

Draft

**Vermont Housing & Conservation Board
MINUTES
Friday, January 24, 2020
Central Vermont Chamber of Commerce
22 Stewart Road
Berlin Corners, VT**

Board Members: David Marvin, Neil Mickenberg, Emily Wadhams, Maura Collins, Billy Coster (designee of Julie Moore; Secretary of ANR), Diane Bothfeld (designee of Anson Tebbetts, Secretary of VAAF), Kate McCarthy, Alison Harte (designee of Mike Smith; Secretary of AHS); Marie Audit

VHCB Staff: Gus Seelig, Elizabeth Egan, Anne Duffy, Marcy Christian, Martin Hahn, Karen Freeman, Ethan Parke, Beth Schwarz, Craig Peltier, Jenny Hyslop, Leah Sare, Larry Mires, Beth Schwartz, Gretchen Rittenhouse, Rick DeAngelis, Ariane Kissam, Jen Hollar, Kathleen Kanz, Ela Chapin

Others Present: Kathy Beyer (Housing Vermont); Amy Demetrowitz (Champlain Housing Trust); Michael Curtis, Keith Grier (Washington County Mental Health Services); Aaron Frank (Colchester Town Manager) Sarah Haad (Colchester Town Planner); Robin Jefford (S.D. Ireland); Peter Paggi, Elizabeth Bridgewater (Windham & Windsor Housing Trust);

Neil Mickenberg called the meeting to order at 10:35 am. He welcomed everyone to the meeting from around the state.

PROJECT PRESENTATIONS

**90 Barre Street, Montpelier – Washington County Mental Health Services
1993-032-002**

Washington County Mental Health has requested \$158,400 in VHCB funds. Michael Curtis and Keith Grier from Washington County Mental Health presented the project. Michael explained that 90 Barre Street is a four-unit existing property in Washington County Mental Health’s portfolio. The building has been utilized as special needs housing for more than 25 years, originally serving at risk youth then transitioning to housing specifically for clients of WCMH. Now one of the four units is being used to serve WCMH clients with the remaining three-units being master leased through the Good Samaritan Haven, Central Vermont’s homeless shelter, to serve as transitional housing units for their clients so that they can make progress towards realizing their permanent housing goals.

WCMH is working with Another Way to redevelop two other properties, including Another Way’s site, in Montpelier in addition to 90 Barre Street. The combined project allows the organizations to achieve economy of scale by combining the rehabilitation of all three properties at once. The two other properties have different funding sources available to them and so do not need to come to VHCB for any funding.

Diane Bothfeld asked about the status of the environmental review and Michael explained that asbestos testing does need to be completed. The Environmental Review release is anticipated in February. Neil asked about the proposed rent increase. Rick DeAngelis explained that WCMH recently renegotiated the rent increase for the units under the master lease with Good Samaritan Haven. Neil also wondered what would happen to the building if WCMH decided to end their involvement with housing in the future. Elizabeth Egan explained that VHCB holds a covenant on the property and they would have to have to come to us with any changes to income restrictions or use of the building. Michael indicated that the WCMH board affirmed their mission-based interest in owning the property. There was a brief discussion about the rehab needs of the building over the next 20 years and Michael explained that a CNA had been done and they feel confident in the proposed scope of work.

Stuart Avenue Apartments, Colchester – Champlain Housing Trust & Housing Vermont 2020-048-001

Champlain Housing Trust and Housing Vermont have requested Housing for All Revenue Bond (HRB) funds of up to \$1,720,000 and up to \$500,000 in HOME funds. Kathy Beyer from Housing Vermont, Amy Demetrowitz from Champlain Housing Trust, Aaron Frank the Colchester Town Manager, Sarah Haad the Colchester Town Planner, and Robin Jefford from S.D. Ireland presented the project.

Aaron introduced the project and explained the high need for affordable housing in Colchester and Chittenden County. He explained that Colchester’s designated New Town Center and Growth Center are located in the four quadrants at the intersection of VT Route 2 & VT Route 127 (Severance/Blakely Roads). Stuart Avenue Apartments will be located in the next quadrant to be developed (“Sunderland Farms”) and will be the first affordable housing built in the town’s designated centers. Colchester has made substantial investments in this area by purchasing sewer capacity from South Burlington and improving water capacity as well. Limited transit service has been added. The Vermont Agency of Transportation is planning improvements to the intersection separating the four quadrants in 2023, which will improve the walkability of the neighborhood.

Amy explained that the project will be a mixed-income building with 6 apartments set aside for households experiencing homelessness, 3 apartments for households under 80%, and 9 set aside as “market rate.” Two units will be fully ADA compliant and one will include audio-visual accessibility. Robin from SD Ireland spoke about their involvement and Kathy thanked SD Ireland for the opportunity to collaborate on this project. Kathy expressed that it is a great site close to nature and trails. The project could be under construction in 2020.

Alison asked about the income restrictions and the units for the homeless. Amy explained that they will work with Burlington Housing Authority to fill these units through the coordinated entry system. There was a discussion about Green Mountain Transit and Colchester’s current contract with them. Aaron explained that they have a 10-year contract and don’t have plans to change this arrangement at this time. There was a concern about the walkability on the site and then a long discussion about transportation and access to the project for households without a car.

Bellows Falls Garage, Bellows Falls – Windham & Windsor Housing Trust

2020-051-001

Windham & Windsor Housing Trust has requested \$1,292,061 in Housing Revenue Bond (HRB) Funds, \$799,900 in Housing Trust Funds (HTF) and \$555,000 in HOME funds. Staff is recommending awards of \$562,711 in VHCB, \$1,144,916.57 in HRB, and \$540,000 in HOME. Staff also expects to recommend \$399,333 in HTF FFY20 at a future meeting once VHCB receives an allocation of Housing Trust Funds.

Elizabeth Bridgewater and Peter Paggi from Windham & Windsor Housing Trust (WWHT) presented the project. Elizabeth explained that they have been actively searching for development opportunities in Bellows Falls for several years. They propose to renovate a former auto sales/repair and parking facility, known as the Bellows Falls Garage, into twenty-six apartments and a small commercial space. The garage stands at the northern entrance of the downtown of Bellows Falls, near the corner of Rockingham and Canal Street. This project will address the need for new and smaller units in Bellows Falls.

Peter explained that this project will upgrade a key building in downtown Bellows Falls that is in disrepair and underutilized. The new housing will be located close to major amenities in downtown Bellows Falls and is within walking distance of the train station, bus stops, social services and basic shopping needs. The building will also have a community room, which will include a kitchen, as well as a small commercial space and a rooftop deck. The site should be fully permitted by May and has strong community support,

David asked about cost reductions relating to energy efficiency. He was concerned about these changes with climate change issues so important right now. Craig explained that this building is still a very high-energy performance building. Peter did say that once bids are in there might be an opportunity to add back in the solar PV or the triple-pane windows. There was a brief discussion about parking and Elizabeth explained that there were several options available including WWHT purchasing a neighboring lot.

Strategic Indicators for Monitoring Organizational Strength

Jenny Hyslop presented her work in the NeighborWorks' Achieving Excellence program over the last year on streamlining VHCB's capacity functions (organizational grants, technical assistance, and monitoring), with the goals of: identifying troubled organizations earlier, intervening sooner and more effectively, and reducing duplication across VHCB internal systems in the process. Through this work, staff were able to get a better sense of what they considered important measures for organizational success. They were able to create a list of "hard measures" to help staff ask better questions in the underwriting process. They have also begun to use the organizational grants underwriting process as the place to identify technical assistance and stewardship needs for the upcoming year. There was strong board support for this approach to monitoring strength.

Lunch

Consent Agenda

Emily made the motion to approve the Consent Agenda. Kate seconded the motion. All voted in favor of the motion. Billy left at lunch.

The Consent Agenda consisted of:

- 1) Swanton School, Swanton (CHT)(1999-097-002)
- 2) Rutland PSH Decolmitment (2019-084-001)
- 3) Village Center Apartments, Morrisville (LHP) (2020-030-001)
- 4) ACCT MHP Project Capacity (ACCT)(2020-053-001)
- 5) Authorization for VFFVP to apply for Working Lands Enterprise Board funds

Director's Report

Gus had several updates to his written report to the Board. He reported that the legislative session has gotten off to a fast start and is working on several issues that involve VHCB. He mentioned the ANR Report on Water Quality and Conservation and his appreciation that ANR reached out to get input from the conservation organizations around the state. There will be more discussions about this issue in the months to come. Jen added that the Senate Economic Development Housing & General Affairs Committee is also considering comprehensive legislation involves planning, zoning, parking requirements, changes to Act 250, along with the need for another housing bond. The Treasurer has opposed another housing bond and has recently released her recommendations for creating 1,000 affordable housing units to our normal production over the next five years. Her report recommends funding VHCB at its statutory level.

Gus reported that he and Jen have had great meetings with both the Senate & House Appropriations Chairs and anticipate presenting to the committees in February. There is great deal of good will for our work overall but there are many important and worthy causes in front of the policy makers this session.

Finally, he talked about the work that Rick DeAngelis at VHCB. Rick will depart VHCB in March after 26 years to become the Executive Director of Good Samaritan Haven in Barre. He spoke about Rick's commitment to housing throughout his career. He will be missed at VHCB, but his decision to end his career working at Good Samaritan will continue to help the most vulnerable among us.

Financials/IT Report

Anne presented the financial statements for the six months ending December 31, 2019. She reported that the 2020 budget is on target for the fiscal year with projected revenues and non-project expenses. The operating budget is also in a good place at six months into the fiscal year. She also noted that if the two housing projects, which are potentially funded with HRB funds, are approved at this board meeting that all of the HRB money will be fully committed.

Marcy gave a brief technology update. She reported that with the legislative session in full swing staff are getting plenty of data requests that are helping to fine-tune our reports. Rick DeAngelis, in one of his final projects on staff, is reviewing our entire portfolio of housing units to make sure that the data is up-to-date. Rick was one of the original members of our Technology Team and the team will miss both his institutional knowledge and wise council as they move forward. Lastly, we plan to conduct a staff survey about technology use and database satisfaction in February and hope the results will inform plans to more specialized trainings and to get ideas for Version 2 work.

Minutes

Alison moved approval of the minutes from the December 12, 2019 meeting. Diane seconded the motion. There was no discussion. All voted in favor. Marie and Maura were not here.

Public Comment

There was no public comment.

Policy Issues

David brought up an issue of one of the projects OPAV project that ended up not coming to the January board meeting. He would like to plan a time to talk about the issue of farm transfers and farmer retirements. Marie talked about the Vermont Agency of Agriculture's report "Plan to Stabilize and Revitalize the Vermont Agricultural Industry" that was just released in the past week. Nick Richardson from VLT will come to a future board meeting to talk about farmland access. The issue of amendments to conservation easements also needs to be addressed at some point.

Emily brought up the board's involvement historic preservation. Karen and Emily will be meeting with the Division of Historic Preservation. They hope this meeting will be a brainstorming session to look at where the gaps are now and who needs to be involved in the discussion.

Maura asked for board training the project scoring. Several board members thought that more clarification would be helpful.

Deliberations:

Housing Projects

90 Barre Street, Montpelier

1993-032-002

Bellows Falls Garage, Bellows Falls

2020-051-001

Emily made a motion to approve 90 Barre Street and the Bellows Falls Garage as a block. Maura seconded the motion. David asked about increased funding for energy efficiencies and staff will confirm that solar panels and triple-glazed windows are in the construction bid package as alternates. All voted in favor of the motion.

Stuart Avenue Apartments, Colchester

2020-048-001

Diane made a motion to approve the project. David seconded the motion. There was a long discussion about the project. Concerns about site walkability, the intersection improvements, transit availability, and the overall site design were discussed, as well as, acknowledging a strong need for housing in Chittenden County. Kate indicated the site plan did not meet best practices for smart growth. Maura suggested perhaps the project should wait until next year and might improve. Kate responded that she didn't think the project would change if delayed. The majority of the board felt that the pros outweighed the cons. Neil proposed some modifications to the conditions. Diane made an amendment to her motion to include the following modifications to the conditions and David seconded the amended motion. Six board members voted in favor of the project. Kate voted nay and Maura abstained.

Stuart Avenue Apartments HRB Special Conditions Modifications:

2. Prior to closing, Developers will submit to VHCB a copy of the partnership agreement. VHCB will review the terms of the agreement, including, but not limited, to the waterfall provision, to ensure that an appropriate threshold of reserves is maintained (including at minimum a 12 months operating reserve) prior to any disbursements
3. Prior to closing, Developers shall report to VHCB's staff satisfaction on efforts to develop homeownership opportunities, shared equity as well as market rate homeownership, in partnership with Ireland Industries in future phases of development in Colchester's Growth Center.
5. Prior to closing, Developers shall provide VHCB with a letter from Ireland Industries, Inc. estimating on a three year and a ten year horizon, how many homes they will develop in the growth center in this or future phases: (1) in total and (2) that will be affordable to households earning less than 80% and those between 80%-120% of the area median income. Developers shall report to VHCB's staff satisfaction only those units which can be reasonably estimated, and that are developed as a direct result of VHCB's investment in the project.
6. Prior to closing, Developers shall report to VHCB's staff satisfaction:
 - A. On their work with the Town of Colchester to increase the frequency of Green Mountain Transit's service to the New Town Center and Growth Center so that residents of affordable apartments and condominiums have effective alternatives to utilizing a car; and
 - B. On their work to provide or arrange alternative means of transportation pending satisfactory completion of sufficient transportation options as provided in clause "A" of this special condition.
7. Prior to closing, Developers shall report to VHCB's staff satisfaction on their work with Ireland Industries to investigate the possibility of developing a transit center (something more than a bus stop/ shelter) in the designated Growth Center.

Other business:

Kate will be back at the May board meeting. Her baby is due in March so she is anticipating that she will miss the March meeting.

The meeting adjourned at 2:38.

Respectfully submitted,
Marcy Christian