

Draft

Vermont Housing & Conservation Board

MINUTES

Friday, May 7, 2021

ZOOM Conference Call

9:00 am

Board Members: Neil Mickenberg, David Marvin, Emily Wadhams, Maura Collins, (VHFA), Billy Coster (designee of ANR), Diane Bothfield (designee of VAAF), Marie Audet, Kate McCarthy, Alison Harte (designee of AHS); Clarence Davis, Ann Fielding (All Board Members called/zoomed in)

VHCB Staff: Gus Seelig, Jen Hollar, Jenny Hyslop, Elizabeth Egan, Anne Duffy, Marcy Christian, Leah Sare, Craig Peltier, Erin Riley, Larry Mires, Stacy Cibula, Bill Dell’Isola, Ethan Parke, Karen Freeman, Beth Schwarz, Ian Jakus, Brenda Riddle, Gretchen Rittenhouse, Ron Rupp

Others Present: Al Karnatz, Tracy Zschau (Vermont Land Trust); Elise Shanbacker (Addison County Community Trust); Samantha Dunn (Evernorth); Brian Pine and Liz Curry (East Calais Community Trust); Julia Curry (Cooperative Development Institute); Isaac Wagner (Consultant); Lisa Hodgkins, Sandy Jarvis (St. George Community Cooperative board members) Hank Dimuzio (LedgeEnd Farm)

Chair Neil Mickenberg called the meeting to order at 9:05 a.m. He welcomed everyone to the meeting. He introduced Ann Fielding, a new board member, succeeding her husband Tom Yahn who passed away last month. He also introduced Clarence Davis as a new board member as well. They each spoke briefly about their backgrounds and connections to VHCB’s work.

Public Comment

There was no public comment.

Project Presentations

Dimuzio III, Middlebury – Vermont Land Trust

2018-033-003

Vermont Land Trust is requesting up to \$508,000 in VHCB funding. Stacy Cibula and Al Karnatz from VLT presented the project to the board. They introduced Hank Dimuzio the owner of the property. Stacy explained that Dimuzio III (LedgeEnd Farm) is a 141.86-acre fallow deer farm in Middlebury that is owned by Hank Dimuzio and Rhonda Roberts. This is the second phase of a two-phase project. In 2020, with funding support from VHCB, VLT conserved 132 acres on the west side of Munger Street. This project focuses on the remaining land – the fields and woods on the east side of the road.

Hank explained that LedgeEnd is one of only four deer farms in the state and is the only one raising fallow deer, which are a European species. He and his wife run the operation themselves. They have the largest deer farm in the state with close to 500 animals. In a typical month, they send 5 to 10 animals to slaughter. They sell their venison at a number of local and regional stores and restaurants, including the Middlebury Co-op and the Healthy Living Market and Cafe in Burlington.

Al explained that this is a stunning property with wonderful views and is in the Lake Champlain Basin watershed. There will be a 50-foot riparian buffer along an unnamed stream on the property as well as approximately 12 acres of wetlands that will be subject to an ecological protection zone. He also explained that Hank and Rhonda have also agreed to a bargain sale of \$80,000. Lastly, the Middlebury Select board has pledged \$25,000 from their conservation fund to conserve the property.

Hank brought up their wish to have language that would prevent the west side property (conserved in 2020) from being severed from the new land to be conserved. They want to see the land remain intact as one farm unit. Hank shared that he felt keeping the land together is what is needed to ensure the farm can continue as a deer operation, or a similar-scale livestock operation. Neil asked about whether they have the only deer farm in the state and Hank explained that there are several elk farms but that their farm is unique. Neil also asked about the market for venison and Hank explained that all of their sales are currently within the state of Vermont.

**East Calais General Store, East Calais – East Calais Community Trust Incorporated
(2021-097-001 – 2021-097-002 – 2021-097-003)**

East Calais Community Trust Incorporated (ECCT) and the Preservation Trust of Vermont are requesting a total of \$77,500 for historic rehabilitation (\$70,000) and stewardship (\$7,500 to PTV), as well as, \$110,000 in acquisition and renovation funding to rehabilitate three existing apartments. Bill Dell’Isola explained that this is a dual goal project, VHCB’s highest statutory priority, with VHCB historic, housing, lead, and viability funds contributing to the restoration/revival of the East Calais General Store (ECGS), including three apartments above the store.

Bill presented the historic/conservation aspects of the project. ECCT applied to VHCB for historic preservation funds in January 2021 seeking construction costs for the building’s restoration. Before ECCT applied for historic preservation funding, they were awarded VHCB REDI and feasibility funding to support project development. In addition, ECCT has begun the process of enrolling in the VHCB Lead program, and they are currently developing a scope of work for the project.

Upon review of the project, a valuable affordable housing project opportunity was presented, and ECCT applied for VHCB housing funding as well. Ian Jakus presented the housing side of the project explaining that ECCT has requested \$110,000 in VHCB Housing Trust funds to restrict two of the three apartments. He introduced Denise Wheeler from the ECCT board and Brian Pine and Liz Curry who are providing consulting support to the project. Brian explained that the funds would be used to rehab the three existing apartments that have long served the community as naturally occurring affordable housing. The purchase of the building is intended to improve housing quality, habitability and energy efficiency. Brian and Liz did a brief power point presentation about the project and its history. They explained that there has already been a great deal of environmental

work on the site. In addition, the project will include some public space with free Wi-Fi. The Everyone Eats program has been running out of the building for the past several months and has been serving as an informal community center.

Emily asked about the potential for the store operator to live on site. Brian explained that they have started a search for this person but it is difficult to find someone without knowing the opening date of the store. Maura had several questions about the budget. She wondered whether the potential lead hazard funding is included in the project budget. Gus explained that award will be made independently and is not included. She also wondered who would manage the housing units and Liz said they plan to work with a housing rental management company in the area.

Neil asked Brian about the difficulties of searching for a store manager. Brian explained that he is cautiously optimistic that they will find the right person. They are working with the VT Retail Grocers Association and they have had interest already. Neil asked about the ownership structure of the store and Brian explained that they are looking for them to have a long-term lease. Both Alison and Kate expressed their strong support of this project. Kate wondered about the development fees and the replacement reserves. Liz and Brian clarified that the development fees included consulting fees as well.

Lindale Mobile Home Park, Middlebury – Addison County Community Trust 2005-010-002

Addison County Community Trust is requesting up to \$500,000 in VHCB funds. Leah Sare presented the project. She introduced Elise Shanbacker from ACCT and Isaac Wagner, a consultant working on the project. Lindale Mobile Home Park, located in Middlebury, is a 67-lot mobile home community owned and operated by ACCT. Leah explained that ACCT purchased the park at the request of the residents under Act 252 in 2004. Board members will remember that the other eight parks owned by ACCT were consolidated under one mortgage into a portfolio at the January board meeting. Lindale was not included in that group as it was in the process of applying to USDA Rural Development for funding through their Water and Wastewater Grant/Loan Program and the rules for this program would not allow Lindale to be included in a portfolio wide refinance.

Elise explained that Lindale is an important part of Middlebury's affordable housing stock and is fully occupied and connected to municipal water with the town of Middlebury. The park has operated well but is now facing a major challenge with its waste water system. The Town's sewer system does not extend to the park and each lot is served by either an individual or shared septic system. Many of the septic systems in the park are past the end of their useful life and as such, ACCT must pump the systems frequently - in some cases several times per month- to avoid surfacing effluent. This project will involve an overall refinance funding of the failing septic system. Elise said that their goal is to secure the funding and start work late winter/spring 2022.

Diane asked about the Act 250 permit process and Isaac explained that the project will require an ACT 250 permit. ACCT had not heard if the application would be a minor or major one however, they had received indications a minor application was the more likely outcome. He noted that with the goal of getting this project under construction for the 2022 construction season ACCT has completed the HUD National Environmental Policy Act review and received that clearance letter.

Additionally, the Preliminary Engineering Report and Alternatives Analysis has been submitted to, and approved by, the Agency of Natural Resources.

Billy asked about the bat survey noting that this project will require the elimination of bat habitat. Isaac explained that they are aware that they will only be able to log during certain times of the year. Elise pointed out that their current construction schedule of starting work early next year would accommodate that timing. Neil asked about whether they were confident on securing a loan from Rural Development. Elise explained that they are fairly confident and should hear shortly.

**Firehouse Apartments, Bristol – Addison County Community Trust & Evernorth
2021-109-001**

Addison County Community Trust and Evernorth are requesting for \$195,000 in Housing Revenue Bond (HRB) \$905,000 in VHCB Trust and \$520,000 in HOME funds. Erin Riley presented the project with Elise from ACCT and Samantha Dunn from Evernorth. Erin explained that ACCT and Evernorth are partnering to develop Firehouse Apartments, 20-units of new construction in the Town of Bristol. This endeavor is part of the 30-acre Stoney Hill site, a collaboration between the Town, private developers, and housing nonprofits to bring affordable housing and industry to the area. The Stoney Hill Master Plan includes the newly built Bristol Fire Station, the proposed Firehouse Apartments, a commercial business park, connections to the Bristol Trail Network, and extending sidewalks to Bristol's downtown.

The project will have a 16-unit building with a mix of one and two bedroom units and two duplex buildings with two and three bedroom units. The project will also include a management office, communal laundry, small community building, PV solar system, and greenspace to potentially incorporate community gardens and the integration of adjacent trails. Firehouse Apartments will be mixed-income housing with a range of income levels, from below 50% of median and including three units targeted to households earning up to 120% of median income. There are four units to be set aside for those who have experienced homelessness. She explained that this project brings together the town and a private developer for common goals. They have just met with the Select board and the town has agreed to transfer additional town land to the project which will enable the project to achieve the proposed density. They are in the process of bringing on the construction manager and may be able to start construction by the end of this year. Elise explained that Bristol community has been underserved for affordable housing and that ACCT has a long waiting list for housing in the region overall. Clarence asked about noise concerns and air quality concerns in relation to the fire department. Samantha explained that the environmental review will address these issues but she didn't anticipate major concerns with either issue. Alison expressed her appreciation for the project and was pleased to hear that there were four units designated for formerly homelessness and that they would be working with the John Graham Shelter and other service organizations in the region. Kate asked about future opportunity for growth with this project. She pointed out that the septic system limited the size of the project. Samantha said that zoning changes in the future could help. Sam said that they would follow up with the developer about future shared septic.

**St. George Mobile Home Park, St. George – St. George Community Cooperative, Inc.
2021-110-001**

St. George Community Cooperative is requesting \$258,500 in VHCB funds. Ariane Kissam presented the project with Julia Curry of the Cooperative Development Institute. Lisa Hodgkins and Sandy Jarvis, current residents and board members also attended the meeting. Ariane explained that St. George Mobile Home Park is an existing mobile home park located in the small town of St. George in southern Chittenden County. The residents formed a cooperative and purchased the Park in spring of 2020. The cooperative is now asking for VHCB funds to replace three failing septic systems in the Park, which they are viewing as Phase I of a redevelopment of the Park. She pointed out that it is likely that the board will see this Park requesting additional VHCB funds as part of a Phase II involving an infrastructure plan in two to three years.

Julia explained that the residents had first option to purchase the Park when it went up for sale. However, other buyers were interested in purchasing the Park that decreased the residents' leverage in negotiations. As a result, they purchased the Park with some assessment of the systems but not the detailed analysis that was needed. Three septic systems are failing earlier than the residents anticipated. They are seeking VHCB funds for this replacement now, and are starting the long-range planning for replacement and upgrades of other systems simultaneously. Julia explained that there have been few vacancies in the Park and it is an important source of affordable housing for Chittenden County.

VHCB Scoring Overview

Jenny Hyslop and Karen Freeman presented a project scoring overview. Jenny explained that the purpose of this discussion was to describe the basis for the scores assigned to project applications and included in funding recommendations to the Board. Eligible activities and priorities for the allocation of resources are set in VHCB's authorizing statute. These are further refined by the scoring system established in the administrative rule adopted to implement the statute. Projects are scored based on staff evaluation of the need, impact and quality of the proposed activities. While the scoring system has some limitations, it serves the Board and public well by providing a clear basis for assessing a wide range of project types against multiple priorities.

Jenny explained that all the projects presented at this board meeting had scored well and reviewed a few housing projects and their scoring this round. Karen discussed the Need-Impact-Quality scoring analysis in more depth using a couple of conservation projects to illustrate the process and considerations. She noted that the scoring system provides guideposts for assessing the comparative benefits of project applications in a given funding round. Emily asked about serving diverse populations and Jenny pointed out that there is a question about whom the project will impact. Neil asked who came up with the list of criteria and Gus explained that legislature started this process 30 years ago and staff with board input and approval then developed the administrative rule, which the legislature approved. Alison thanked the staff for taking the mystery out of the scoring and seconded Emily's interest in diversity. Maura also thanked the staff for this review and talked about the question of who will benefit the project. She appreciated the last page of information in the scoring package that listed the criterion that was weighted in project review. She wondered if this information could become more public to attract new partners. Transparency could help with diversity.

Consent Agenda

Emily made the motion to approve the Consent Agenda. Clarence seconded the motion. All voted in favor of the motion. Billy abstained on the ANR Long Range Management Plan item.

The Consent Agenda consisted of:

- 1) Laroche Dairy Farm OPAV, Highgate (VLT) (2021-095-001)
- 2) ANR Long Range Management Planning, (ANR) (2021-114-001)
- 3) Willows Mobile Home Park, Bennington (Shires) (1994-008-002)
- 4) Heineberg Loan Modification, Burlington (CSC) (1988-026-001)
- 5) Habitat Pool Recapitalization (1990-088-000)
- 6) Delegation of Authority to Apply for additional BFRDP Funds (Viability)

Roll Call

Maura Collins – yes

Billy Coster – yes except to abstain on the ANR award program item

David Marvin– yes

Emily Wadhams – yes

Neil Mickenberg – yes

Diane Bothfeld – yes

Kate McCarthy – yes -

Alison Harte – yes

Clarence Davis - yes

Ann Fielder- yes

Farm and Forest Viability Video

Mariah from the Farm and Forest Viability Program introduced the FFV Video. Board thanked the staff for the wonderful video.

Director's Report & Legislative Update

Gus gave an update to his staff report. It is very busy and interesting time for VHCB and government in general, as we move from a mode of scarcity of resources to one of let's get big things done. The Senate budget includes \$86,000,000 primarily targeted towards housing but there is an additional 10 million for conservation and viability work. The governor announced his plans for the ARPA funding recently after legislators had been developing their ideas for some time. There is \$10,000,000 made available for housing projects in this fiscal year from H.315. There is a lot of demand and need in the state and many opportunities. Housing organizations recently applied for this funding round with over \$35,000,000 in projects. The Federal government is moving more slowly, for example the guidance for HOME-ARP is not coming out until the fall. Some administrative challenges are created with all of the new funding and staff will be addressing how best put these resources to work quickly and well? Jen added the Legislature is currently planning for a May 22nd adjournment. Conservation issues have been quieter this year with Act 250 background work being done now for next year's session. Governor's plan for the ARPA money does touch many aspects of our work.

Gus provided an update on housing staff positions. Two positions are currently open with another anticipated in the next couple of weeks. The Finance team has added Brenda Riddle as an assistant controller. A survey about returning to the office has recently been completed by staff and a plan is

being created to have staff come back to the office with remote options. Gus explained that our partners will also need capacity support and staff will likely recommend a one-time investment to build capacity to meet the availability of resources.

Gus spoke of Tom Yahn and his tremendous commitment to our work. He will be missed by all. Neil expressed his belief that VHCB staff can meet the challenges related to this increase in funding. He wondered about the time constraints about spending these funds. Gus explained that we have at least three years to spend the ARPA funds. The projects that have recently submitted applications for the \$10,000,000 are proposing to be up and running by the end of the year. Neil wanted to make sure that there is high quality work with all of this funding. The process of review will be very important and it is important that our partners know our standards. Shovel worthy not shovel ready should be the standard when evaluating project funding. Kate mentioned that the Legislature may be thinking about creating a state planning office in the next legislature session.

David wondered about board capacity during this time and do they need to rethink some of the ways they work? Could the board make more use of the consent agenda? There was a brief discussion about the consent agenda. Maura asked about the balance between housing and conservation target numbers during this time. Gus was pleased that the legislature has proposed additional one time funding for conservation this year. There also may be a large two-year investment in Viability. Water quality work will be important as well. Jen pointed out that the large increase in housing now can help the balance of our regular funding. Billy mentioned that there might be more money for economic outdoor recreation projects as well. Neil came back to David's point – how will the board work during this time? There may need to be more meetings during this time. Gus also pointed out that the infrastructure plan may also happen and more money may be available with that bill so we may see significant resources for the next four years. Emily brought up the issue of historic barns and hope that there is a way to help farms preserve them. There was also a discussion about housing work being tied to services. There will be more vouchers available.

Minutes

Billy moved approval of the minutes of the March 26, 2021 Board Meeting. David seconded the motion. There was no discussion. All voted in favor of the motion. Kate McCarthy and Ann Fielder abstained from the vote.

Roll Call:

Neil Mickenberg - Yes

Emily Wadhams - Yes

Maura Collins - Yes

Billy Coster - Yes

David Marvin - Yes

Diane Bothfeld – Yes

Alison Harte – Yes

Kate McCarthy – abstained from the vote

Ann Fielder – abstained from the vote

Clarence Davis - yes

Finance Report:

Anne gave a brief update to the board. There was a change to the decommitment report. The Downstreet decommitment for \$100,000 has been reduced \$70,000 due to increased costs for the project. She introduced Brenda Riddle, the newest addition to the finance team, to the board. She is currently pulling together the 2022 budget to capture the many funds that may be coming VHCB's way. The Finance Committee will meet at the beginning of June to review the budget information and bring to the June Board meeting. She also mentioned the continued work of our tech team and the success of ongoing trainings for staff.

Policy Matters:

Neil brought up the Farm Worker Housing Report that John Ryan produced. Gus discussed that he would recommend that some of the one-time money to go towards this housing issue. They will need to find a partner within the housing community to work on this issue. The report is on the VHCB website. Diane said that the Ag Agency is on board for finding solutions to these complex issues.

Deliberations:

Projects

Projects

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| Dimuzio III | 2018-033-003 |
| East Calais General Store | 2021-097-001 & 2021-097-002 |
| East Calais General Store | 2021-097-003 |
| Lindale Mobile Home Park | 2005-010-002 |
| Firehouse Apartments | 2021-109-001 |
| St. George Community Cooperative | 2021-110-001 |

Alison made a motion to approve the above resolutions as a block. Maura seconded the motion. All voted in favor of the motion. Discussion. David was very excited the East Calais General Store Project. Ann was thrilled with the range and depth of these projects.

Roll Call

- Maura Collins– yes
- Billy Coster– yes
- David Marvin– yes abstain from the East Calais General Store project
- Emily Wadhams– yes abstain from the East Calais General Store project
- Neil Mickenberg – yes
- Diane Bothfeld – yes
- Ann Fielder - yes
- Alison Hart– yes
- Kate McCarthy- yes
- Clarence Davis – yes

Ann made the motion to approve the projects. Diane seconded. Emily and David abstained from the East Calais General Store project.

Roll Call

Maura Collins– yes

Billy Coster– yes

David Marvin– yes abstain from the East Calais General Store project

Emily Wadhams– yes abstain from the East Calais General Store project

Neil Mickenberg – yes

Diane Bothfeld – yes

Ann Fielder - yes

Alison Hart– yes

Kate McCarthy- yes

Clarence Davis – yes

Other Business

There was no other business.

The meeting adjourned at 12:00 pm.

Respectfully submitted,

Marcy Christian