process and FEMA's approval. He also asked why the Town purchase was above the purchase price. Eric said not many properties in town on town water and sewer, knew they knew a car dealership was interested and didn't want to lose this opportunity. Nathan asked them to talk more about the costs estimates and when EDA approval would happen. Alison said their proposed grant review is happening now, but then after that once they receive the actual proposal it will take about 6 weeks. Jon said the project is in a REEP zone. Alison said which makes the project more competitive. Bruce asked what was going to happen to Caledonia Spirits site? Eric said they want to maintain a presence in Hardwick at this point keeping the facility it may be just used as storage. Nathan asked them to explain the increase in the budget? Alison said the increase is due to additional costs to get through construction documents. He also noted they want to start construction in the summer 2019. Elizabeth asked if the remaining 25% of space left will that go to the other two businesses. Eric indicated they may construct a second floor there would be additional space and food. Elizabeth asked them to explain the workforce development component.

Cynthia asked if the award conditions were acceptable and applicant responded yes, except Alison said the condition regarding voter approval is not required. Jon said the Town can move forward if they have the funding without voter approval.

### **City of St. Albans – Maiden Lane Housing**

Patrick presented an overview of the City of St. Albans's application to provide a \$1,000,000 deferred loan to a public-private partnership formed between Champlain Housing Trust, Housing Vermont and Congress and Main LLC to construct Maiden Lane Apartments 30 new affordable rental units in downtown St. Albans. The turn-key construction will be owned and maintained by Champlain Housing Trust upon completion.

Questions or comments raised during Patrick's presentation to the Board: Sarah asked if there was a separate partnership to own the market rate? Patrick said yes, he believes its Congress and Main, LLC. Sarah asked if the whole building was going to be residential. Patrick said yes with a firewall between the affordable units and market rate units. Sarah said if that's the case it would impact tax credit approval. Josh noted there has been no additional funding committed yet. Angus questioned what air rights are? Patrick said their environmental review is in process and should be complete within a couple of months. He said there is a building on the site that needs to be demolished and it currently has tenants. Josh said they would need to figure out the actual relocation costs the project would need.

The following individuals came before the board to present on behalf of the City of St. Albans: Dominic Cloud, City Manager; Chip Sawyer, City CD Director; Amy Demetrowitz, CHT; and Kathy Beyer, Housing Vermont

Questions or comments raised by the board/staff and discussed with the applicant:

Dominic said they have been revitalizing the city over the last 5-6 years. He said this is \$20+ million project and the VCDP funding would go to affordable housing component. He said there will also be market rate housing. He said this project would help move CCV downtown and they would utilize 10,000 square feet of space, and the city will subsidize their rent. He said the project works as a whole. He noted Snyder property has an option on the property and they will comply with URA regulations. He said it's in a designated downtown and in the growth center. Amy said CHT excited about the project which will provide housing downtown. She said walked through the current housing and found it to be some of the worst housing she has ever been through. She said there is currently 23 units and the new construction will create 24 units. She said the market rate units will be restricted to 120% median income. Kathy said this will be a condominium structure. Sarah noted she understands the two ownerships but has a significant issue with segregating the market and low-income units and said that would need to be addressed if applying for tax credits. She questioned why the start date commitment is contingent on having the housing done first and wondered the reason why they can't start with the commercial portion. Dominic said it's a question of risk and city is already \$2 million into it. Ken stated he would prefer them to have a more integrated approach between the affordable housing and market rate and not have two entries into one building. Kathy stated this is 30 units of mixed-income housing. Amy said it was developed this way due to legal structure having two owners and managers. Dominic noted there is a tone of affordable housing happening around the state and not a lot of market rate happening, both are needed. Amy indicated they would be applying to VHCB in January 2019 and to Tax credits in the spring. She also noted Franklin county has not seen new housing in a decade. Patrick asked them to provide an overview of their construction timeline. Dominic said whoever is ready first will go first. Patrick asked when the site work is anticipated to be completed. Dominic said the city is doing all of site work and will be looking into that. He said the land use permit is expected this week. Patrick questioned if there has been any indication of brownfields on the site. Cynthia asked when the last housing needs study was completed in St. Albans. Chip said 2015. Cynthia asked what the outcome was. Chip said it indicated a need for all types of housing. Cynthia asked if there was a waiting list for housing in St. Albans. Kathy noted Housing Vermont has very few view units vacant in their portfolio. Chip stated although it is one building it really is like two different buildings it has two separate addresses. He also clarified this project had no intent to segregate.

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

### **Town of Williston - Old North End Community Center**

Patrick presented an overview of the Town of Williston's application to subgrant \$300,000 in VCDP funds to Champlain Housing Trust (CHT) to rehab The Old North End Community Center at the former St. Joseph's School in Burlington's Old North End housing a variety of regional non-profits that provide critical services to the area's low-income residents. Major upgrades and modernizations need to be made to the building's water supply, bathrooms, shell of the building including new windows and attic insulation; and heating, cooling, electrical, sprinkler, safety and technology systems.

Questions or comments raised during Patrick's presentation to the Board: Sarah said that some of the service provided by the organization at the center are membership organizations that also provide classes and social events. Patrick noted that half the of kids Robin's nest childcare facility come from outside Burlington. He said the budget has increased. Josh said this facility is booming already with lots of people, and very diverse. Patrick said the ratio of funds to have to be contributed by CEDO and the state would have to be 3 to 1, based on people served at the center. He said CEDO has only committed

\$250,000 to date and would need to go through two other formal processes for the remaining funding they would need to commit. Angus agreed with the 3 to 1 ratio of commitment.

The following individuals came before the board to present on behalf of the Town of Williston: Richard McGuire, Town; Amy Demetrowitz, Chris Donnelly, Michael Monte and Joan Lenex, with CHT; and Yacouba Jacob Bogre, Association of Africans Living in Vermont (AALV).

Questions or comments raised by the board/staff and discussed with the applicant: Richard said the center houses a number of non-profits. He said the City of Burlington and Town of Williston's support go beyond their borders. Amy handed out letter of support from City of Burlington Mayor Weinberger. Chris noted CHT has had a long history of working and developing community facilities. He said the work completed to date is the facility was purchased in 2017, ADA work on a new elevator and kitchen. He said the building still needs to be rewired, upgrade the heating and cooling systems, and replace windows (restore to their size and energy efficiency). Amy passed out pamphlet about the center. Chris went over the tenants of the building. Ken asked if there will be solar panels on their roof. Amy said they have thought about it and are working with Common Energy on that and its being considered. Jacob said in 2008 AFA was initiated for immigrants and now the program at the center helps provide support to other immigrants within other communities' in Vermont on many aspects such as citizenship, housing, and employment. Joan was a founding member of Robin nests childcare, she said its been in existence for 33 years. Michael Monte noted the level of collaboration happening within the building is amazing. He said they are scheduled to close February 1, 2019. He said closing later than that could impact new market tax credits (NMTC) and they could potentially lose funding. Sarah questioned why they chose not to look at HP tax credits as well. Amy said you can't use NMTC and HP credits together. Cynthia said it's a very competitive round asked what the impacts would be if no funding was received. Amy this is the only state funding in the project and it would create a gap and they would need to scape to find other funding dollars. Cynthia asked if there are any other funding sources available.

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

#### **Town of Bennington- 219 Pleasant St**

Patrick presented an overview of the Town of Bennington's application to provide a \$750,000 subgrant to Hale Resources to complete renovations and upgrades to 10-units of residential rental housing located at 219 Pleasant St in the Town's downtown historic district. Renovations are to include both interior and exterior improvements, including but not limited to flooring, siding, windows, kitchens, bathrooms, heating, plumbing and electrical systems. The building has not been modified in nearly 40 years.

Questions or comments raised during Patrick's presentation to the Board. He said CDBG does have a covenant with change of use within 5 years, but the Town has asked about covenant and they are negotiating the number of years. Sarah said that is inconsistent with state philosophy, state typically is for 30 years. Ken asked if we can change this to a loan vs. grant, if only willing to do the 5-year covenant. Sarah if they can afford a loan they shouldn't be coming here. Josh said they are going to keep the rents affordable. He said they want to have 6 affordable and 4 market rate units. Sarah had concern with them walking away with the equity with tax payer dollars. Angus stated if this works the cost will be much lower with this model. Josh stated one unit will be available for someone at or below 30% median income. Sarah questioned if the current executive order that requires housing units to serve the homeless will be meet if this project receives state funds.

The following individuals came before the board to present on behalf of the Town of Bennington: Jon and Zak Hale, Hale Resources:

Questions or comments raised by the board/staff and discussed with the applicant: Jon said they have been in business for about 10 years. Zak said in 2008 they established a real estate development company. He said they have Allocated scarce resources for housing for all. He said they currently have 12 people within the business. Jon went over a few projects they have worked on over the past 5 years. He said they will be the property manager for Putnam Block in Bennington. He said they have been working with Healthy Homes for Bennington. He said in the past 5 years they have created 48 rental units. Cynthia asked what their monthly rents would be. Jon said a 1 bedroom will range \$750-\$900 and 2 bedrooms will range \$850 – \$1,200. Jon said the current project has 10 units and 3 units are currently vacant. He said it will have 6 affordable and 4 market rate units, and we may add another unit if designs will allow. He said there is high crime and drug use in this neighborhood. He said most of the people in the neighborhood are below 50% median income. He said the building is close to transportation and downtown. He said if the project cash flows it will allow them to rejuvenate another building in town. Sarah questioned how long they are going to keep it affordable. She asked them what would happen if they chose to sell in 10 years. Jon noted that cash flow and equity hasn't changed in 10 years and fully believes that won't change. He said if you want to be a landlord in Bennington you must build good housing. Angus asked if they foresee any issues with leasing up this property with the Putnam block units coming online. Zak said according the housing needs assessment more housing is needed than what's available. Cynthia questioned why they selected Bennington. Jon wanted to live in Vermont with his family. Zak just graduated from Castleton. Jon said its definitely a family business. Sarah asked how do you manage income levels of rental units. Jon said they use AppFolio app to verify and check. Bruce questioned if they had any experiences in the past with changing a streets demographics. Jon said they are trying to change it so it's a mixed income. Bruce question if there has been any culture change with the changes they have already made on Pleasant Street. Jon said to be honest this is the first time to this level. He said these are old buildings that are in rough shape. Zak noted back in the day pleasant street used to be a prominent street. Jon provided a letter of support from the Town.

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

#### **Town of Shaftsbury - Lake Paran Village**

Julia presented an overview of the Town of Shaftsbury's application to provide a \$484,960 grant to Shires Housing to loan funds to a to-be-formed Limited Partnership. The project will create 22 affordable family rental units on 4.25 acres in the Town of Shaftsbury with 2.44 acres occupied and 1.81 acres of conservation. The 4 new buildings on-site will include 3 six-unit family buildings.

Questions or comments raised during Julia's presentation to the Board: Julia said most of the issues have been to timing of funding commitments. She said the project is walking distance from the Village of North Bennington and to public transportation. She said there are not many affordable housing units in Shaftsbury, currently only 7 units in the Town. Cynthia questioned how ready they are. Julia said they just got VHCB funding. Josh said they lost AHP funding and ended up giving it back, and they likely cannot do anything to reduce costs. He said they attribute the higher costs to the construction of 4 separate buildings. Cynthia questioned if there was a market study justifying the need for more housing in the Town. Sarah asked who prepared it. Julia said Doug Kennedy.

The following individuals came before the board to present on behalf of the Town of Shaftsbury: Tim Scoggins, Chair of Selectboard; Stephanie Lane, Shires Housing.

Questions or comments raised by the board/staff and discussed with the applicant: Stephanie Lane said the project is .5 miles from Village of North Bennington. She said they want to have a community pathway to the recreation pavilion. She said they are hoping to partner with Paran recreation. She said the project has been granted municipal water and sewer with the change of location on the site, which also elevated public concerns from the first location. She said she knows it costs more to construct 4 building, but its not feasible to have one large 22-unit building in a town the size of Shaftsbury. Tim said the project is wanted and needed desperately, especially workforce housing. Sarah asked them to speak about the cost increases from the original design. Stephanie said it previous was \$306,000 per unit and now its \$324,000 per unit. She said the cost increase is due to site work. She also noted the delay in the funding decisions and labor also contributed to higher costs. She said we are competing against ourselves with limited manpower. She said the project is still in design development. Ann questioned what the impact was with Town water and sewer. Cynthia asked if there have been any conversations on solar. Stephanie said they have talked about it, but it is a costly to add but will weighing the cost versus benefit. Cynthia asked what the impacts would be if no funding was granted this time. Stephanie really wants to have commitment prior to tax credit round. She said AHP funding will be known in December 2018 and they currently have \$1.2 million from VHCB. She said they are currently 17.7% funded. She said the design development permits will be complete before the LIHTC meeting. Stephanie said it would push them out to a later start and costs could increase. Sarah questioned what if funding was not known until April 2019. Stephanie said it may still be in line with their timeline. Ken asked about phasing construction. Stephanie felt it wouldn't make economic sense. Sarah asked how many tax credit units' there was versus the total. Stephanie said 16.

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

#### **Town of Brattleboro (Enhancement) – WWHT 5-County Homeownership Services Program**

Patrick presented an overview of the Town of Brattleboro's \$509,029 enhancement request to continue their subgrant to Windham & Windsor Housing Trust to deliver a home repair and housing counseling services program to income eligible homeowners, landlords, and residents within a five-county region including Windham, Windsor, Orange, Lamoille, and Washington Counties. (Consortium with Barre City)

Questions or comments raised during Patrick's presentation to the Board: Patrick said this is the first merger of two revolving loan funds and increased costs and additional time needed was due to marketing and rebranding their new collaboration. Josh noted that VCDP staff are currently working on a proposal for a set aside in our state consolidated plan for housing revolving loan funds to bring consistency with product, rules and metrics statewide. Patrick said they will be providing higher number for counseling than what he outlined. Ann said they have been monitored this revolving loan fund and Patti with Downstreet was very happy with the collaboration, because it has provided more capacity to them.

The following individuals came before the board to present on behalf of the Town of Brattleboro: Patrick Moreland, Assistant Town Manager; Bruce Whitney and Tara Brown, WWHT;

Questions or comments raised by the board/staff and discussed with the applicant: Patrick M. noted this enhancement request was also brought before the Town's Selectboard and the board voted unanimously to support the enhancement. Bruce W. noted they are behind on their goals but are catching up. He said it was a bigger undertaking than expected taking on the Downstreet service area. He said they have heavily invested on a staff person for the intake stage, to bring more projects in the pipeline. He noted they serve the hardest market. Tara said the current pipeline has 9 projects in

construction or pre-construction phase and 5 projects should complete by the end of the year. She said 2 have been approved and waiting for closings and 2 are in the budget phase. She said 10 are in the eligibility phase and 3 are in the inquiry stage. She said one of the construction phase projects is a multi-unit project. Bruce W. said the plan for future is to improve the communication with Downstreet and WWHT with applications being fully complete when submitted to WWHT. He said they are working on listing of contractors in the Downstreet area and marketing outreach. He said they are also looking at a forgivable loan program. He said they want to look at the possibility of grant and loan combinations. He said they are also working with Neighborworks of America on a coaching program with a focus of increasing all of the businesses. Angus asked if there have been any radio spots not broadcasting yet, and what their marketing efforts have been? Bruce said radio spots have been taped and are starting to be broadcasted with the message "Home matters here". He said they have updated all the marketing pamphlets and website with rebranding everything to be consistent. Angus asked if there have been any changes to reach the renters. Bruce said yes they have sent out material to landlord groups. He said they have started landlord education working with Office of Economic Opportunity. Angus questioned how they count costs per unit. Bruce said their average loan is \$12,000 with operation of \$7,000.

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

#### **Town of Hartford - The Village at WRJ Jobs Creation**

Nathan presented an overview of the Town of Hartford's application to provide a \$1,000,000 loan to the Town to provide working capital to support the creation of up to 40 new jobs at the 80 unit assisted living and memory care facility in downtown White River Junction.

Questions or comments raised during Nathan's presentation to the Board: Nathan noted that Brett Long from Economic Development has come in for Hartford's Presentation. Sarah asked if there was a particular reason why VEDA cannot loan them the money. Josh said they have burned through half of their operating funds. He said the equity partners have pledged their assets against the VEDA loan. Sarah noted this is 80 units of housing and 40 jobs. She said they didn't provide a capital budget. Cynthia asked if the project is complete. Sarah questioned if there was any value engineering and What the list is like for occupancy. Cynthia ask how many units needed to be filled for them to be able to cashflow. Josh said 49 units. Brett Long said this will create high paying jobs and very is important to the community. He said Department of Economic Development supports this project because they would not want to see the building vacant. Angus asked what the impacts would be with the low unemployment rates in the area.

The following individuals came before the board to present on behalf of the Town of Hartford: Lori Hirshfield, CD & Planning Director; Sandra Conrad, Byron Hathorn, Brooke Ciardelli.

Questions or comments raised by the board/staff and discussed with the applicant: Lori said the project is in the heart of the village. She said this is an opportunity help with startup for the businesses and would help low and moderate income get jobs with a sustainable pay range. Sandy said they are looking to creating 60-65 jobs once they are fully operational. She said they are looking entice LPN's by increasing the pay from \$30 to \$35 per hour, the average wage for LPN's in the area is currently \$24 to \$30. He said they are currently working with Dept of Labor and have posted jobs on VT Job link. She said they are also looking at the area schools for training and into the possibility for training available onsite. She said they are working with job recruiter and there may be some with potential employees from Puerto Rico. She said there have been two market studies completed and there is a large need for this facility and service. She said this is a strictly rental facility. She said the 6 other facilities in area are

currently at 98% capacity and none of them include memory care which this facility will support. She said they currently have 7 confirmed move ins. She said they want to slowly move 4 to 5 people a month, instead of multiple move ins on the same day so they can provide support along the way. Byron said he has formerly restored WRJ train station which the state currently owns. Brook started Northern Stage an economic driver for WRJ. Byron purchased this piece of land 10 years ago, he said its almost impossible to find downtown property that's not contaminated to do development on. Cynthia asked how many staff they have. Sandra said they have hired 16 staff, 6 are directors and they will be providing trainings in the upcoming weeks. She said they just moved in. Sarah said obviously there was miscalculation with the budget and questioned why they were coming in so late in the game. Byron said they wanted to keep contractors local. He said even if valued engineering was able to be completed it probably still would not have had an impact on the working capitol issue. Sandy said people had been hired when construction had to stop, and they had to make good on that and had to pay employment costs. Sarah asked if the developer fees where deferred. Byron said LCS fees started 6-months prior to opening and the fees were minimal. He said the developer fee was paid out by bank as agreed upon and wasn't deferred. He said it was lower than typical fee it was only \$250,000, a typical fee on a project like this usually \$750,000. He said staffing has caused more costs and the need to lease temporary office space. Brooke said the contractor kept saying a couple of weeks out, late in July. She said it went sideways to a degree that was not portrayed to them initially. Byron said a default (for contractor non-performance) at this point would cause a 90 to 120-day work stoppage & it will become more expensive. He said it would have been different If they had known at 30% or 50% completion. Cynthia asked how many units are needed to cash flow. Sandy said 49 to break even. She said they anticipate being at full capacity in February 2020. Sarah questioned why VEDA couldn't have loaned the money. Sandy said they are working with VEDA on an operating loan, but it wouldn't be enough and VCDP funds would still be needed and would allow loan terms to be negotiated with the town to help cash flow and allow the hiring on the needed staff.

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

#### **Town of Lyndon - Olivia Place**

Nathan presented an overview of the Town of Lyndon's application to provide a \$385,000 subgrant to Gilman Housing Trust (DBA Rural Edge) to demolish two buildings located at 467 and 491 Main Street in Lyndon and construct two new buildings containing a total of twenty rental apartments, of which sixteen will be affordable to households earning less than 80% AMI.

Questions or comments raised during Nathan's presentation to the Board: Sarah question if the old debt would be forgiven? Bruce asked what the status of the 467 Main street building. Nathan said it needs to be torn down to reduce the number of bedrooms per unit.

The following individuals came before the board to present on behalf of the Town of Hardwick: Matt Moore Housing Vermont; Rebecca Masure, Rural Edge;

Questions or comments raised by the board/staff and discussed with the applicant:

Matt said the project will have a net new 6 units, 4 of which will be market rate. He said they are looking to add 4 new project based rental assistance units. Rebecca said they are reacting to the market need. Scott said they are excited to have new units in their portfolio. He said this is the only affordable housing project in the Kingdom since the Darling Inn project in 2015. He said this is the first new construction tax credit project in kingdom in the last 8 years. Rebecca said the Town is willing to work with them to reduce the interest rate for the old debt. Scott noted the vacancy rate for the Town is less than 1%. Matt said the project is ready, VCDP is the last funding commitment. He said underwriting has



begun and TD Bank will be the lender. He said all permits are in hand, construction documents are expected to be complete, so they can go out to bid in Jan 2019 and close by March 1, 2019. Sarah asked how they can refinance on debt on a building that is no longer there. Matt said that is a fair question, the Town did vote for forgiven interest and they are willing to talk about forgiveness. He noted they did it on another project. Sarah asked the impacts if the board made it an award condition requiring all existing differed debt be forgiven including the VHCB debt. Matt said it wouldn't be a surprise, but they would have to discuss it to see if that would prevent them from going out to bid in January 2019. Cynthia asked how long Rural Edge has owned it. Rebecca said since the 1990's and some upkeep was done in 2008. Angus asked if weatherization was done in 2008. Rebecca said no, that was done in 2011. Sarah questioned how much money went into that work. Matt indicated they really want to put biomass into this project, but Rural Edge would repurpose the solar system on another of their project. Angus asked about their annual passing of Section 8 code requirements. Cynthia asked what the impacts would be if no funding was granted this round. Matt noted this is not a big ask but it is larger than the construction contingency. He said it would make it hard for them to go out to bid. Cynthia asked if everything was ready to go. Matt said the construction drawings are at 50% complete. Josh asked if funded, if the new investment could be structured in a way that resulted in no new VCDP debt. Matt said yes it could move forward as a subgrant.

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

#### **June 14, 2018 Draft Minutes**

**Ken made a motion to approve the draft minutes from the June 14, 2018 board meeting, with minor corrections he noted. Bruce seconded the motion. The motion carried 7-0-0.**

#### **Award Condition Extensions**

**Ken made a motion to approve the award condition extensions for the list of grants presented by staff to May 1, 2019. Bruce seconded the motion. The motion carried 7-0-0**

#### **Consent Agenda, Implementation Grants and Enhancements**

Josh gave an overview of the consent agenda and the state priorities and how the planning grants before us fit into that. He also noted to the board that there will be discussions through the consolidated Plan process to possibility change the way we fund Revolving Loan Funds.

Patrick gave an overview of the Highgate enhancement request.

Bennington discussion: Cynthia felt like the business was genuinely involved to address the housing needs. Ken felt the commitment of 5 years should be increased. Sarah wants to see the rents continue to be at an affordable rate. Angus noted this is a risk, but it's a pilot and could be more cost-effective model. Sarah suggested a covenant be added with the change in use. David said he was fine with the project moving ahead with the current language if the end result is creating more housing units at a lower cost.

Hardwick discussion: Several members felt this project can wait. Bruce noted Jasper hill has been a model for the ag industry for the state. He said their impact on other farms is so important and we are losing our ag heritage in our state. Elizabeth said when they come back, they should bring in the indirect impact from the ag businesses in the area.

Hartford discussion: Sarah asked if they are going to VEDA. Nathan said VEDA is a short-term loan. Sarah question if it's a policy of VEDA. Josh said small business guarantee is at 6% and VEDA is

contingent on our loan approval. He also noted this project is jobs and the money will recycle. Angus was impressed with their efforts but is concerned on them being able to attract workers. He also wondered if it was zoned to have one wing at a time. Josh said this is a new model to have downtown and they are intentionally building a facility that will be inviting for family to come to the downtown.

Lyndon discussion: Sarah noted they are trying to serve 80-120 median income and felt there not as much of a need for units at that level in the northeast kingdom vs. other areas of the state.

Shaftsbury discussion: Several board members felt this project was not ready.

City of St. Albans discussion: Several board members felt this project is not ready. Sarah stated she is concerned about segregation of affordable and market rate units.

Brattleboro discussion: Several board members wanted to reinforce comment on collaboration with all revolving loan funds. It was noted the it doesn't have incentives for landlord to do the rental. Patrick said they want to put out loans, so money keeps recycling. He said theirs a big push for the upcoming ConPlan revisions with HomeOwnership Centers and the RLF programs.

**Ken made a motion to accept the planning grant consent agenda as presented by staff and fund \$2,113,380 to the Planning Grants, Implementation Grants, and Enhancements at the following levels:**

**Planning Grants:**

<b>\$ 45,000</b>	<b>Town of Highgate – Industrial Development Waterline Ext.</b>
<b>\$ 60,000</b>	<b>Town of Rochester – Rochester Velomont Trail</b>
<b>\$ 30,646</b>	<b>City of St. Albans – Almond Blossoms Schoolhouse</b>
<b><u>\$ 35,000</u></b>	<b>Town of Waterbury – Community Center Feasibility Study</b>
<b>\$170,646</b>	

**Implementation Grants:**

<b>\$ 650,000</b>	<b>Town of Bennington – 219 Pleasant St</b>
<b>\$ 500,000</b>	<b>Town of Hartford - The Village at WRJ Jobs Creation</b>
<b>\$ 350,000</b>	<b>Town of Lyndon – Olivia Place</b>
<b><u>\$ 150,000</u></b>	<b>Town of Williston – Old North End Community Center</b>
<b>\$1,650,000</b>	

**Enhancements:**

<b>\$ 275,000</b>	<b>Town of Brattleboro – WWHT 5-County Homeownership Services Program</b>
<b><u>\$ 17,734</u></b>	<b>Town of Highgate – ADA Modifications to Municipal Offices</b>
<b>\$ 292,734</b>	

**Bruce seconded the motion. The motion carried 7-0-0**

**Adjourn**

**Cynthia moved to adjourn the meeting at 5:00 PM. Ken seconded the motion. The motion carried 7-0-0**