

**October 12, 2017 Vermont Community Development Board
National Life Deane Davis Building, 6th Floor (Calvin Coolidge Room)**

Members in attendance in person – Cynthia Gubb, Angus Chaney, Amelia Silver, Lisa Sullivan, Sarah Carpenter and David Scherr

Staff in attendance – Katie Buckley, Josh Hanford, Nathan Cleveland, Annina Seiler, Patrick Scheld, Shaun Gilpin, Cindy Blondin and Kristie Farnham

Cynthia Gubb, Chair, called the meeting to order at 9:03 a.m.

There were no members of the public in attendance for Public Comment. Cynthia directed the Board to the first application.

Town of Rockingham – Robertson Mill Redevelopment

Patrick presented an overview of Rockinghams’s application requesting \$300,000 in VCDP funds and issues raised in the analysis. The Town will subgrant to Island Holdings LLC for the demolition of Robertson Mill building and removal of hazardous material abatement on 21 Island Street. This project will alleviate a blighted portion of the downtown Bellows Falls and provide for future commercial development Opportunities.

Questions and comments raised during Patrick’s presentation to the Board: Sarah asked if there was any market study completed? She also asked if all the funds were needed. Josh noted there has been some planning completed but also wondered if there was a master plan. Sarah asked if the project was in the flood plain and what the status was from Historic Preservation.

The following individuals came before the board to present on behalf of the Town of Rockingham: Shane O’Keefe, Town Manager; Isaac Wagner, Consultant; Christopher Hackett, Bellows Falls Area Development Corporation.

Kristie Farnham joined in for Rockingham’s presentation.

Questions raised by the board and discussed with the applicant: Sarah asked how much state funding was in the budget and if they could ask for more funds from ACCD-Brownfield Revolving Loan Fund. She also asked if there was a clear developer for the site after it was cleaned up. Shane O’Keefe shared a support letter from Chroma who originally was looking at this site but had to decline due to timing and the need for their expansion to happen sooner. Angus wondered with the need for cleanup in a lot of similar sites in the area how they prioritized them. He also noticed the Town’s revolving loan fund had a significant balance and wondered if that could help with the cleanup and then come to CDBG for the redevelopment of the site. Cynthia wondered since this was a very competitive round what their back up plans were. Sarah asked how fast they could move on the site. She also asked how much money was in soft costs and hard costs.

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

Town of Springfield – Woolson Block

Annina Seiler presented an overview of Springfield's application requesting \$750,000 in VCDP funds and issues raised in the analysis. The Town will provide a deferred loan to Woolson Block Limited Partnership formed by Springfield Housing Authority and Housing Vermont for the redevelopment of the Woolson Block building into 21 affordable rental housing units, located at 31-41 Main Street, Springfield, VT. The project will consist of 16 rental apartments, 4 (SRO) units for a youth transitional housing program, plus manager's apartment and approximately 3,400 SF of commercial space.

Questions and comments raised during Annina's presentation to the Board: Sarah asked if there had been any conversation with VHCB on cost per units because it appears their costs are only \$27,000 per unit. Angus asked what code and safety violations exist in the building.

The following individuals came before the board to present on behalf of the Town of Springfield: Tom Yennerell, Town Manager; Matt Moore, Housing Vermont; Bill Morlock, Springfield Housing Authority; Danielle Southwell, Brattleboro Area Affordable Housing; Paul Kendall, Business Owner; Walter Martone, Selectboard Member

Questions raised by the board and discussed with the applicant: Amelia asked how many youths were expected to be served. She also asked how many did the project in Brattleboro served. Cynthia asked what the average stay was. Sarah asked what their plan B was if they did not receive the \$500,000 in funding from the Affordable Housing Program Federal Home Bank of Boston (AHP). Sarah noted the ask for funding from VHCB was low and the cost per unit from VCDP was high. She asked if the Town could put more funding into the project from their revolving loan fund.

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

June 22, 2017 and September 11, 2017 Draft Minutes

Angus made a motion to approve the draft minutes from the June 22, 2017 and September 11, 2017 board meeting, with minor corrections he noted. Amelia seconded the motion. The motion carried 6-0-0.

City of St. Albans – Champlain Housing Loan Fund

Nathan presented an overview of St. Albans's application requesting \$635,000 in VCDP funds and issues raised in the analysis. The City would subgrant to Champlain Housing Trust to continue the Champlain Housing Loan Fund to provide financial counseling to income eligible households and affordable home repair financing options for income eligible home owners in Chittenden, Franklin, and Grand Isle counties.

Questions or comments raised during Nathan's presentation to the Board: Josh noted all the revolving loan funds have been asked about serving rental units. Sarah asked if there had been any global conversation with them about guiding them to serve a few low and moderate-income communities to start which could reduce the burden on tracking. She noted that Champlain Housing Trust would need to change their policies to assist people up to 120% AMI. Josh also stated that the programs can use 20% of their program income to help with staffing which would help for short term because there are other funding sources for capitol.

The following individuals came before the board to present on behalf of the St. Albans: Chip Sawyer, City Community and Economic Development Director; Rebecca Faour, Champlain Housing Trust; Cheryl Read, Champlain Housing Trust

Questions raised by the board and discussed with the applicant: Cynthia asked what their vision was to engage landlords. Angus questioned why only 3 rental units would be served over a 2-year period. Josh noted only 51% of the rental units need to be served by low and moderate income and landlords should be informed of that. He said the loans could be structured to be paid back quicker and the interest rate could be higher. Sarah asked if CHT has thought about targeting lower income communities or distressed areas.

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

Award Condition Extensions

Angus made a motion to approve the award condition extensions for the list of grants presented by staff to December 31, 2017. Lisa seconded the motion. The motion carried 6-0-0

Town of West Rutland – NeighborWorks of Western Vermont

Nathan presented an overview of West Rutland's application requesting \$1,000,000 in VCDP funds and issues raised in the analysis. The Town would subgrant to NeighborWorks of Western Vermont (NWWVT) to continue their affordable housing revolving loan fund. 120 income eligible homeowners will receive low interest loans to make needed repairs and energy improvements to their homes and 154 income eligible households will receive counseling in Addison, Bennington and Rutland counties.

Questions or comments raised during Nathan's presentation to the Board: Lisa noted that the project would only be serving 2 rental units which seemed low since they have a partnership with Rutland Regional Medical Center (RRMC).

The following individuals came before the board to present on behalf of the Town of West Rutland: Ludy Biddle, NWWVT; Melanie Paskevich (HEAT Squad Manager); Greg Over, NWWVT and Corissa Burnell (Rutland Regional Medical Center Asthma Program) (By Phone)

Questions raised by the board and discussed with the applicant: Sarah asked how many homeowners/landlords were talked to for the Town of Bennington pilot program. Amelia asked how many landlords they were working with now. Sarah asked about the costs for overhead and staffing to do this. Melanie noted when they look at a unit they take a wholistic approach. 1) Home Shell; 2) Energy Efficiency; and 3) Health and Safety so they are able to provide a full package deal to their customers. Ludy noted they are looking at another program that may be able to assist homeowners with wood stoves. Sarah asked about what fees NWWVT earns on each loan. Amelia asked how many rehab specialists they had. Angus asked if the doctor's prescription was required to utilize the hospital funding for health and safety. Amelia asked if they would be going back and requesting more funding from RRMC.

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

Town of Lyndon – Northeast Kingdom Revolving Loan Fund

Nathan presented an overview of Lyndon's enhancement requesting \$1,000,000 in VCDP funds and issues raised in the request. The Town will subgrant to the Gilman Housing Trust, Inc. dba RuralEdge ("Subgrantee") to continue to deliver the NEK Housing Rehab RLF, a three-county housing rehabilitation revolving loan fund and housing services and counseling program.

Questions or comments raised during Nathan's presentation to the Board: Sarah asked if they need the money now.

The following individuals came before the board to present on behalf of the Town of Lyndon: Mandy Chapman, Rural Edge; Trisha Ingalls, Rural Edge

Questions raised by the board and discussed with the applicant: Mandy read a letter of support from the Town of Lyndon for the program. Sarah asked who would be doing the loan servicing for the homeownership center. Trisha noted the Town of St. Johnsbury now has a code enforcement officer and they will be working with them for potential landlords in need of support. Sarah asked about income certifying requirements. Angus asked about their product for rental units. Amelia asked if the amount of funding that is being requested for general administration and program management if it was just for the rehabilitation of the units. Cynthia asked what the percentage of people that apply to the program that do not end up with a loan was.

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

CDBG Planning Grant Discussion, Consent Agenda & Funding Recommendations

Shaun Gilpin provided a brief presentation of the Village of Essex planning grant. Josh noted that Sarah has recused herself from voting on this application. The Village will subgrant to Vermont Housing Finance Agency to build an interactive database program for municipal officials, town planners and developers to use to provide housing indicators and population level outcomes for the three counties.

Questions or comments raised during Shaun's presentation to the Board: Josh said there's not a lot of good housing data across the state. Angus asked how this project originated if it was by the community or state. Shaun noted it would be a step forward for the state when we need to do the next Housing Needs Assessment. Angus asked how much it cost for the last Housing Needs Assessment by Bowen. He questioned if CDBG funding was the right funding source. Josh noted planning grants need to have the potential to serve low and moderate-income persons. He also noted the state has provided planning grant funding for communities to look at housing data and needs in the past and this database will allow the communities to get at a large portion of the data in an ongoing and consistent basis. Cynthia asked if it could help address the varying housing needs throughout the state. Angus ask if the data would satisfy HUD's requirement. Josh said a separate analysis would need to still happen but the data could come from this database, ultimately requiring less resources. Angus stated unless we can make use of the data why should we invest. Amelia asked about the current platform being utilized. Katie noted every five years we must do a housing assessment and this will be a good tool to provide to communities. If there is a good tool the regional planning commissions could provide more regional housing needs assessments.

The following funding recommendations were made:

Angus made a motion to fund the Planning Grant for Town of Plainfield – Cutler Memorial Library project for \$28,000. Amelia seconded and the motion carried 6-0-0.

Amelia made a motion to fund the Planning Grant for Village of Essex – Northwestern Vermont Housing Data Community Profiles project for \$40,000. David seconded and the motion carried 5-1-1 (Sarah abstained).

Josh said the Town of Proctor’s planning grant request is for a feasibility study of the adaptive reuse of the historic Vermont Marble Company building for affordable housing. It was noted that current market study doesn’t reflect a great need for housing in Proctor other than affordable senior housing. He said the building is in decent condition and the College of St. Joseph was going to use it for a medical program but that fell through.

No motion was made for the Town of Proctor Planning Grant.

Questions and comments raised for the Town of Rockingham:

Cynthia asked if there was any funding that may be at risk of losing if not funded. Amelia wished they would have a parallel process where they would not only be doing the cleanup but also be looking for an investor and then once all that was complete they could come to us for redevelopment. Angus said he would prefer to see commitment by a potential developer. Sarah questioned if they could borrow funding from their revolving loan fund.

Questions and comments raised for the Town of Springfield:

Cynthia noted this a key property in their downtown. Sarah questioned if they could get more funding from VHCB and was concerned if they did not receive the AHP funding.

Questions and comments raised for the three revolving loan funds City of St. Albans, Town of West Rutland and Town of Lyndon.

Sarah would like to see all the revolving loan funds to be on the same timeline so they can be compared all at the same time. Angus questioned what percentage of CDBG funding goes to the 5 – RLF’s and if the goal of the state was a percentage. Sarah said the state needs to determine how much funding is to be used and figure out the priorities for the funding. Angus asked if there was an advantage to having the same end date. Amelia felt that based on principal and looking at applications the Town of West Rutland does more due to their performance and they also provide tangible benefits and should receive more due to performance. Angus agreed. Lisa noted the state needs to be clear on what the money should be used for. Sarah felt there has been some capacity issues for some and staff turnover. Josh questioned the percentage of the rental units that should be required by each RLF. Sarah said we are changing some of the organizations mission definition due to a gap in state resources for small rental properties. She also noted that NWWVT area is more consolidated than the Town of Lyndon’s program. Amelia noted that Lyndon’s program should be thinking about doing some grants to households in need.

David moved to fund \$2,711,000 to the following implementation grants at the levels listed:

\$150,000 Town of Rockingham – Robertson Mill Redevelopment

\$400,000 Town of Springfield – Woolson Block

The following revolving loan fund programs will be funded from two federal fiscal years to allow for a full two-year grant period, with the condition that their performance is evaluated after the first year and if found unacceptable to staff, they will need to appear before the board to request the second year of funding and report on their accomplishments regarding rental units assisted, homeowner units rehabilitated, counseling services provided and new initiatives.

\$363,000 FY17 Town of Lyndon – Northeast Kingdom Revolving Loan Fund

\$363,000 FY18 Town of Lyndon – Northeast Kingdom Revolving Loan Fund

\$317,500 FY17 City of St. Albans – Champlain Housing Loan Fund

\$317,500 FY18 City of St. Albans – Champlain Housing Loan Fund

\$400,000 FY17 Town of West Rutland – NeighborWorks of VT Revolving Loan Fund

\$400,000 FY18 Town of West Rutland – NeighborWorks of VT Revolving Loan Fund

Lisa seconded the motion. The motion carried 6-0-0.

The meeting was adjourned at 4:05 pm.