

June 9, 2022, CD Board Meeting DRAFT Minutes
DHCD Calvin Coolidge Conference Room D613
Virtual GoToMeeting (Access Code: 765-889-557)

Board Members in attendance: Angus Chaney, Bruce MacLean, Cynthia Gubb, Kenneth Niemczyk, Gregg Over

Attended virtually: Elizabeth Ruffa, Jonas Rosenthal, Lisa Sullivan

Staff Members in attendance: Josh Hanford, Ann Kroll, Patrick Scheld, Julia Connell, Grace Vinson, Angela Dwyer

Attended virtually: Nathan Cleveland, Cindy Blondin, Sofia Benito Alston, Christie Farnum, Natalie Eldridge

Members of the public:

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

Project Presentations began late due to technological difficulties, but attendees were notified there would be a delay and meeting was back on schedule for Randolph's presentation.

Town of Arlington – The Arlington Common Wellness Project

Patrick presented the open issues of the Town of Arlington's application to provide a \$500,000 subgrant to the Arlington Arts and Enrichment Program to revitalize the three vacant buildings of the St. Margaret Mary's Catholic Church property into a community event space, a community wellness center, and the Watkins House Community Center to be used for creative workshops, afterschool programming, a celebration of Arlington history and culture, and co-working space.

The following individuals came before the board to present on behalf of the of the Town of Arlington: Bebe Bullock, Arlington Commons; Carol Farley, Arlington Commons; Nick Zaiac, Town Manager; Joanna Taylor, Senior Fitness Instructor, and community member.

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

Kenneth inquired if the group had a cost breakdown for each of the four components of the project. Bebe stated they do and noted the implementation grant will be for the fitness/wellness center as it is the number one community need.

Bruce asked how far the middle school is from the proposed fitness/wellness center and what is the current use of the sanctuary in the main church. Bebe stated the site is within walking distance to the middle and high schools. Students frequently walk past to access the rec park across the street from the proposed site. Bebe stated the church is currently utilized as a performance hall/meeting space and will be the last phase of the project.

Jonas inquired about the longevity of the benefit and annual operational costs - How will you be able to maintain facilities and programs? Bebe stated they resubmitted a budget solely for the fitness center where they will be in the hole just \$1,000 their first year. By year two they will have budgeted for an afterschool instructor and by year three they will be planning larger scale tournaments. Zach noted that Arlington and the surrounding area has a robust recreational community and sports tournament scene.

Angus had a concern about the 1.9 million in other sources because as of the update, \$890,000 have fallen through – is the expectation that the donor will be able to fill the void? Bebe confirmed the donor has the capacity to fill the void and the fitness center is mission centric to their foundation.

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

City of South Burlington – Summit at O’Brien Farms

Patrick presented the open issues of the City of South Burlington’s application to provide a subgrant of \$1,000,000 to Ascend Housing Allies to develop 94 units of new mixed-income apartments in two separate 47-unit buildings located within the Hillside development at the O’Brien Farm community in South Burlington, with current address of 255 Kennedy Drive (the “Development”).

The following individuals came before the board to present on behalf of the City of South Burlington: Tom Getz, Ascend Housing; Zeke Davisson, Ascend Housing; Jessie Baker, South Burlington, City Manager.

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

Angus inquired --- two buildings will the units be targeted across both? Is there a thought to put all the sub30s in one? Or will they be distributed evenly across both buildings? Is Ascend the nonprofit arm or the LLC?

Tom notes units will not be isolated by building or within each building. They will be integrated among the other units. Ascend Housing Ally is the nonprofit of Summit.

Lisa mentioned the project will be receiving more ARPA funds than they anticipated and asked how the budget will be affected? Do they plan to take on less debt, what will it look like? Tom said the increase in ARPA funds is connected to the rise in construction costs since they originally submitted, and the debt will likely be the same.

Cynthia asked does Summit have experience with similar project in other states? Tom stated they’ve completed projects in NH and NY. Two 62-unit mixed income in NY. Two larger scale independent senior mixed income communities in NH, in Lebanon and Bow.

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

Town of Randolph – Salisbury Square

Julia presented the open issues of the Town of Randolph’s application to provide a \$975,000 subgrant to Randolph Area Community Development Corporation (RACDC) to construct 12 new affordable rental housing units and the infrastructure needed to support the housing.

The following individuals came before the board to present on behalf of the Town of Randolph: Julie Iffland, RACDC; Trevor Lashua, Town of Randolph.

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

Cynthia asked how will the project be affected if they do not receive funding? Julie mentioned the Northern Borders funding will contribute to infrastructure and has a deadline of September 2023. The infrastructure, the microgrid, the housing has been developing separately but they all need to happen together to make this work. They are concerned a delay could collapse the structure they’ve been preparing.

Angus asked what is the model of housing being entertained? Modular? Stick built? What are the sizes?

Julie stated they are looking at modular, panelized regionalize builders. Tweaks will be needed to ensure the modular builds are fit for the DC microgrid. Reiterated that the community is very excited and thinks it's a unique project for bringing DC microgrid to a residential purposeful application.

Bruce is interested to know why the road needs to be extended/why it was not present prior. Julie mentioned the parcel was a disconnected scatter of concrete pads and buildings with a gravel entry.

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

Town of St. Johnsbury – Armory Redevelopment Project

Nathan presented the open issues of the Town of St. Johnsbury's application to provide a \$500,000 grant to assist in the remediation of blighted conditions at the former St. Johnsbury armory. The cleanup will allow the town to redevelop the building into a police and regional dispatch station.

The following individuals came before the board to present on behalf of the Town of St. Johnsbury: Joe Kasprzak, Assistant Town Manager; Dennis Smith, Select Board Vice Chair; Steve Isham, Select Board.

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

Bruce asked what will be the fate of the existing public safety building on main street? Joe said first phase would be to move the regional dispatch and police into the armory. Next phase would be to develop a new fire station. They already have parties interested in the existing public safety building to be redeveloped into to new commercial and housing spaces. Confident it will be a desirable building to be repurposed and redeveloped.

Gregg asked if the roof has had any temporary measures to stem deterioration of the interior? Joe said 4 years ago they had roofers lay down a rubber roof, but they were given a 2-year guarantee for the rubber roof and do not have confidence it will hold up another winter.

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

City of Winooski – O'Brien Community Center Rehab

Patrick presented the open issues with the City of Winooski's application to rehabilitate and improve the existing O'Brien Community Center building to accommodate new non-profit service providers. The project scope entails completing necessary capital improvements to the building including mechanical, plumbing, and electrical system improvements, adding insulation, new windows, and energy efficiency upgrades, and reconfiguring the internal space to accommodate the needs of non-profit partner organizations seeking tenancy.

The following individuals came before the board to present on behalf of the of the City of Winooski: Elaine Wang, City Manager; Kristine Lott, City Mayor; Amy Demetrowicz, CHT; Heather Carrington, Carrington Community Development Services.

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

Cynthia asked where the health center is currently located within the community center. Amy showed that the health center is currently located on the left side of the building with the dental clinic directly next to it. Cynthia inquired about the plan for spaces during renovation, is it true they will not be moved until their new space is available? Amy noted a key component of the renovation plan will be phasing occupancy to minimize disruption of the critical community programs.

Cynthia asked about the family room, is it associated with the library or is it new? Amy said the Janet Munt Family Room is a parent child center based in Burlington with many of their participants from Winooski, so they are interested in opening a branch in Winooski. There will not be space availability for the Family Room unless the health center and dental clinic decides they must transition to a new space.

Angus inquired who carries the risk in the event the space is not fully leased out? What does CHT pay the city each month? What will the nonprofit tenants be charged and who bears the risk if there is not full occupancy? Amy said in a master lease situation CHT will be responsible for the vacancies and she's confident they would be able to fill them.

Patrick inquired about timeline on the decision for the health center on whether they plan to stay or vacate the property? Amy said by the end of summer they will have a decision on the health center's ability to expand within the space. Cynthia is concerned about the unanswered timeline with the health center.

Patrick asked if they are not able to expand into the existing space, how likely is it that they will be able to build new right there on the same parcel/parking lot. Amy noted they were expecting to build a new facility for the health/dental centers, but they feel it makes sense to explore this possibility first. Patrick noted the excitement of the application was not just on the expansion of current services but the opportunity to bring new services to the city.

Josh asked about the ARPA commitment from the city. If there are cost overruns or the situation changes are there more ARPA funds from the city being contemplated? Elaine said this is a top priority for the community and available for additional funds.

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

Town of Hinesburg -- Kelley's Field II

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

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

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

Josh asked has the town of Hinesburg started a process for the local ARPA money and how that is going to be allocated? Is this project considered for that allocation process? Alex said they have begun the process to determine how to spend Hinesburg ARPA funds, they are early in the process with the town manager leading the charge. Alex mentioned no commitments have been made at this point.

Angus asked who you were partnering with for referrals or services. Cindy said they are planning to serve 5 folks that are experiencing homelessness, partnered with SASH via the coordinated entry system.

Angus inquired about program management costs of 2.1 million and noted it was almost 10 times higher than the next highest project. Is it correct and what's in that number that's causing it to be so high relative to other projects we're reviewing today? Cindy mentioned the cost was consistent with other projects they develop, it includes architectural engineering, permits, fees, construction loan interest, development fee, and reserves for the project. Noted that permits and fees were particularly high for this project.

Patrick asked is there's a wait list for Kelley's Field 1? What is the confidence level for full occupancy once construction is complete? Cindy stated they are more than confident with 111 on the waitlist for Kelley's Field 1, and 850 on waitlist for independent living.

Patrick noted with new cost estimates, if you were to receive full funding today a new funding gap has emerged. Can you speak to that? Cindy said they received a design development cost estimate that was higher than their schematic design cost estimate. Also, their Geotech report indicated they need geopiers and ground improvements to stabilize the clay rich soil. They are working to find cost savings in the project and in conversations will their funders to potentially increase funds. In discussion with the town of Hinesburg for funds through the revolving loan fund.

Cynthia asked if the award conditions were acceptable, Alex and Cindy confirmed they were.

November 18, 2021, Board Meeting Minutes

Elizabeth Ruffa noted the minutes should be corrected to reflect that she was absent on 11/18/21.

Ken made a motion to approve the draft minutes from the November 18, 2021, board meeting, Bruce seconded the motion.

The motion carried: 6Yes – 2 Abstention – 0 No

**Cynthia - Y
Ken - Y
Lisa – Y
Jonas - Y**

**Angus – Abstain
Elizabeth – Abstain
Bruce - Y
Gregg - Y**

Award Condition Extensions

Nate stated that most of the project are having difficulty being fully funded due to cost increases. Some are also CV applications that had shorter award condition due dates. Angus clarified that both construction costs and labor are up at this time.

Angus made a motion to approve the award condition extension list as presented by staff to extend each of the grants award conditions to May 1, 2022. Gregg seconded the motion.

The motion carried: 8 Yes – 0 Abstention – 0 No

**Cynthia - Y
Ken - Y
Lisa – Y
Jonas - Y**

**Angus – Y
Elizabeth – Y
Bruce - Y
Gregg - Y**

Recovery Housing Program Consent Agenda

Julia said the board had three projects presented at the November board meeting and opted not to fund one of them due to a lack of available funds. At the time the Squire Recovery Housing Project was the least shovel ready of the three presented despite scoring higher. Since November they have had their environmental review completed and purchased the building. Their current funding gap is \$700,000 and since the project has been scored previously, they are bringing it forward again with an enhancement.

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

The motion carried: 8 Yes – 0 Abstention – 0 No

Cynthia - Y
 Ken - Y
 Lisa – Y
 Jonas - Y

Angus – Y
 Elizabeth – Y
 Bruce – Y
 Gregg - Y

Grant Identifier	Project Title	Amount
07110-IG-2021-Bennington-03	Squire Recovery Housing Project	\$500,000
Total Funds Recommended		\$500,000

CDBG Enhancements

Josh mentioned that Bristol and Calais’ projects had cost increases. Brandon Library was approved previously by Secretary Kurrle.

Gregg moved to fund the Enhancement Requests at the levels below as presented on the Consent Agenda. Angus seconded the motion.

The motion carried: 8 Yes – 0 Abstention – 0 No

Cynthia - Y
 Ken - Y
 Lisa – Y
 Jonas - Y

Angus – Y
 Elizabeth – Y
 Bruce - Y
 Gregg - Y

Municipality	Grant Project Title	Funding Recommendation
07110-IG-2021-Bennington-03	Squire Recovery Housing Project	\$200,000
07110-IG-2020-Calais-49	East Calais General Store	\$45,000
07110-IG-2021-Bristol-16	Firehouse Apartments	\$50,000
07110-PG-2019-Brandon-13	Brandon Free Public Library (previously approved by Secretary Kurrle)	\$24,297
Total Funds Recommended		\$200,000

Planning Grant Consent Agenda

Julia mentioned Pittsford has been through a few times and they feel it’s a great project. Vergennes is the most shovel ready project. Nathan mentioned Highgate has completed a lot of studies to move their project forward.

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

The motion carried 8 Yes – 0 Abstention – 0 No

Cynthia – Y
 Ken – Y

Lisa – Y
 Jonas – Y

Angus – Y
Elizabeth – Y

Bruce – Y
Gregg – Y

Municipality	Project Title	Funding Recommendation
Town of Enosburg	Opera House Capital Improvement Plan	\$0
Town of Grand Isle	Island Community Pavilion	\$0
Town of Pittsford	Pittsford Village Farm	\$60,000
Town of Hartland	Hartland Rec Center ADA Improvements	\$0
Town of Highgate	Village Core Master Plan Phase II	\$30,000
Town of Vergennes	Vergennes All-Access Project	\$30,000
Town of Proctor	Vermont Marble Company Redevelopment	\$0
Town of Middlesex	Town Hall Strategic Capital Planning	\$0
Total Funds Recommended		\$120,000

Funding Discussions of Implementation Grants and Enhancement Requests

Josh reminded folks that housing is a major priority. Prioritizing most units of housing with the least public investment.

The board had an inquiry to Kristie about Brownfield/Brella funds and the likelihood that the St. Johnsbury project will be funded through these other sources.

Angus mentioned being impressed with the South Burlington project as he felt it hit a lot of the board’s goals. Josh mentioned they redesigned their project financially to allow for other projects to access funding.

Josh stated he feels Kelley’s Field will likely be funded whether by us or elsewhere.

Nate noted that Salisbury Square has NBRC and other funding sources that are in jeopardy if it doesn’t move forward. Angus asked how much of the cost of the project was the microgrid. Julia mentioned they do not have a breakdown without the microgrid as the whole basis for the development is around the grid with congressional earmarks specifically for it.

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

The motion carried: 8 Yes – 0 Abstention – 0 No

Cynthia - Y
Ken - Y
Lisa – Y
Jonas - Y

Angus – Y
Elizabeth – Y
Bruce – Y
Gregg - Y

Municipality	Implementation Grant Project Title	Funding Recommendation
Town of St. Johnsbury	Armory Redevelopment Project	\$0
Town of Arlington	The Arlington Common Wellness Project	\$250,000
Town of Hinesburg	Kelley's Field II	\$0
Town of Randolph	Salisbury Square	\$850,000
City of South Burlington	Summit at O’Brien Farms	\$1,000,000

Municipality	Implementation Grant Project Title	Funding Recommendation
City of Winooski	O'Brien Community Center Rehab	\$0
Town of Bennington (Enhancement)	Squire Recovery Housing Project	\$200,000
Total Funds Recommended		\$

Adjourn

Cynthia moved to adjourned, Angus seconded.

The meeting adjourned at 3:20 PM, all were in favor, the meeting adjourned.