

Draft

Vermont Housing & Conservation Board
MINUTES
Friday, May 10, 2019
Vermont College of Fine Arts Noble Lounge
39 College Street, Montpelier, Vermont

Board Members: David Marvin, Emily Wadhams, Maura Collins (VHFA), Billy Coster (designee of Julie Moore; Secretary of ANR), Tom Yahn, Stephanie Smith (designee of Secretary Anson Tebbetts, VAAF), Kate McCarthy, Allyson Laackman, Tom Yahn, Marie Audet; Martha Maksym (designee of Al Gobeille; Secretary of Human Services)

VHCB Staff: Gus Seelig, Elizabeth Egan, Anne Duffy, Marcy Christian, Martin Hahn, Jen Hollar, Hannah Phillips, Mark Martin, Nancy Everhart, Karen Freeman, Ethan Parke, Amanda Moran Moshinski, Ginger Nichols, Jessica Ettinger, Beth Schwarz, Craig Peltier, Rick DeAngelis, Ariane Kissam

Others Present: Kathy Beyer (Housing Vermont); Tracy Zschau, Allen Karnatz, Joan Weir (Vermont Land Trust); Patrick Shattuck and Brian Pickard (Rural Edge); Jeff Kantor (Consultant); Gannon Osborn (Vermont Department of Forest Parks & Recreation); Kim Royer (Vermont Department of Fish & Wildlife); and Jon McCann, Brigid Sullivan and Annette Lynch (Mount Holly Conservation Trust); Ludy Biddle (NeighborWorks of Western Vermont); Jon Binhammer (The Nature Conservancy); Joshua Davis, Jonah Mossberg (Groundworks Collaborative); Connie Snow (Consultant); Rachel Orr (Farmer); Scott Douglas (Farmer); Kristin Sharpless (Stowe Land Trust)

Emily Wadhams called the meeting to order at 10:10 am. She welcomed Marie Audet as the new farmer representative to the board. Her family runs Blue Spruce Farm in Bridport. Innovation is an important part of their business, and they were the first Cow Power farm in Vermont to generate renewable electricity through GMP with their methane digester.

PROJECT PRESENTATIONS

New Avenue, St. Johnsbury – Housing Vermont/Rural Edge 2018-002-002

Housing Vermont & Rural Edge are requesting Housing Revenue Bond funds of \$2,037,000 and National Housing Trust Fund (HTF) dollars of \$843,000 for this project. This is a dual goal project of historic preservation and affordable housing that also involves downtown revitalization and the removal of blight. The Board awarded a grant of \$970,000 to Housing Vermont (HV) for the acquisition of the privately owned Depot Square in 2018. In July 2018, HV purchased the residential space and Kingdom Development Corporation later purchased the commercial space.

Kathy Beyer from Housing Vermont and Patrick Shattuck from Rural Edge presented the project. Kathy talked about the building and its important location in the center of St. Johnsbury. This rehab project will combine some small units to create larger ones; this will reduce the number of apartments

from 47 to 39. The Vermont State Housing Authority is being asked to provide 39 updated rental subsidies for the property.

Kathy explained that this project has renewed hope in the revitalization of the downtown. Several successful businesses have recently moved to St. Johnsbury. She also pointed out that having Kingdom Development Corporation own the commercial space has helped with the cost and risk of the project.

Patrick explained about Rural Edge's role with the project. They will be relocating the current residents during construction. This very low-income population has not had many housing options in the past. The residents are excited about the redevelopment of the building. Allyson Laackman asked about the likelihood of rental assistance for the 39 units and Kathy explained that they will find out next month and do not anticipate a problem. Emily pointed out the importance of the project to community. Kate McCarthy asked if there would be infrastructure upgrades in the downtown and Kathy said that there would be some redevelopment on the backside of the building but there are no other plans at this time. She did report that there is a project in the works to connect downtown St. Johnsbury to the Lamoille Rail Trail. Gus noted that the staff looked closely at the cost of redevelopment and options described to scale cost back and ultimately determined the developer's proposal was appropriate and achieved best practices in a number of policy areas.

**Governor Prouty Apartments, Newport – Rural Edge
2019-080-001**

Rural Edge has requested \$375,750 in VHCB and \$354,476 in HOME funds, for a total of \$730,226. Governor Prouty Apartments is an existing 24 unit housing development in Newport designated for elderly and/or disabled households and were first brought into service in 1979. There are three buildings, each made up of 8 one-bedroom apartments.

Patrick Shattuck, Brian Pickard, from Rural Edge and Jeff Kantor presented the project. This redevelopment will focus on the 12-second floor units which were not addressed in a previous 2012 rehabilitation. In addition to work on these 12 specific units there will be skylight window replacement in all units, community room renovation, a new heating system, accessibility reconfigurations to meet current standards in two apartments as well as in the community room, capital needs work, and site improvements. There has been no VHCB investment in this project up to this point. There will be a refinance included as well.

Patrick explained that there are very low vacancy rates in this project. They worked with the residents to develop the scope of work and they are very invested in the project. The development is walkable to downtown and has beautiful views. Jeff described it as a true preservation project. Martha Maksym asked about relocating residents and Patrick explained that they would be moved out during the construction and then have the choice to come back. Emily asked if the rent levels were reasonable for the project. He explained that the project does have Rural Development rental assistance.

**Okemo Wildlife Corridor, Mount Holly – Vermont Department of Forest Parks & Recreation
2019-076-001**

Vermont Department of Forest Parks & Recreation is requesting \$224,000 for this project. The McLean parcel is a critical wildlife connection along Route 155 in Mount Holly, Vermont. It is one of two remaining key properties needed to complete the Route 155 to Route 4 wildlife corridor, linking Okemo State Forest to the Green Mountain National Forest. Protection of these properties has been a 25-year, 30,000-acre, multi-partner effort, and these parcels represent one of the final pieces of the puzzle.

Karen Freeman explained that staff considered the high demand for FY20 natural area/outdoor recreation project funds and is recommending a reduced VHCB award of \$200,000, leaving a funding gap of \$24,000.

Gannon Osborn from the Vermont Department of Forest Parks & Recreation, Kim Royer from Vermont Department of Fish & Wildlife, Joan Weir from Vermont Land Trust and Jon McCann, Brigid Sullivan and Annette Lynch from Mount Holly Conservation Trust presented the project. Brigid spoke about their organization's work. They have already conserved over 900 acres and have been working to get this parcel since 2007. There are strong development pressures because of the proximity to the surrounding ski areas. Gannon updated the board that Fish & Wildlife has been there looking at wetland protection. Joan explained Vermont Land Trust's role in the project. They will purchase the property in early June. There is a vacation home on the land that will be subdivided and sold. The Mount Holly Conservation Trust asked the board to consider funding their full request. Tom asked if other uses for the house were considered. Joan said it is not close to Belmont or the ski areas so it is not a candidate for affordable housing. He also asked about the Conservation Trust's relationship with the Vail Resort, the new owners of Okemo ski area. Vail staff have just recently settled into the area and the Conservation Trust will be in touch with them shortly.

Maura Collins asked about the location of the house in connection with the rest of the property and Joan explained that it is a remote site. VLT's current plan is to either sell or demolish the house. Several Board members indicated their support for the demolition of the home. Kate commented on the wonderful work that the Mount Holly Conservation Trust has done and thanked them for their hard work.

Glebe Mountain, Londonderry/Windham – The Nature Conservancy 2019-045-001

The Nature Conservancy is requesting \$800,000 for this project over three years. This is the ninth project, joining parcels that became Jamaica State Park, Turkey Mountain and Hamilton Falls Natural Area. This year The Nature Conservancy has the opportunity to conserve the McGraw Tract, a large parcel with a priority forest block. This tract was assembled through the purchase of 27 parcels by a private individual who created a private hunting reserve. The property has been closed to the public for the last 20 years. It was placed on the market in 2017.

Jon Binhammer from TNC presented the project to the board. He explained that TNC would like to retain ownership of the property for approximately 3 years, with Vermont Fish and Wildlife co-holding the easement with VHCB. After the 3 year period, the property would transfer from TNC to VTF&W and the Department's easement holding interest would transfer to TNC.

He talked about the significance of this property. The overall conservation of this area started in the 70s. TNC has done a great deal of research about the forest blocks and they have worked to conserve several parcels on the ecologically significant Glebe Mountain forest area. They closed on the property this winter and had to borrow \$2.2 million to do the project. They have had a very successful fund raising campaign, raising over \$1 million to date. Emily asked about the staged award over several years and Jon indicated that TNC is comfortable with the award. She asked if there were structures on the property. He explained that there had been structures, but the property owner removed them prior to the sale. TNC is working with the surrounding communities about future ownership options and several listening sessions are scheduled.

Tom Yahn spoke of the interest of connecting many of these conserved parcels in Southern Vermont. Jon explained that connector trails will be considered and they are still looking at public access options. The regional planning commission has been supportive of the project. Gus asked about the VAST trail location and Jon said that they would continue to work with VAST to figure out the best site for the trail.

**Hickory Street Homeownership, Rutland – NeighborWorks of Western Vermont/Housing Vermont
2008-071-000**

NeighborWorks of Western Vermont and Housing Vermont are requesting a total of \$200,000 in VHCB funds for this project capacity award. Hickory Street is a new street and neighborhood in Rutland created when Housing Vermont and Rutland Housing Authority demolished and redeveloped Forest Park, a deteriorated public housing complex. The Board funded all three phases of its redevelopment and seventy-eight apartments were constructed. The original Master Plan for the Hickory Street redevelopment included three lots for homeownership units. Housing Vermont is now proposing to build two new, energy efficient three-bedroom homes on these lots. They will collaborate with NeighborWorks of Western Vermont, who will help sell the homes and will provide the long-term stewardship of the permanent restrictions. This award would be the first Housing Revenue Bond funds for Rutland County.

Rutland Housing Authority will transfer the land to Housing Vermont at no charge. The developers installed the infrastructure for these homes (sewer and water, storm water and electric service) in a prior phase of the rental development. The low acquisition price and installed infrastructure create a cost-effective opportunity for building new homeownership units. In order to reach an affordable price for a broad range of income levels, the homes will require considerable subsidy.

Kathy Beyer from Housing Vermont and Ludy Biddle from NeighborWorks of Western Vermont presented the project. Ariane Kissam passed out a corrected budget to board members. Kathy described the wonderful neighborhood that has been created over the three phases of this project. Ludy explained that NeighborWorks of Western Vermont operates a homeownership center in the city. Home values in Rutland have gone down and the city is concerned about this trend. These projects really help the neighborhoods around them and the city of Rutland as a whole. Homeownership classes will be held at Hickory Street site. Tom asked about income levels and the HRA bond money and Kathy explained this funding could help a project like this be done. David asked if there are any other lots and she said that the last lot would be left as open space. There was

a discussion of size and design of the homes. There was a brief discussion of the shared equity program.

**Seasonal Shelter, Brattleboro – Groundworks
2019-074-001**

Groundworks Collaborative seeks \$200,000 in VHCB funds and \$125,000 in HRB funds to develop a combined drop-in center and overflow shelter for homeless persons in Brattleboro. Up to 34 shelter beds will be provided on an as-needed seasonal basis (about six cold weather months). A new 5,500 sf facility will be constructed at 54 South Main Street and combined with an existing historic building at 60 South Main Street for the project. The new building is designed as a multi-purpose facility operating as a drop-in center/day shelter during the day and then converted to an overnight shelter each evening. Programmatically, the project will serve as the focal point of a coordinated entry system for homeless persons to obtain the most appropriate services and housing in the Brattleboro area.

Joshua Davis and Jonah Mossberg from Groundworks Collaborative and Connie Snow, serving as a consultant, presented the project. Josh explained that the shelter beds have informed the design of the project. He also gave a fundraising update. They have received a VCDP grant of \$400,000 and additional \$860,000 pledged by donors. They have an overall fundraising goal of \$2 million.

They would like to start construction in the fall. They have received all of their local permit approvals for the development. A state water/wastewater permit will need to be obtained but no issues are anticipated because the project will be connected to the municipal system. Martha spoke about her agency's commitment to fund the work Groundworks is doing over the next several years. Josh explained that they are reaching out throughout the state to learn from other organizations' experiences. Allyson asked about the services and how they fit into the project and Josh explained that this project would bring their existing services under one roof.

**Orr, Orwell – Vermont Land Trust
2017-093-001**

Vermont Land Trust is requesting \$389,000 for this project. This project would be funded in part by NRCS Regional Conservation Partnership Program (RCPP) funds, which are targeted to farms in the Champlain Valley with strong water quality protections. The family would like to sell development rights in order to pay down the remaining debt so that the farm can be rented at a reasonable rental rate to Bill and Elizabeth's daughter Rachel, who has been working with FSA and Farm Credit to develop a viable farm business plan. The long-term plan is for Rachel to own the farm. Selling development rights is essential to fulfillment of this plan.

Al Karnatz from Vermont Land Trust and Rachel Orr presented the project. Rachel talked about the farm and their plans to continue to raise grass fed beef. Al explained that the family has implemented numerous NRCS conservation practices and have put 20 acres into the Conservation Reserve Enhancement Program (CREP) (not all on the project parcel). There is also a forest management plan in place.

Emily asked about the exclusion and Ethan noted that the parcel, located along Rt. 73, has public sewer and keeps land available for future development. Marie asked about the riparian buffer. Staff confirmed that the buffer go above what is required by the RAPs and will make permanent the CREP conservation buffer.

**Douglas Orchard, Shoreham – Vermont Land Trust
2018-034-001**

Vermont Land Trust is requesting \$394,000 for this project. This iconic and impeccably managed Shoreham farm has been in the Douglas family for four generations. Primarily an apple orchard, the Douglases also grow raspberries, strawberries, pears, and cherries. They offer pick-your-own fruit; they press cider on premises; and have a retail roadside market. The remainder of their production is wholesaled.

The two principal operators are brothers Scott and Bob Douglas and they have started to scale back and plan for the future. Before they retire completely, the Douglases want to protect their valuable agricultural resource from development, particularly since they have devoted their working lives to making it a showplace of successful agriculture.

Al Karnatz from Vermont Land Trust and Scott Douglas presented the project. Scott briefly talked about their plans for the future. This season they will operate as usual and in the next few years, they hope to sell to Champlain Orchard and conserving the property is an important factor. Tom thanked the staff from their good work on the memos, he felt like he had been to the orchard while reading about the project.

**Brownsville (Story) Forest, Stowe – Stowe Land Trust
2019-075-001**

Stowe Land Trust is requesting \$300,000 for this project. They are seeking to acquire and protect 750 acres of productive forestland on the west flanks of the Worcester Range. SLT would purchase the property and transfer to the Vermont Department of Forests, Parks and Recreation. The interior of the property contains almost two miles of Class IV roads, several miles of trails, connects to a VAST trail and provides access to thousands of acres of neighboring state land. The property can be accessed from the ends of two town-maintained roads and is minutes from Stowe Village. More than 3 miles of surface water forming the headwaters of Moss Glen Brook drain from the property into the Winooski River and Lake Champlain.

A \$5 million anonymous donation made through the Vermont Community Foundation is covering 90% of the project's cost. In an area with high development pressure and a local economy driven by tourism, retaining scenic lands and protecting high quality outdoor recreation opportunities is vital to the Stowe economy.

Kristin Sharpless from Stowe Land Trust presented the project. The Story property is part of a scenic and well-known view shed of the Worcester Range as seen from Route 100 and many places in Morrisville and Stowe, as well as from Mt. Mansfield and there are views from the property of the

Worcester range, Sterling range and Mt. Mansfield. The property is under contract and will be closing at the end of July. Morrisville community is also supportive of the project.

She gave an update on fundraising reporting that over \$650,000 has been raised in addition to the \$5 million. They hope to address stewardship needs as well with the fundraising goals. David asked about the privately owned block that will be surrounded by this property. Kristin said that they are working with the owners of that parcel and it may become a future conservation project. Martin Hahn brought up the collaboration between Stowe Land Trust and Lamoille Housing Partnership looking to address affordable housing options in this region.

Public Comment

There was no public comment.

Lunch

Director's Report

Gus had several updates to his written report to the Board. He informed the Board that VHCB will receive another year of National Housing Trust Fund money. There will also be increased funding from NRCS but that money will require matching state funds. He thanked Billy Coster for his contributions to the water quality discussions with ANR. These conversations will continue this summer. There was an excellent gathering of dairy farmers in Jay addressing the economic challenges they face. The struggles the industry are facing do have a profound effect on rural communities. Marie was also impressed with the event and talked about how hard these farmers are willing to work to protect the state's agricultural resources. There are creative solutions being considered.

Jen updated the board on legislative issues. As anticipated, Act 250 legislation will be a two-year project. The Senate version of the budget included \$500,000 for legacy conservation projects to the budget. If this money is appropriated several of the projects seen this morning may be back for additional funding. The legislative is trying to wrap up the session by May 18th.

Gus introduced Jessica Ettinger, the new temporary program data assistant, to the board. Billy asked about the small land trust meeting and Karen explained that it was a great meeting. These smaller groups are looking at how they can collaborate and perhaps even share services. There was a short discussion about the needs of these organizations and how we can and do help.

Financials

Anne presented her financial report. She reported that we are projecting at least a \$300,000 surplus in the current fiscal year's budget. Staff is looking at this surplus and will have recommendations for the Finance Committee. The Finance Committee is meeting at the end of May. There were no questions about the financials included in the board packet.

IT Report

Marcy Christian reported that Version 1 of the database is slowly coming to an end. As Gus mentioned, Jessica Ettinger has been hired to work as a data assistant for the next four months addressing missing gaps of information in the database. She has been working with staff and will be reaching out to our partners to gather the needed information. The VHCB staff Tech Team continue

to work on potential needs for Version 2 and will be sending out a survey to staff about their overall satisfaction with our technology changes over the past few years.

Minutes

Billy moved approval of the minutes from the March 15, 2019 meeting. Kate seconded the motion. There was no discussion. All voted in favor. Marie & Martha abstained since they did not attend the meeting.

Consent Agenda

David made the motion to approve the Consent Agenda. Martha seconded the motion. Anne noted that there was a correction in Rich/Lyman-Clark resolution to update the fiscal year to FY20 in Special Condition # 1. All voted in favor of the motion.

The Consent Agenda consisted of:

- 1) Vergennes Community Housing, Vergennes (ACCT & HV) (2018-064-001)
- 2) Johns River Apartments supplemental award, Derby (RE) (2018-070-001)
- 3) Woolson Block supplemental award, Springfield (SHA/HV) (2017-062-001)
- 4) Chaput Family Farm IV, Newport (VLT) (2018-084-001)
- 5) Rich/Lyman-Clark, Huntington (VLT) (2018-037-001)
- 6) Stickney Farm supplemental award, Rockingham (VLT) (2016-040-001)
- 7) High Meadows Land Bank Fund loan renewal (2011-067-000)
- 8) Decommittments

Policy Matters

Marie brought up the exemption of ag farm wetlands oversight. There was a discussion of the Ag Agency and ANR issues over water quality. There will be ongoing discussions about this issue and Billy felt positive about their resolution.

Martha brought up the issue of motel use for emergency housing for the homeless during cold-weather months. Department of Human Services is continuing to spend more than is appropriated on this budget item. The Brattleboro shelter model is exciting and she hopes that statewide partners continue to look at these issues. There was a discussion about the point in time counts with the homeless. Gus emphasized that AHS, through its Office of Economic Opportunity, has advised that the most important thing VHCB can do is create permanent housing.

Deliberations:

New Avenue	2018-022-002
Governor Prouty Apartments	2019-080-001

David made a motion to approve the New Avenue and Governor Prouty Apartments resolutions as a block. Maura seconded the motion. All voted in favor of the project.

Okemo Wildlife Corridor

2019-076-001

Kate made a motion to approve the resolution for Okemo Wildlife Corridor. Stephanie seconded the motion. Maura asked why the funding amounts were lowered for the conservation projects and Karen explained that there is a very strong pipeline and more projects coming to the June meeting. Some of these projects may come back to the board in June if the Legacy money remains in the Legislature’s budget. Staff felt comfortable with the amounts. There was a brief discussion about the home sale. David expressed his hope that it could be removed. All voted in favor of the motion. Billy abstained from the vote since ANR is purchasing the property.

Glebe Mountain

2019-045-001

David made the motion to approve the resolution for Glebe Mountain. Stephanie seconded the motion. There was a correction to Special Condition #8:

Glebe Mountain - Special Condition #8

- 8. Prior to disbursement, TNC shall verify a VAST trail on the property shall remain open for public use.

All in favor in of the motion. Billy abstained from the vote since ANR may be purchasing the property in the future.

Hickory Street Homeownership

2008-071-000

Martha made motion to approve the Hickory Street Homeownership resolution. Billy seconded the motion. Allyson had questions about the level of subsidy in the homes. She also had questions about the income range that is being targeted. Maura wondered if this project is of less importance than repairing distressed homes in the neighborhood. After a brief discussion, Gus suggested that the questions raised could be addressed in the next month and the project could come back in June. Maura made a motion to table the discussion and defer the project. Allyson seconded the new motion. Eight members of the board voted in favor of the motion. There was one nay vote.

Seasonal Shelter

2019-074-001

Maura made the motion to approve the Seasonal Shelter resolution. Allyson seconded the motion. Rick pointed out a change in the original resolution that was mailed to the board. It is correct in the package they received at the meeting. There was a brief discussion about similar projects we have done in the past. All voted in favor. Tom Yahn abstained from the vote because his wife is on the board of Groundworks.

Orr

2017-093-001

Douglas Orchards

2018-034-001

Billy made a motion to approve the Orr Farm and Douglas Orchards resolutions as a block. David seconded the motion. All voted in favor of the motion.

Brownsville (Story) Forest

2019-075-001

Stephanie made a motion to approve the Brownsville Forest resolution. Kate seconded the motion. All favored of the motion. Billy abstained from the vote since ANR is purchasing the property

Other business:

There was no other business.

David made the motion to adjourn. Maura seconded the motion. All voted in favor of the motion.

Meeting adjourned at 2:25 pm.

Respectfully submitted,
Marcy Christian