

Vermont Housing & Conservation Board
MINUTES
Friday, March 26, 2021
ZOOM Conference Call
9:00am

ATTENDING:

Board Members: Neil Mickenberg, David Marvin, Emily Wadhams, Maura Collins (VHFA), Billy Coster (designee of Julie Moore, Secretary of ANR), Tom Yahn, Clarence Davis, Diane Bothfield (designee of VAAF), Kate McCarthy (joined at 10:20am), Alison Harte (designee of AHS). (All Board members called/zoomed in.)

VHCB Staff: Gus Seelig, Jen Hollar, Jenny Hyslop, Elizabeth Egan, Anne Duffy, Leah Sare, Gretchen Rittenhouse, Craig Peltier, Erin Riley, Larry Mires, Stacy Cibula, Bill Dell'Isola, Ethan Parke, Karen Freeman, Mark Martin, Beth Schwarz, Liz Gleason, Ian Jakus, Erin Riley, Ariane Kissam, Ron Rupp

Others Present: Michael Monte Champlain Housing Trust; Elizabeth Bridgewater, Peter Paggi, Windham & Windsor Housing Trust; Megan Chapman, UVLT; Al Karnatz, Tracy Zschau, Donald Campbell, VLT; Kristen Sharpless, Elisabeth Fenn, Stowe Land Trust; Andrew Winter, TPHT; Kathy Beyer, Evernorth; Jeff Kantor, consultant; Kevin and Laura Channel; Rita Ricketson

Call to Order

Chair Neil Mickenberg called the meeting to order at 9:02am. Neil welcomed VHCB's newest Board member, Clarence Davis, recently appointed by Governor Scott. Neil also welcomed guests who were attending for agenda items during the course of the meeting.

Public Comment

There was no public comment

Conservation Stewardship Update (Mark Martin)

Mark Martin, VHCB's Conservation Stewardship Coordinator, briefly summarized the written Stewardship Program Report for 2020 that was included in the Board packet.

There were 79 approval requests that required action during the past year.

Working remotely under COVID restrictions presented new challenges to monitoring, but a concerted effort at collaboration with our partners helped us build stronger relationships that will serve us in the future.

During annual stewardship meetings, partner organizations expressed thanks for state agencies, developing a statewide message and protocols for continued access to outdoor opportunities during the pandemic. Mark highlighted several new stewardship projects VHCB collaborated with our partners on during the past year.

A record number of people used the outdoor resources of the state during COVID, as they looked for safe, enjoyable activities during the pandemic. This increase led to parking, overcrowding and resource protection issues at several high use areas throughout the year.

Billy thanked Mark and the conservation staff for all their work. The uptick in use of properties brought new challenges, and staff helped to facilitate greater collaboration among all partners.

Neil mentioned that each year we add more properties to our portfolio and asked about capacity concerns. Mark stated that, while new efficiencies and processes have been implemented, capacity issues will need to be addressed within the next 5 to 10 years, depending on future sole-held easement acquisitions.

Tom mentioned the recent increase in usage, and asked if we are projecting that greater use to continue in the coming year. Mark said that we and our partners are definitely planning for that.

Permanent Supportive Housing (Alison Harte)

Alison presented a context for how AHS has come to their housing position, the primary goal of which is to Prevent and End Homelessness. She provided an AHS housing overview, AHS affordable housing priorities, and a review of permanent supportive housing as AHS views it.

Key information from Alison's presentation included:

The Agency's approach is informed by its Housing Stability Policy and the Vermont State Plan to End Homelessness, and rooted in four core strategies endorsed by the US Interagency Council on Homelessness (USICH):

- Safe emergency response
- Increase access to affordable housing
- Prevent homelessness (SASH, coming out of incarceration)
- Leverage mainstream resources.

In addition, AHS supports permanent affordable housing that:

- gives preference to homeless households and utilizes data from the State's annual Point in Time (PIT) count to target the most vulnerable households in geographic areas where there is the most need;
- uses evidence-based and best practice approaches to the design, production and location of units,
- eliminates unnecessary barriers to entry and is in close physical proximity to community-based services including public transportation;
- is centrally located and integrated with market rate, affordable and permanent supportive housing units
- facilitates the well-being and self-sufficiency of tenants; and preserves individual dignity and choice.

Permanent Supportive Housing: Permanent, affordable, independent, tenant-centered, flexible, voluntary

Core Components of Supportive Housing

- Low-barrier
- Provides unit with lease
- Is affordable
- Engages tenants in flexible, voluntary services
- Property management and support services work together
- Case managers supports tenants to engage in community services

In reviewing the AHS priorities, such as preference to homeless; eliminating unnecessary barriers; and, being centrally located and integrated, Neil pointed out that we have found integration to be particularly challenging. The need for immediate housing for folks that may be temporary is difficult to merge with permanent supportive housing in the short-term. Maura mentioned that there are various types of integration: Most tax credit projects have 25% at risk of homelessness but not more than 30% homeless. She mentioned that “market rate” is a difficult term because in our housing portfolio we are not using the true market rate, and there’s the added confusion over income levels and rent levels. Maura also pointed out that permanent is measured by a lease (usually one year); it does not mean long-term in multiple years, necessarily.

Alison said they are looking for the client to have a choice about their unit, and a lease identical to those tenants who are not in supportive housing. When AHS considers who supportive housing is for, it’s for folks who, but for housing, can’t access services.

Emily asked if Alison could expand on the projects we’ve funded that AHS would not support. Alison said that residential treatment stays are shorter these days, that there is room for those projects, but we need to make sure there is a balance that maintains a continuum.

Tom: 5 or 6 years ago, the Champlain Housing Trust brought a Housing First proposal to VHCB, which we funded. Should we now be considering hybrids? Great River Terrace has been successful. Permanent as we think of it is important. But would a hybrid model where we ask clients how they view permanence be better

Maura: For many programs, the definition of permanent is based on the need for a 1 year lease.

Alison noted that the relatively small size of projects in Vermont can make it difficult to integrate PSH into a mixed-income property, which is the ideal. Gus: The challenge for all of us is how to best place people where they have the necessary support. To reach the ideal of integration, for example, it would take 6,000 new units of housing to allow those currently in motels to move into mixed-income settings.

Neil: Challenge is great. Needs differ. Does legislature make a distinction between family homelessness and chronic homelessness? Gus said that he had not heard a discussion at that level in the legislature.

Champlain Housing Trust, Diversity and Inclusion Lessons Learned - Challenges Ahead

Neil welcomed Michael Monte, CHT’s CEO. Neil pointed out that CHT has the largest percentage of rental units, and homeownership units serving minority populations. He asked Michael to give us an idea of the organization’s work on race, equity, diversity and inclusion.

CHT leadership and staff have been working on this for several years now. One of the first ventures into educating themselves was a staff book group reading *The Color of Law*. This, and the discussions it fostered, provided a very good background, and gave staff the motivation for continued involvement.

Cheryl Read took part in a program offered through the Kennedy School focused on greater minority participation, and access to programs and employment. This provided impetus for discussions on more aggressively providing access to historically underserved communities.

[Billy leaves at 10am, to return in the afternoon]

In keeping with their strategic planning, and the goal of providing greater access to communities of color, they began collecting data to ensure that the program could measure the organization's commitment and success. They looked at their community's demographics, and at their programs.

In their multi-family units, 35% are occupied by people of color; and in homeownership, 20% of the homes are occupied by people of color. These percentages compare favorably with the community's demographics.

CHT has committed to continued staff education, with a requirement for several hours of education annually. They have biweekly workshops with an outside facilitator. They have made a concerted effort to focus on employment recruitment, and on representation of people of color on the organization's board. Every CHT Board meeting starts with a ½ hour review assignment on a REDI issue for discussion.

While CHT's portfolio has a good cross section of the community represented, the organization did notice a discrepancy in applications for housing. People of color were being rejected at a higher rate. They eventually focused on two issues: credit screening and criminal background checks. They have made changes in these practices, and hope that more changes can be made in the months ahead.

[Kate joins at 10:20]

Some of the issues that continue to be challenges:

1. CHT can't direct resources to POC without Housing law changes
2. CHT can try to help potential renters, but can't pick a future renter based on color. Michael feels there is a need for a national reparation bill to address the issue
- 3.
4. Credit underwriting by banks. There needs to be a better underwriting system for BIPOC communities.

Questions:

Neil: mentioned that VHCB's role is different than many of our partners, who work closely with those who occupy the units in their portfolios. Our role is one of largely providing capital. What should VHCB be doing?

Michael suggests a process of listening and learning. VHCB's staff needs to continue to educate themselves, and join the discussion of changing policy and program depending upon what you hear from those you serve.

Neil asked what VHCB should do regarding racial justice. Michael said that VHCB should look at programs for racial bias, by discussion with your partners and asking where racial bias is playing a part.

Jenny asked just how the momentum happened at CHT to keep the staff involved and active. Michael feels the Color of Law reading group was a significant influence. It is also true that the Burlington area has a larger BIPOC community, and the organization is constantly coming in contact with people who represent BIPOC communities who can help move the conversation forward.

Gus asked if CHT has had issues between staff and clients, or between clients, due to racial prejudice: Michael said that there is a zero tolerance at CHT on racial bias. Any incident is confronted quickly. On tenant/tenant relations there is also a zero tolerance standard. There is one eviction currently resulting from racial bias. They will be reviewing community justice as a possible way for resolving issues going forward.

Tom mentioned that in our mission of providing housing, how can we help people be stakeholders. How do we help people up the equity ladder. Michael pointed to shared equity. With that mechanism, neighborhoods stay affordable over time. You need permanent affordability for this solution to work over time.

Neil mentioned the high construction cost as an impediment to homeownership.

Michael says that they've converted some of their existing properties to homeownership.

PROJECT PRESENTATIONS

Clark Canal Phelps – Windham & Windsor Housing Trust, 2021-088-001

Elizabeth Bridgewater and Peter Paggi of WWHT presented the project. This application combines two existing projects (Clark & Canal, and Phelps Court) with a total of 7 historic buildings in Windham & Windsor Housing Trust's (WWHT) portfolio. WWHT has requested \$445,000 in VHCB Trust, \$631,127 in HOME, and \$749,700 in National Housing Trust Fund. Staff supports this application and recommends funding at the requested levels. Staff also recommends the accrued interest from past loans of \$1,231,014.11 be forgiven. This re-syndication and substantial rehabilitation is designed to ensure long term sustainability.

These projects had only minor renovations when they were awarded VHCB funds in 2000 and 1995 respectively, and will benefit from a substantial update and energy scope with this award.

This scope addresses major deferred maintenance issues, such as roofing, painting, insulation in basements and attics, replacing windows, interior upgrades to fixtures and finishes and repairing plumbing and sprinklers. Improved energy efficiency will be also be a major outcome of the project, addressing unsustainable utility costs. The heating systems are at the end of their useful life and will be replaced with sustainable advanced wood heating systems to be shared among multiple buildings. This both lowers the environmental impact and contributes to the regional forest economy.

Phelps Court provides a mixed income housing opportunity in Windsor. Clark and Canal have existing Section 8 project based vouchers for three units which allows them to be affordable to very low income families and utilize the National Housing Trust Fund (HTF).

Emily asked about the issue of replacement reserves and whether current practice provides more substantial reserves for properties such as these. Craig said that going forward we are more comfortable with newer projects and that we are projecting those needs more comprehensively. This particular project suffered from both insufficient contributions to reserves, but also, importantly, initial renovation work was extremely limited and nothing like our current practice in funding appropriate scope for long-term project health.

Neil said that he remembers a reserve on the order of \$50/unit/month. He asked Craig if it needs to be higher, or is it about right. Craig said that \$50/unit/month is currently the minimum, and some projects are more than that. Craig thinks that number is appropriate for now, but will likely rise over time.

Tom pointed out that this was the first of the Brattleboro projects, and funded a very long time ago. Initially, it was conceived of as a possible coop. As residents they looked more closely at the responsibilities of ownership, they abandoned the idea of the coop, and developed it as rental property.

Neil asked about the wood pellet heating system, and what Craig thought about it from an environmental standpoint. Craig said that this was a fitting project for its use, and that the ecological question is a topic for a deeper discussion in the future. David pointed out that the fuel dollars stay in region for this energy use, and that it can be looked on as a bridge to a better future, but not as a long term solution.

Safford Commons Homeownership, Woodstock – Twin Pines Housing and Evernorth 2006-029-002

Andrew Winter of Twin Pines Housing and Kathy Beyer of Evernorth presented the project. The application proposes to build four homeownership units in West Woodstock within the existing Safford Commons development. Homeownership units were part of the original master plan for Safford Commons, which currently contains 28 apartments. Neighbors of the site contested the permit for Safford Commons for nine years, and due to the resulting additional cost and complication, the developers did not construct the homeownership units at the same time as the rental units. Now Evernorth and TPH intend to develop four of the eight homeownership units that the current permit allows. The developers plan to start construction in spring of 2020 and anticipate that the homes will be complete in spring of 2021.

The Safford Commons plan incorporates the homeownership units into the overall site plan and they will be adjacent to the existing rental units. The developers are targeting sales to households earning between 80-120% of median. Evernorth will oversee the construction of the homes and Twin Pines will act as the steward of the permanently affordable homeownership units.

The request to VHCBC is for an additional award of \$80,000, to be added to the original award of \$320,000. The total development budget is \$1,399,490.

Emily asked how the four unit condominium setup worked. How does it work with a small condo and rest of development?

Andrew mentioned that this is a model TPH has some experience with. They have worked out the common expense, and it works well with the adjoining rental units.

David asked about the decision to possibly market the remaining 4 lots to a private developer. Kathy said that it was a hard decision, but they feel the sales price will be limited by what can be built there, and that it should achieve a good outcome, w/o TPH developing the homes themselves.

Kate asked about the plot map, and whether lots could be combined. Andrew said that it is all one development and approvals would be extremely difficult given the structure.

Gus pointed out that the cost of construction is rising rapidly for homeownership.

Channell Farm, Reading – Upper Valley Land Trust 2019-044-001

Ethan Parke provided an overview of the project. Megan Chapman presented the project for UVLT. The request is for \$316,000 in a VHCB grant: \$295,000 for acquisition of development rights, conservation restrictions, and option to purchase at agricultural value, \$12,000 for associated costs, and \$9,000 for stewardship. This project involves property known as the Channell Farm, dba Vermont Alpine Farm in the town of Reading, Windsor County and includes 61.31 acres by survey.

Kevin and Laura Channell, who owned and operated a vegetable farm in Fairlee for eight years, bought this small farm in Reading in 2017 and have now established an organic beef and vegetable operation that they call Vermont Alpine Farm. They currently run about 32 head of beef cattle (all ages), have two high tunnel greenhouses for vegetable production, and grow half an acre of blueberries.

Kevin Channel gave a history of their farming background beginning in 2004. Sold their farm in 2013, and, in 2016, found this farm that is allowing them to market beef and produce and are looking forward to conservation of the farm and expanding with on-farm retail. Laura spoke to the vegetable production and the construction of two high tunnels, and a half acre of blueberries. They also grow food for the local foodbank.

The farm adjoins other lands protected by UVLT and is within half a mile of the Arthur Davis Wildlife Management Area, a portion of which VHCB helped the state acquire in 1993.

The request to VHCB exceeds VHCB's cap of \$4,200 per acre but the applicant presents project features that would allow the cap to be exceeded in accordance with the Board's cap policy that was revised and adopted last September. One of these features is a notice provision on the farmhouse, which is thought to have been built in 1796 and then remodeled in the 1830s or 40s.

Emily thanked the Channels for their willingness to add the notice provision on the farmhouse.

Kate said that on the farm map, it looks like the farm labor house site is in middle of the property. Is that the best spot? Kevin said that the site has a lot to do with soils and drainage issues, and allows for separation of line of sight.

Ricketson Farm, Stowe –Vermont Land Trust and Stowe Land Trust 2017-094-001

Stacy gave an overview of the project. The project was presented by Al Karnatz of VLT and Kristen Sharpless of the Stowe Land Trust. Kristen highlighted the importance of this property to the Stowe community. There are four farms in Stowe looking at generational transitions.

The Ricketson Farm is a prominent 210-acre farm on Route 100 in Stowe and Morrystown, with all but 28 acres in Stowe. It is owned by 3rd generation farmer, Ken Ricketson, whose grandfather purchased the farm in 1916. With its ample road frontage and 120 acres of scenic fields, it's not surprising that Ken and his family have received many offers to sell the land for development over the years. Passersby on Route 100 are treated to mountain views in all directions. At age 70, Ken has begun to transition out of farming and is thinking about his next steps. He sold his dairy herd of 80 cows last spring, but leased the fields out to two local dairy farmers last summer and will do the same this season. He is also raising 35 replacement heifers.

There is a big local fundraising effort to help support the cost of the project. Rita Ricketson noted that her brother has made a significant contribution in the form of a bargain sale. She also pointed out that there is at least one endangered plant in the bog and that their bog is in a more pristine condition than the adjacent bog owned by UVM which has a lot of foot traffic.

The request to VHCB totals \$1,063,000, consisting of \$1,050,000 for acquisition of development rights, conservation restrictions, and option to purchase at agricultural value, \$4,000 for associated costs, and \$9,000 for stewardship.

While Ken has no intention of selling the farm immediately, he recognizes the need to get a plan in place sooner rather than later. Conserving the farm is the first step. Ken has had no shortage of interest from the farming community in his land. Already this year he has been approached by several area farmers, including a beef operator, who are interested in leasing the fields if his current arrangements fall through. With 86 percent of the farm consisting of prime or statewide important agricultural soils, there is likely to be a continued high level of interest from farmers wanting to utilize this excellent land base.

While Vermont Land Trust (VLT) is the lead applicant, Stowe Land Trust (SLT) is an integral partner and is spearheading the local fundraising campaign for the project. Community interest and enthusiasm for this project is high. SLT has already received pledges (from just 3 individuals) for the \$905,000 they have committed to raising. Another \$100,000 in match is anticipated from the Town of Stowe. The landowner has generously agreed to a \$425,000 bargain sale (representing 18% of the appraised value). So, while this project has a cost of \$2,493,000, VHCB State (non-NRCS) funding would cover only the associated costs and stewardship—just \$13,000 of the total budget.

David said that he was pleased to see the project before the Board. He feels that this is an incredibly important project. It adds to the farm block, protects the river, is the gateway to Stowe, and the bog is an important resource.

Conservation Issues Committee Report (David Marvin and staff):

David asked Bill Dell'Isola to present the recommended adoption of three resolutions. Bill discussed the background and process, and working with partners to come to the recommended policies. The process was collaborative and deliberate. He also mentioned Ethan's assistance with the final document drafting. David thanked staff and partners for their participation through a relatively long process.

Emily moved the three resolutions, including Adoption of VHCB Policy on Funding of Outdoor Recreation, Adoption of Guidelines for Ecological Assessments, and Adoption of Funding Guidelines for Retroactive OPAV projects. Alison seconded the motion:

Roll call:

Tom, yes

David, yes

Maura, yes

Emily, yes

Kate, yes

Clarence, yes

Diane, yes

Alison, yes

Neil, yes

Consent Agenda

David moved the consent agenda; Alison seconded the motion.

The consent agenda consisted of:

1. Board Policy on Building Design Standards
2. Authorization for VHCB/Viability to accept VCF funds for Food Hubs Revised
3. Authorization to apply for and accept funding from USDA BFRDP for Viability
4. FY21 Feasibility Fund (1946-002-000 & 1946-003-000)
5. Fort Apartments, Colchester & Winooski (CHT & Evernorth) (2021-105-001)

Roll call:

Tom, yes

David, yes

Maura, yes

Emily, yes

Kate, yes

Clarence, yes

Diane, yes

Alison, yes

Neil, yes

Staff report

Gus acknowledged Martin Hahn's legacy of exceptional work over the past 4 1/2 years as he leaves to pursue other work. Gus also thanked Jenny for stepping into the interim role of Housing Director during the transition.

Gus noted that we were running behind schedule and referred members to his written report in the Board packet.

While the legislature is still working out details of the budget, a fast track bill will give us \$10 million for housing to help relieve the usage of motels. The house version of the budget doubled the governors recommend and it appears that a one-time \$40 million appropriation will pass the House, with 25% of that

to be used for conservation activities, Viability, and REDI in support of the rural economy. In the federal budget, it appears that the most immediate impact will be a one-time bump in our HOME allocation of \$8-9.7 million. These funds will need to be used for households experiencing homelessness.

Working group formed on how to use all the resources coming to Vermont most effectively.

Jen reports that the House passed the capital bill and budget this morning. VHCB is enjoying a great deal of trust from the administration and the agencies represented on this Board and our partners.

Neil recognized Gus and the staff for their great record, which has led to the current display of trust in our ability to deliver

Maura asked that all the stakeholders keep in regular communication regarding all the moving parts, and financial resources.

Emily asked about the short-term rental restriction bill, which is probably not going anywhere this year; but do we have a position.

Jen mentioned that there is legislation creating a Registry - all rental housing and including short-term rentals. VHCB is supportive of the registry which may go forward.

Minutes

David moved approval of the minutes of the January Board meeting; Emily seconded the motion.

Alison asked for a correction to the minutes: The discussion of deliberations on the recovery residence, she wishes to change to “ AHS’s priority is permanent affordable housing.” David and Emily accepted the amendment to their motion.

Roll Call:

Tom - yes

David - yes

Maura – abstain

Emily - yes

Kate - yes

Clarence abstain

Diane - yes

Alison - yes

Neil - yes

Financials

Anne referred to the financial statements included in the Board packet.

She shared the good news that we have hired Brenda Riddle as a new Assistant Controller, and she will start in May.

We have contracted with the audit firm of Melanson CPA's for the FY2021 audit. This is the 2nd year of their two year fee proposal. The auditors will be meeting with members of the Finance Committee in May, and will begin their preliminary audit work at that time. The CRF funds will definitely be the major program for this year's Single Audit.

In addition, given the likely possibility of increased funding in FY2022, we will be gearing up our financial and information technology systems to assist in managing the new resources.

[Billy returned to meeting 12:03pm]

DELIBERATIONS

Dave moved the project resolutions as recommended by staff for the following projects, as a group; Alison seconded.

- Clark Canal Phelps
- Safford Commons Homeownership
- Channel Farm
- Ricketson Farm

Roll Call:

Tom, yes
David, yes
Maura, yes
Billy, yes
Emily, yes
Kate, abstaining from Ricketson
Clarence, yes
Diane, yes
Alison, yes
Neil, yes

Personnel Matter

Emily moved to go into executive session to discuss a personnel matter. Kate seconded the motion.

Roll call:

Tom, yes
David, yes
Maura, yes
Billy, yes
Emily, yes
Kate, yes
Clarence, yes
Diane, yes
Alison, yes

Neil, yes

Kate moved that the Board come out of executive session. Maura seconded the motion.

Roll call:

Tom, yes

David, yes

Maura, yes

Billy, yes

Emily, yes

Kate, yes

Clarence, yes

Diane, yes

Alison, yes

Neil, yes

Billy moved that the Board approve the personnel matter discussed in executive session. Diane seconded the motion.

Roll call:

Tom, yes

David, yes

Maura, yes

Billy, yes

Emily, yes

Kate, yes

Clarence, yes

Diane, yes

Alison, yes

Neil, yes

Other Business

No other business was raised.

Adjourn

The Chair adjourned the meeting at 1:10 pm

Respectfully submitted,

Lawrence Mires

Administrative Officer

Resolutions

Policy on Building Design Standards

Resolution:

- That the Board adopt the following change:
- Replace VHCB current: “Policy on Energy Efficiency and Water Conservation in Multifamily Buildings” with new “VHCB/VHFA Building Design Standards-Policy on Energy Efficiency, Health and Resiliency in Affordable Housing Design, Construction and Rehabilitation”

Policy Position for Funding of Public Outdoor Recreation And Guidelines for Ecological Assessments

Resolution:

That the Board adopt the Policy Position for Funding of Public Outdoor Recreation and the Guidelines for Ecological Assessments, as included in the board packet.

Safford Commons Homeownership ♦ Woodstock, Vermont Twin Pines Housing and Evernorth 2006-029-002

Resolution:

The conditions set forth in this resolution supersede and replace the previous conditions set forth in the resolution approved on September 24, 2019. This award is subject to the following restrictions and conditions:

To score the application “9” for need, “9” for impact and “9” for quality, and to award Twin Pines Housing and Evernorth (the "Developers") a supplemental award of Housing Revenue Bond (HRB) funds in the amount of up to eighty thousand dollars (\$80,000) for acquisition, rehabilitation and related expenses.

On 9/24/2019, the VHCB Board made an award of three hundred twenty thousand dollars (\$320,000) in HRB funds. These requests total four hundred thousand dollars (\$400,000) in HRB funds.

This project involves property located at 471 West Woodstock Road in Woodstock and consists of a total of four (4) homeownership units.

The conditions set forth in this resolution supersede and replace the previous conditions set forth in the prior resolution approved on 9/24/2019 and incorporates the following specific change: Removing the original Special Condition #5 and modifying the former Special Condition #6 (which is now special condition #5).

This award is subject to the following restrictions and conditions:

Affordability and Conveyance Restrictions:

Developer shall execute a VHCB Housing Subsidy Covenant of perpetual duration that restricts four (4) units, which will be prepared by VHCB counsel and will contain restrictions substantially as follows:

The initial purchaser(s) of the 4 units subsidized shall be an “Eligible Household” as defined below. Grantee and the purchaser(s) shall execute a Condominium Housing Subsidy Covenant of perpetual duration. This Covenant will be prepared by Grantee’s counsel and shall contain restrictions on conveyance. With respect to the improvements, the Covenant shall include a requirement that whenever an owner intends to sell the unit, the Grantee shall have a right to repurchase the unit at a price determined pursuant to a limited appreciation formula approved by VHCB staff. The Covenant shall also restrict resale, whether by the owner or by Grantee, so that the improvements may only be resold to Eligible Households.

Definitions

“Eligible Household” shall mean a person or group of persons whose Household Income, at the date of their initial occupancy, is less than or equal to 120% of Median Income, adjusted for family size.

“Household Income” shall mean annual income determined in accordance with Title 24, §813.106, of the Code of Federal Regulations.

“Median Income” shall mean median income for (i) Windsor County, or (ii) the State of Vermont, whichever is greater, as determined from time to time and published in the Federal Register by the United States Department of Housing and Urban Development.

Special VHCB Conditions:

1. Prior to closing, Developers shall obtain construction bids that demonstrate to the satisfaction of VHCB that projected construction costs are within the approved budget for the project.
2. Prior to closing, Developers will report on efforts to further lower the net prices of the units.
3. Prior to closing, Developers will have commitments for the fundraising in the budget.
4. Prior to closing, Developers will develop a plan to create initial reserves for the four units in the condominium association.
5. Developer shall commence construction at the project within eight (8) months from the date of the amendment to the original Grant Agreement. VHCB staff may agree to extend this period if Developer has been making reasonable efforts to commence construction in a timely fashion. If it is likely that the project will not be able to begin construction during 2021, the HRB award may be de-committed.

6. If this project receives funding from the Housing for All Revenue Bond, the Developer agrees to submit to VHCB staff, without demand, a completed HRB Occupancy and Project Status Report as follows: (i) 60 days after project completion; (ii) 1 year after project completion; and, (iii) thereafter, within 30 days after requested by VHCB. Information and data shall be provided in a form and manner to be determined by VHCB.

This award is also subject to standard VHCB conditions for homeownership.

Feasibility Fund 2021 Recapitalization

Feasibility Fund 1946-002-000

Resolution:

To commit \$ 125,000 of FY 2020 revenue to recapitalize the housing portion of the feasibility fund.

Feasibility Fund 1946-003-000

Resolution

To commit \$ 25,000 of FY 2020 revenue to recapitalize the conservation portion of the feasibility fund.

Upper Valley Land Trust Channell Farm 2019-044-001

Resolution:

To score the application 8 for need, 8 for impact, and 8 for quality and to award the Upper Valley Land Trust (the "Grantee") a VHCB grant in the amount of up to Three Hundred Sixteen Thousand Dollars (\$316,000) consisting of \$295,000 for acquisition of development rights, conservation restrictions, and option to purchase at agricultural value, \$12,000 for associated costs, and \$9,000 for stewardship. This project involves property known as the Channell Farm, dba Vermont Alpine Farm in the town of Reading, Windsor County and includes 61.31 acres by survey.

This award is subject to the following conditions:

Special VHCB Conditions:

1. The easement shall include the following residential and building complex rights:
 - a. one farmstead complex generally as depicted in the application;
 - b. the right to convert the main farmhouse into a duplex;
 - c. a second building complex generally as depicted in the application;
 - d. the right to site a farm labor house of no more than 2500 square feet in the second building complex;
 - e. the right for one seasonal camp, not to exceed 300 square feet.

- f. the right to have an approved rural enterprise in the guest house, provided that the approval letter for the rural enterprise reinforces that the guest house shall not become a primary residence.
2. The easement shall contain the following special environmental protections:
 - a. Easement language approved by VHCB staff that maintains water quality of streams and adequately protects the riparian areas on the farm.
3. The easement shall contain a historic notice provision on the farmhouse, and prior to closing, and based upon further information as to the historic nature of two post-and-beam barns, and based upon the landowner's plans for them, a notice provision may also be placed on one or both of those barns.
4. Prior to closing, Grantee shall:
 - a. document that the farm is in good standing with the Agency of Agriculture with respect to water quality.
5. The easement may include an impervious surface limit of up to 5%, as approved by NRCS.
6. The easement will contain the OPAV, which would be stewarded by VHCB.
7. Prior to closing, an appraisal update shall be completed that uses the correct acreage, updates for time, and refers to an easement that is reflective of the conditions of this Grant.
8. Since VHCB plans to use federal funds from the Natural Resources Conservation Service (NRCS) Agricultural Conservation Easement Program (ACEP/Agricultural Lands Easement) for a portion of the cost of this project, the following NRCS conditions are included to encourage the sustainable management of soil resources on the farm, to protect water quality, and to comply with NRCS requirements. Prior to disbursement of VHCB funds:
 - a. NRCS state office staff will verify that the landowners are eligible to receive ALE funds and are in compliance with Highly Erodible Land and Wetland requirements;
 - b. NRCS state office staff will conduct a hazardous materials review of the project;
 - c. NRCS staff will write an HEL plan, if required, to be signed by NRCS and the landowner prior to closing;
 - d. The landowners will sign a Grant of Development Rights and Conservation Restrictions which includes the objective of encouraging sustainable management of soil resources on the farm, requires that highly erodible cropland be managed in accordance with an HEL Conservation Plan approved by NRCS and gives the United States certain rights to enforce if VHCB does not.
 - e. NRCS state office staff will verify that the landowners are eligible to receive ALE funds and are in compliance with Highly Erodible Land and Wetland requirements;
 - f. NRCS state office staff will conduct a hazardous materials review of the project;
 - g. NRCS staff will write an HEL plan, if required, to be signed by NRCS and the landowner prior to closing;
 - h. The landowners will sign a Grant of Development Rights and Conservation Restrictions which includes the objective of encouraging sustainable management of soil resources on the farm, requires that highly erodible cropland be managed in accordance with an HEL Conservation Plan approved by NRCS and gives the United States certain rights to enforce if VHCB does not.

9. This award is also contingent on the signing of a Grant Agreement or contract between VHCB and NRCS obligating federal NRCS-ALE funds for this project.

Standard Conditions: This award is also subject to VHCB Standard Conditions for Farm Projects.

Revision to the Retro-OPAV policy.

Resolution:

That the Board adopt the following changes to the Retroactive OPAV policy:

- 1) Adjust the funding caps for retro-OPAV projects to \$185,000, while retaining the current \$5,000 for associated costs.
- 2) Allow staff the flexibility to exceed the cap if the project contains three of the conditions listed in Section III. B. of the Retro-OPAV funding policy.

**309 Ethan Allen Avenue ♦ Colchester, Vermont
Champlain Housing Trust
1990-099-001**

Resolution:

To modify the loan to non-interest bearing, and to discontinue the \$264.78 quarterly interest only payments. The total loan balance is \$205,253.48 and is made up of \$199,000 in principal and \$6,253.48 in interest. The Maturity Date shall remain unchanged at August 30, 2021.

**Ricketson Farm
Vermont Land Trust
2017-094-001**

Resolution:

To score the application 10 for need, 9 for impact, and 10 for quality and to award the Vermont Land Trust (the “Grantee”) a VHCB grant in the amount of up to One Million and Sixty-Three Thousand Dollars (\$1,063,000) consisting of \$1,050,000 for acquisition of development rights, conservation restrictions, and option to purchase at agricultural value, \$4,000 for associated costs, and \$9,000 for stewardship of the 210-acre Ricketson Farm located in Stowe and Morristown, Lamoille County. The primary purpose of the award is farmland conservation.

The award is subject to the following restrictions and conditions:

VHCB Special Conditions:

1. This award is contingent on the signing of a Grant Agreement or contract between VHCB and NRCS obligating federal NRCS-ALE funds for this project.
2. If a recorded or recordable survey of the easement area does not exist, prior to closing a survey of the excluded parcels or of the property to be protected will be completed and submitted to VHCB, if

required by NRCS. If the survey is of the protected property, VHCB will contribute up to \$3,000 toward the cost, consistent with VHCB's Land Survey Standards for Farm Projects.

3. The easement may exclude approximately 61 acres, as depicted in the application.
4. The easement shall include the following residential and building complex rights:
 - a. Two building complexes generally as depicted in the application;
 - b. The standard sole discretion farm labor housing paragraph;
 - c. The right for one camp, not to exceed 600 square feet in area; and
 - d. The right for one subdivision of the easement area, generally as depicted in the application, subject to approval by NRCS.
5. The easement shall contain the following special environmental protections:
 - a. riparian protection zone generally as depicted in the application; and
 - b. wetland protection zone generally as depicted in the application
6. Prior to closing, Grantee shall:
 - a. Document that the farm is in good standing with the Agency of Agriculture with respect to water quality; and
 - b. Investigate status and condition of unnamed stream depicted to the north of the snowmobile trail and east of Stagecoach Road to evaluate whether it requires special protections and report back to VHCB on such findings.
7. Prior to submission of organizational grant in the fall of 2021, Grantee shall:
 - a. Report back on any progress made among Stowe Land Trust, the Town of Stowe, and the Lamoille Housing Partnership as related to affordable housing development in the Town of Stowe.
8. The easement may include an impervious surface limit of up to 7%, subject to approval by NRCS.
9. Once securing NRCS funds, the Grantee must comply with the following NRCS requirement prior to disbursement of VHCB funds:
 - a. NRCS state office staff will conduct a hazardous materials review of the project.
 - b. NRCS staff will write an HEL plan, if required, to be signed by NRCS and the landowner prior to closing.
 - c. The landowners will sign a Grant of Development Rights and Conservation Restrictions which includes the objective of encouraging sustainable management of soil resources on the farm, requires that highly erodible cropland be managed in accordance with an HEL Conservation Plan approved by NRCS and gives the United States certain rights to enforce if VHCB does not.

Standard Conditions: This award is also subject to VHCB Standard Conditions for Farm Projects.

**Fort Apartments ♦ Colchester and Winooski, Vermont
Champlain Housing Trust and EverNorth
2021-105-001**

Resolution:

To approve the developers' request for loan and affordability modifications as follows:

- Extend the maturity date of all VHCB loans (#1991-059-001, #1996-211-001, #1990-099-001) to mirror those of the new tax-credit partnership.
- Change the proposed affordability restrictions as follows:

Developer shall lease sixteen (16) units to persons whose household income, at their date of initial occupancy, is less than or equal to area median income. The annualized rent charged for each such unit shall not exceed 30% of 80% of area median income for a household consisting of one and one half persons per bedroom.

Developer shall lease forty-nine (49) units to persons whose household income, at their date of initial occupancy, is less than or equal to 80% of area median income. The annualized rent charged for each such unit shall not exceed 30% of 70% of area median income for a household consisting of one and one-half persons per bedroom.

Developer shall target and make every reasonable effort to lease twenty (20) of these forty-nine units to persons whose household income, at their date of initial occupancy, is at or below 50% of area median income. Initially, the annualized rent charged for these units shall not exceed 30% of 50% of area median income for a household consisting of one and one half persons per bedroom. Developer shall make every reasonable effort to maintain the initial level of affordability on said units.

Developer shall make every reasonable effort to lease any five (5) of the twenty units to persons whose household income, at their date of initial occupancy, is less than or equal to 30% of area median income, OR, to persons with special needs. In addition, Developer shall make every reasonable effort to ensure that the annualized rents for all units are "affordable" to the occupying households, as described further in section 7 of the VHCB Housing Subsidy Covenant.

This resyndication will be subject to the applicable standard conditions, and the following special condition:

1. The developer shall keep VHCB informed of any changes regarding window replacement at 309 Ethan Allen Avenue as well as other communication with the Department of Historic Preservation which has an impact on the planned scope of work.

VT Farm & Forest Viability Program

Resolutions:

Applying for and Accepting BFRDP Funds:

Be it resolved that the Vermont Housing and Conservation Board hereby authorizes VHCB staff to apply for and accept up to \$600,000 in funding from USDA-NIFA Beginning Farmer and Rancher Development Program (BFRDP) for the purposes of providing business and land access assistance to farmers. Staff are authorized, with the advice and consent of the VHCB Board Chair or a Board committee appointed by the VHCB Board Chair, to commit these funds as grants or contracts with organizations or consultants, as described in our proposal to BFRDP.

Accepting VCF Funds:

Be it resolved that the Vermont Housing and Conservation Board hereby authorizes VHCB staff to accept up to \$65,567 in funding from the VT Community Foundation (VCF) for the purposes of providing consulting services to the Vermont Food Hub Collaborative, L3C. Staff are authorized to commit these funds as contracts with organizations or consultants as requested by the L3C. The VHCB Board Chair approved the acceptance of these funds on March 5th, 2021. The purpose of this memo is to ratify this approval.