

**May 2022**  
Vermont Housing and Conservation Board  
**PROJECT FEASIBILITY FUND**

The purpose of this fund is to provide applicants with a source of funding to cover predevelopment project costs as described below in order to answer the question “is the project feasible?”. Evaluation of feasibility fund requests is done by VHCB staff.

Amount of Award

Conservation applicants may request up to \$10,000 as a grant for a single project to cover feasibility related expenses. Housing applicants may request up to \$20,000 as a grant for a single project to cover feasibility related expenses and up to \$25,000 for scattered site projects containing more than two separate sites. Funds can only be used to compensate contracted services and shall not be used to compensate applicants for staff time.

Eligible Applicant

Housing applicants must be a community based 501(c)(3) nonprofit with an affordable housing mission and commitment to permanent affordability, or a municipality, or a cooperative. Conservation applicants must be a 501(c)(3) nonprofit with a natural area protection, agricultural, and or historic preservation mission, a municipality, or qualified state agency.

Guidelines for Disbursement of Project Feasibility Fund

The applicant shall submit to the VHCB staff a request briefly describing the resource and outlining the significance of the resource, a proposed budget and information on potential conservation or development strategies. The applicant shall provide a brief outline of the analysis and consultation needed to develop and evaluate the potential project. Applications for feasibility funds must be submitted prior to applications for project implementation funds in order to be considered for an award. Upon receipt of a request for funds, VHCB staff may, at its discretion, visit the site prior to consideration of the request. The applicant must show that:

1. the proposed project shall conform to local or regional plans;
2. some degree of site control must have been established and evidence of site control submitted at the time of application. Site control may be established through any one of the following:
  - a. purchase and sales agreement;
  - b. option to purchase;
  - c. right of first refusal;
  - d. letters of agreement between land owner and applicant stating that the property is not currently under any purchase and sales agreement and that the landowner will not convey property or execute a contract to convey the property for a period of at

least four months following the allocation of VHCB funds.

3. Applicants are encouraged to demonstrate how they will leverage VHCB feasibility grant resources with outside funding;
4. in any preliminary assessment of the site, the potential of providing a dual goal project shall be addressed;
5. preference will be given to projects that as described meet specific priorities associated with available funding resources.

In the case of natural area, outdoor recreation, and historic preservation projects:

6. applicants must demonstrate that the project will be consistent with the applicable conservation funding policy including the VHCB Funding Policy for Natural Areas, Public Outdoor Public Recreation, and Historic Preservation and all other relevant policies and guidelines;
7. attempts should be made to share the costs of the needed evaluations with the land owner or other interested parties. Leveraged projects shall be a higher priority.

In the case of farm projects:

8. support for farm project pre-development costs such as appraisal fees are typically facilitated through VHCB's farm pre-application process. Farm applicants should explore the project's eligibility for consideration as a farm pre-application with VHCB staff prior to applying for feasibility funds. Leveraged projects shall be a higher priority. If an applicant continues to pursue feasibility funds the following applies:
  - a. the proposed project must be consistent with the VHCB Funding Policy for the Conservation of Agricultural Land, and all other relevant VHCB agricultural funding polices and guidelines;
  - b. any site planning must be designed to minimize negative impact on the agricultural potential of the property;
  - c. wherever possible, any site planning and assessment shall be designed to ensure that farm housing be made available or maintained so that the farm operators and employees are ensured of adequate housing.

In the case of housing projects:

9. applicants must demonstrate that the project will be consistent with the VHCB Policy Position on Funding for Affordable Housing Projects

All VHCB funding policies and guidelines referenced in this document can be accessed via VHBC's website.

#### Process and Fiscal Limits

Once the VHCB staff has determined that the applicant has met the above guidelines, funds may be allocated for the following uses. Funds shall be used to compensate contracted services only and shall not be used to compensate applicant staff members.

1. appraisals - (up to \$5,000)
2. financial planning/evaluation
3. site design and land use planning
4. specialized studies approved by VHCB staff
5. percolation and other septic suitability tests
6. tests for toxic or hazardous wastes or other environmental analyses. The fund generally may not be used for Phase I environmental studies unless there is reason to believe that there are environmental contaminants on the site.
7. water quality tests
8. market studies
9. options or purchase and sales contracts, (up to \$5,000 per parcel. Exceptions can be made under unusual circumstances at the discretion of VHCB staff.)
10. energy analyses

#### Administrative/Reporting Requirements

The staff may allocate up to the amounts outlined above if the above guidelines are met. If the project proves feasible and a subsequent application for additional funds is submitted or if staff otherwise requests, the applicant shall supply the Vermont Housing and Conservation Board with a copy of all work completed with the use of these funds. In the event that the applicant decides to discontinue the project after initial feasibility projects have been completed with assistance of VHCB funds, applicant must submit a report of the results of the funded studies and reasons for discontinuance of the project.

If the applicant proceeds with the development of the project and applies to the Trust Fund for additional money, feasibility funds already expended shall be noted in the Project Development Budget and/or Sources and Uses Statement.