

**November 7, 2019 CD Board Meeting DRAFT Minutes
Deane Davis Building (Calvin Coolidge Room)**

Board Members in attendance: Cynthia Gubb, Angus Chaney, Gregg Over, Kenneth Niemczyk, Maura Collins, Jonas Rosenthal, Elizabeth Ruffa and Bruce MacLean

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

Other ACCD Staff were in attendance for certain projects

Ken Jones – City of Montpelier and Town of Hardwick; Kristie Farnham - Town of Hardwick & St. Johnsbury
Brett Long - Town of Hardwick; Tim Tierney - Town of Hardwick & St. Johnsbury

DEC Staff were in attendance for certain projects

Sarah Bartlett – Town of Hardwick; Kimberly Caldwell – Town of St. Johnsbury; Linda Provencher – Town of Rockingham

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.

City of Montpelier – Supportive Housing and Services

Julia presented the open issues of the City of Montpelier’s application to provide a \$625,000 Subgrant to Washington County Mental Health Services to rehabilitate three buildings that serve LMI community members at great risk of homelessness. All buildings are located on Barre Street in Montpelier, and require accessibility modifications, energy conservation improvements, and replacement of building infrastructure.

Questions or comments raised during Julia’s presentation to the Board: Julia noted the City did not address was if this project was going to request funds from the cities revolving loan fund or if anyone was going to be displaced from this project. Maura asked if their long-term plan if they will be sustainable. Angus asked if all properties have the same level of need. Maura said VHFA has no funding involved in this project.

The following individuals came before the board to present on behalf of the City of Montpelier: Anthony Faros -City of Montpelier Police Dept; Kevin Casey City of Montpelier; Mary Moulton, Michael Curtis, Keith Grier of Washington Co Mental Health Services (WCMHS); Sunny Leporati and Rick DeAngelis of Another Way and Amy Wright Consultant.

Questions or comments raised by the board/staff and discussed with the applicant: Mary Moulton stated housing is essential to someone’s health. She said WCMHC has owned 62 Barre Street for 30 years and it has assisted in stabilization of mental health. She said it is an 8 residents’ facility with 24/7 assistant for people in need coming from hospitals, shelters or that are in crisis. She said 90 Barre Street has a partnership with good Samaritan and has a subsidy covenant thanks to VHCB.

Cynthia asked about the homeless population in Montpelier. Rick DeAngelis said about 150 households in Washington County, and around 50 in the Montpelier area on a given night. He said partnerships are key with WCMHS, Another Way and Good Samaritan. Montpelier’s homeless numbers have increased over the past few years. He said the churches are very active in the area so the homeless have a safe place to go to through the day. He said Another Way’s moto is acceptance and tolerant, but they do have behavior standard. He said it’s a peer operated facility and 51% of the board members must have a lived experience

which shapes the culture of their programs. He said this project is an opportunity to transform the system and the project is in the heart of the downtown area.

Ken asked about the 150 households, if the households were single persons or families. Rick said Washington County is 2nd highest county for homelessness in the state. Jonas asked how many children of youth were clients. Rick said they don't serve children. Cynthia ask the age range they serve. Sunny said 18 and over. Cynthia asked what if there was someone under 18. Mary said WCMHS serves babies through elders and they would be served through them. Anthony family situations of folks living in vehicles and are addressed as needed. Anthony said he serves as a Board member of WCMHS and emphasized the need for this type of housing. He said working on the Police Department he works with folks that are addicted to drugs but needs these homes so at any given time of the day he can place folks in need.

Angus wondered with Good Samaritan master leases if there were any other fees that folks have to pay. Rick said in his program the folks out of shelters need to prove they are saving funds to show they are preparing for their next step because they only have 6 months to stay.

Greg asked the last time these buildings had considerable renovations. Keith said the buildings are at the point where they can no longer band aid, they need to fix them.

Amy said they did get lead funding this summer to help with that and there was a capital needs study completed.

Ken 62 barre building support staff are they on site? Mary Yes.

Maura questioned the plans for ongoing operations, so these buildings don't continue to drain WMHS. Keith said 90 Barre intention was to assist homeless folks, to move them into a more traditional housing model so the rent on the apartment would bring more money in to the property. He said to refinance to fix major things doesn't work at 90 because it doesn't support that population. He said their mission is to address the housing needs for the community. Maura how is that sustainable. Mary said they are confident they will be able to increase the rents, but don't see the housing vouchers and case management changing and WCMHS holds to assisting the shelters. She said they are at a break-even place with 90 Barre Street. She said that's fine and they would offset loss somewhere else and hold to that. Keith said they have been doing that for 20 years and is understood there would be a loss.

Angus asked if there was an ability to phase or plan with the winter months coming up. Amy said that is why we need to get the funding now. Cynthia asked if there was any private fundraising. Mary said they have just started doing that a few years ago. Cynthia wondered if there's an opportunity for the business community to assist. Rick said \$300,000 in fundraising went to work last year.

Kevin said the housing trust fund depleted right now but next year they may have funding available. Rick said they regularly receive funding.

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

Town of Hardwick – Hardwick Yellow Barn

Nathan presented the open issues with the Town of Hardwick's application to provide a \$1,000,000 grant to construct a 24,800 square foot business accelerator facility to at 281 Route 15 West, Hardwick VT 05843. The facility would have Jasper Hill Cheese as an anchor tenant (creating 34 jobs), and it 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: Maura asked if Jasper Hill decided to leave this facility in the future would something else be able to or would it only be for cheese makers. Bruce asked how the flood plain issues were addressed. Nathan passed out a handout from them. He said they have addressed every issue. Quin said they are approaching on the flood plain encroachment, but they have completed their review. Nathan said only outstanding other resource funding is VEDA and EDA once VEDA funding is received it will help them with obtaining the EDA. Ann asked when the next VEDA board meeting was. Cynthia asked if the Town Plan has been approved.

The following individuals came before the board to present on behalf of the Town of Hardwick: Shaun Fielder and Eric Remick Town of Hardwick; James Coe, Coe+Coe Architecture; Mateo Kehler, the Cellars at Jasper Hill; Alison Low, NVDA; Jon Ramsay, Center for an Agricultural Economy and Clay Whitney, Cabot Creamery Cooperative

Questions or comments raised by the board/staff and discussed with the applicant: Eric said the Town owns the facility now and by November 15, 2019 they will know about VEDA funding.

Bruce asked if they have been able to rectify the flood plain issue and wanted to know how far above the flood plain the property was. James said it's been purged up six feet. Bruce wondered if last week's storm if there was any flooding on the property. James said not at all. Shaun said this area typically doesn't flood.

Bruce asked if this project will serve beyond dairy farms. Mateo said the goal is to create a demand for all types of milk. He said they have just bought a goat dairy herd and relocated them from plant in Windsor and will have a new creamery at the farm in Hardwick. He said their production will be distributed out of the proposed accelerator space. Cynthia asked about other tenants other than Jasper Hill and Cabot. Alison said they have sent out an RFP and expect the responses back by the end of December, to agriculture businesses and graduates of VT food venture. Cynthia asked what funding requires our funding to be in place. Alison said EDA. Cynthia asked about the lease agreement. Jon said they are 3 to 5 years. Cynthia asked if Jasper Hill just received an award. Mateo said yes. Cynthia asked how long it would be before they might outgrow this new place. Mateo noted all the funding from their Greensboro grant has been repaid, but he really doesn't know when that may happen.

Maura asked about the jobs. Alison said all jobs will be full time equivalent. She said its suitable space needed that is close to downtown for jobs, where people live. Shaun said he is comfortable with current their housing stock to meet the need for the jobs. Mateo said their business has been very attractive to folks and they have been able to get the best employees and some that do travel. Clay said some come from Bethel.

Jonas asked if they would need to expand local facility within the next 5 years. Mateo said yes that they are a livable community. Jonas asked if there would be any impact to Cabot. Clay said they wanted another store, and this would be a great partnership with Jasper hill. Mateo believes people will come to visit from all over the world.

Ken asked if the Town of Hardwick would be the owner of the building. Shaun said the Town will maintain ownership. Alison said there will be a lean on the facility with EDA funding. Mateo said their cellars are full. He said this project will enable them to continue growing. He said they started buying milk from

neighbors and getting value added milk. He anticipates being able to have 2 million pounds of cheese stored in the yellow barn building. This would bring their business to the next level.

Bruce asked what's the price per hundred weight for the farmers participating, Mateo if they can hit micro biological 25 to 40 valuing practices that produces high quality, they get value added funding. He said currently milk prices are going up and they are at 19, he said last year 13. Ken said so the farmer gets two checks one from Jasper Hill and one from AgriMark.

Cynthia asked what would happen if no funding was received this round. Allison said there would be negative effects to critical request to EPA, the Town, and NVDA. She said they are trying to get the biggest bang for the buck with this project.

Maura wondered how EDA funding would be impacted if VCDP funding was less than full funding. Allison said all money is in place in order to move forward and said they cannot take on additional debt. Jonas asked about the Northern Borders grant. Allison said those funds have already expended by purchasing the building.

Mateo said Jasper Hill has taken on a \$1.9 million loan from bank, it would be a huge set back for their business, he said they have committed a lot of equity and would appreciate support. He noted their Greensboro project was to create 10 jobs and they are now at 100 jobs.

Cynthia asked if the award conditions were acceptable and the applicant said yes. Allison question the need for site control since the Town already owns the site.

Town of St. Johnsbury – New Avenue

Nathan presented the open issues with the Town of St. Johnsbury's application to provide a \$825,000 subgrant to Gilman Housing Trust, DBA Rural Edge in partnership with Housing Vermont (HVT), to acquire and renovate the historic four-story building located at 10 Eastern Ave. in the Town of St. Johnsbury's Designated Downtown. The project will reduce the number of rental units from 47 to 40.

Questions or comments raised during Nathan's presentation to the Board: Nathan said rents will be going up for this project. Their request went up due to over regulated parking spaces. He said this project will be net metered from a solar system owned by HVT Solar in Ferrisburgh, VT. He said they received their Incentives with Efficiency VT. Cynthia asked about their issue with the ability to start.

The following individuals came before the board to present on behalf of the Town of St. Johnsbury: Chad Whitehead, Town Manager; Kathy Beyer, Housing Vermont; Patrick Shattuck, Rural Edge

Questions or comments raised by the board/staff and discussed with the applicant: Patrick Shattuck said the median income for the folks served is \$10,000. He said they have been relocating many of the tenants but will have the opportunity to come back to their rentals if they want.

Kathy said they plan to go out to bid mid-December 2019, the asbestos abatement will be in January 2020, and are close to construction.

Ken asked who owns the building now. Kathy said newly formed LLC, New Depot LLC. She said the location of this project is not good for kids because there is no green space. She said according to the market stud there is a need for 2 bedrooms in St. Johnsbury. Patrick Shattuck said when asked tenants with children where they wanted to be, they said somewhere there was a place for their children to play.

Cynthia asked about Section 8 rents. Kathy said tenants will only be paying 30% of their income, Section 8 will pay the remaining.

Cynthia asked if they have secured plans for the business space. Kathy said a local investor group, St. Johnsbury Academy and the hospital have invested. She said Housing Vermont will be doing project management and development. Bruce asked about a local Chinese restaurant. Chad said that business has gone out of business.

Greg asked them to talk about the owner's contingency, if it was included in the bid and what the percentage was. Kathy said 10%.

Ken questioned the ownership of the building with one corporation owning one floor and the other corporation owning the upper floors, who actually owns the building. Kathy said that's a good question, the condominium is responsible for the bricks for the housing floor, there is a board that maintains the common element properties so there is communication with both owners. Ken questioned what if they both don't agree. Kathy said the documents have language that the building has to meet the historic standards. She said it also has a clause for no inappropriate businesses allowed. Cynthia asked about the final approval for vouchers. Kathy said we do have letter, but they can't move until environmental release is completed which will be done November 23, 2019 and then will move forward. Ken asked what's behind the building. Chad said there is a parking lot. Kathy said St. Johnsbury has robust public transportation. Elizabeth asked if there was a downtown grocery store. Chad said there is a grocery store ¼ of a mile away.

Cynthia asked how they will recruit new tenants if folks don't want to come back. Patrick Shattuck suspects they will fill very quickly.

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

Maura disclosed VHFA funded their Tax credits. Cynthia asked about the hospital's commitment. Nathan said they have private developers for the downstairs.

Town of Rockingham – TLR Planning & Structure Stabilization

Nathan presented the open issues with the Town of Rockingham's application to grant \$338,900 to stabilize two deteriorated mill buildings on Mill St. and update two existing feasibility studies and complete additional planning activities to determine an end use for both buildings.

Questions or comments raised during Nathan's presentation to the Board: Nathan questioned the imminent danger. Ann said it doesn't meet the criteria for slums and blight.

The following individuals came before the board to present on behalf of the Town of Rockingham: Susan Hammond – Rockingham Selectboard; Wendy Harrison – Municipal Manager; Gary Fox, Development Director; and Isaac Wagner - Consultant

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

Isaac said this TL Riley project is a former industrial area. He said they have year's long effort to cleanup mills property in Bellows Falls. He said the project consists of planning activities and stabilization, \$115,000 is for planning for the building. Gary went over the activity happening in Town of Rockingham. Susan said the TLR building is very important to town residents, people really want to preserve the TLR properties want them to be persevered and brought back to life. Wendy said the buildings are on the riverfront and

have a good trail system thanks to brownfields program. She said these building is at the connecting point, right where the train comes. Isaac said it's the first site you see as a passenger on the train. He said they are currently working with VT Commission of Rural Development to assist with these mill buildings.

Cynthia asked for more information on Connecticut River Heritage Center and Sustainable Valley Group. Gary went over history the Heritage Center and Sustainable Valley Group and what 19 points need to be addressed on the island. He said they are also working on Brattleboro Credit Corp. He said the Rail and international Paper Museums want to help to develop the content for the Heritage Center, Historical Society and Grist Mill.

Isaac held some maps of the area up, and said they want to refine the end use and protect the building from falling. Ken asked them to clarify the area in red, he wondered if that was green space. Nathan said that is flood plain level. Ken was trying to figure out the height level of the flood plain and the building. Cynthia said there is a big level of area before the flood plain level. Gary said in 150 years these buildings have never been flooded. Jonas questioned the support from residents if they would be willing to put up the towns 1% sales credit. Susan said there could be support with the warrant at town meeting.

Maura asked about status of Regional Planning Commission (RPC) funding. Gary said they want their funding for phase two portion and Grist Mill. He said they are interested in funding it. Wendy said they expect to get RPC funding if not the Town will provide funding. Maura questioned if they anticipated Windham Windsor Housing Trust (WWHT) development coming to VCDP for funding. Isaac said he can't imagine a tax credit project without VCDP. Angus questioned since the town owns it, if there have been attempts to sell it in the past, or if there has been any commitment from a business. Isaac said the International Paper won't put in a business it would only be a one-time participation for content for the museum. Maura said they may be willing to pay for the free marketing. Gary said he is reaching out with web-based software to get community input. He said if you use survey monkey and there are more than 250 participants there are costs associated with that. Isaac said the challenges with VCDP grant request, is you can't commit to a business because you must send out an RFP, so you're playing the game on costs before going out to bid. He said once procured it may not be this form because the business may have a different strategy.

Cynthia asked if there were any updates on other violet bridge coming into use, and if the fish ladder still exist.

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

Scattered Site Revolving Loan Fund (RLF) Set Aside

Greg disclosed that he has been doing some consulting work for Neighborworks and has in the past worked with the organization working on the Town of Arlington PG, he writes up reports for vacant properties. He had no idea about this planning grant and didn't have a part in it. Ann said you just need to recuse from voting on NeighborWorks and Arlington PG. He said he will recuse from voting on those two applications.

Patrick presented an overview of the RLF Set Aside, including the consideration of the late submission of the NeighborWorks of Western Vermont application. Ann said NeighborWorks was at the first discussion of the set aside and got busy and the others stayed active within the group. She said staff failed to reach back out to Ludy and NeighborWorks since January 2019. Ann said NeighborWorks was dealing with late audits and findings from previous audits including a lack of VCDP disbursements. She said GMS has received and reviewed all audits and findings. Ann said they still have a back log on VCDP requisitions but do have a plan

in place. She said they are the only organization that has met their previous performance goals and currently have a strong pipeline.

Patrick said next year's performance will be more of an issue with the data received as performance with the goals within the grant, staff will reach out to each of the programs at least once a year.

Angus asked if the set aside was a hard 25% for allocation. Patrick said yes for the allocation. He said those that perform more in the year can compete for the remaining funds.

Patrick said WWHT website does not even indicate that rental housing can be assisted on their website. He said they marketed the rental rehab on two local radio ads for two weeks. Angus has big concerns with the option they used as it didn't let people know about it, if folks that heard the radio ad went to their site and found no mention about it they probably didn't inquire because there's no mention of rental units on the website. Josh said they must show how they are marketing for the rental properties. Greg asked if the rental units are mandatory. Patrick said yes, it's in their grant agreement that 10% of the units need to be rental units. Maura questioned if they are struggling to get money out. Patrick said their barriers with the funding source. Angus said its not marketable, its movement to private sector rentals. Patrick said the annual income surveys form is a barrier with landlords. He said the pilot program in Bennington worked well because it was concentrated in one community. He said they may try to just concentrate in one community. Angus also noted that NeighborWorks is not a Developer/Landlord like the other 3 RLF's. Josh suggests they add incentives such as grants to make it more marketable. Maura asked about the interest rates, how many do 0% or 1% interest. Ann said their policies and procedures need to be broad. Patrick said some grant incentive are only \$500 but it could be different. He said he spoke with a new executive director and she didn't know that could be different, that their boards set those limits. He said Rural edge is actively engaged in St. Johnsbury and are developing a program. He said Bellows Falls has reached out the WWHT to implementation grant in the town of Bellows falls. Josh a targeted approach works better and spurs other development. Josh said Governor is proposing funding again to support a small-scale rental rehabilitation program.

Maura said the RLF's have monthly meeting and wondered if VCDP is ever on their agenda. Maura how much they have for lending capitol. Patrick said between each of the programs anywhere between \$200,000 to \$500,000. Greg said auditors require loan loss reserves. Josh said 95% of applicants can't meet the loan requirements, this money about is serving the people not the programs making money.

Patrick noted that WWHT is looking at NeighborWorks of America Sustainable Business initiative to assist with the overall organization becoming more sustainable.

Josh said the need for rehabilitation to homes and rental housing is tremendous, but people are scared to take out loans. Angus asked if residents of Burlington could apply to Champlain Housing Trust for rehabilitation loans. Patrick said no Burlington residents are not eligible for VCDP funds, they would have to look to CEDO as they are an entitlement community.

June 13, 2019 Board Meeting Minutes

Ken made a motion to approve the draft minutes from the June 13, 2019 board meeting, Gregg seconded the motion. The motion carried 4-3-0.

Award Condition Extensions

Ken made a motion to approve the award condition extension list as presented by staff to extend each of the grants award conditions to April 1, 2020. Greg seconded the motion. The motion carried 6-0-0

Consent Agenda

Planning Grants:

Town of Arlington

Angus didn't feel the PG's were very compelling. Cynthia applauded Arlington creative approach for a church. Patrick wondered how much of what they proposed would actually come to fruition. He said its two-acre lot and that could be subdivided to create housing. Greg said he heard only 13% of people that are employed at Mack Molding live in Vermont due to housing. Patrick said there is an issue with site control. Ann reminded folks that planning grants must have the potential benefit LMI persons. Cynthia pointed out the summer program and program for youth but wondered if the school offers afterschool programs. Maura said this project is an impact of project vision when the community gathered input for a vision for their community.

Greg recused from voting.

Ken moved to fund the \$35,000 Town of Arlington planning grants on the Consent agenda, Elizabeth seconded the motion. The motion carried. 6 Yes - 1 abstention -0 No

Town of Woodstock

Nathan has no issues for the project but noted they may have another funding source that may be able to provide \$100,000. Ken said what they are doing is looking at private non-profit, nothing coming from the state of NH. Maura noted NH -DOT put \$13,000 and NHFA they pay \$30,000 a year for vital community and that is not shown in this budget. Angus questioned what the local value is, when there is a big housing study. He said there is no loss from not having this study. Maura said they say they are not doing data. She said the need is to narrow down the housing needs, but they don't sit down with businesses. Josh said they need to hear the struggles of the other communities in the region.

Jonas moved to fund the \$30,000 Town of Woodstock planning grants on the Consent agenda, Angus seconded the motion. The motion carried 7 Yes – 0 abstention -0 No

Town of South Hero

Angus moved to fund the Town of South Hero planning grant on the Consent agenda, Greg seconded the motion. The motion carried. 7 Yes – 0 abstention -0 No

Scattered Site Grants:

Grant Identifier	Project Title	Amount
07110 -SS-2019-Brattleboro-01	WWHT & DS	\$375,000
07110 -SS-2019-St Albans C-02	Champlain Housing Trust	\$375,000
07110 -SS-2019-Lyndon-04	Rural Edge	\$345,000
07110 -SS-2019-W Rutland-05	NeighborWorks of Western Vermont	\$450,000

Maura moved to fund \$1,545,000 to the Town of Brattleboro, City of St. Albans, Town of Lyndon and Town of West Rutland scattered site grants as recommended by staff on the Consent agenda, Jonas seconded the motion. The motion carried. 6 Yes – 1 abstention -0 No

Implementation Grants

Town of Rockingham

Angus said there are no imminent risk and they don't have an end user. Maura said there are a lot of other funding sources to look to.

Angus made a motion to not fund the Town of Rockingham for consideration of funding. Jonas seconded the motion. The motion carried 7 Yes – 0 abstention -0 No

Town of Hardwick

Nathan if they didn't receive all the funding, they wouldn't do the acceleration space. Elizabeth said there are two giants in the impacts here, these two successful companies will grow because of this new space. Cynthia said they are already putting \$ 2Million of their own money in it. Jonas likes the ripple effects to the other farms. Nathan said CAE will move their existing administrative offices to the new accelerator space to make room for more startup business incubator space.

Town of St. Johnsbury

Nathan noted the ask went up due to parking requirements.

City of Montpelier

Jonas asked if one building can be done at a time. Greg asked if there's rehab work that needs to happen now. Julia stated the collaboration of these three organizations is commendable and not typically or heard of.

Angus made a motion to fund the Implementation Grants and Enhancement Request at the following levels:

Grant Identifier	Project Title	Recommendation
07110-IG-2018-Hardwick-04	Hardwick Yellow Barn	\$900,000
07110-IG-2019-Montpelier C-04	Supportive housing and services	\$600,000
07110-IG-2018-St. Johnsbury-26	New Avenue	\$500,000
07110-IG-2018-St Albans C-02	Maiden Lane Housing	\$150,000

Kenn seconded the motion. The motion carried 7 Yes – 0 abstention -0 No

Adjourn

Ken moved to adjourn the meeting at 2:42 PM. Maura seconded the motion. The motion carried. 7 Yes – 0 abstention -0 No