

Vermont Housing & Conservation Board

MINUTES

March 31, 2025

Zoom & In person at VHCB Conference Room, 58 East State Street, Montpelier, VT

Board Members: Kate McCarthy, Neil Mickenberg, David Marvin, Ryan Patch (designee for VAAFM), Amy Mynter, Billy Coster (designee for ANR) (All Board Members called/zoomed in)

VHCB Staff: Gus Seelig, Elizabeth Egan, Christopher Baning, Pollaidh Major, Bonnie Woodford, Annie Decker, Karen Freeman, Trey Martin, Stacy Cibula, Bill Dell'Isola, Holly McClintock, Isaac Bissell, Nathanael Johns, Rebecca Williams, Amy Erle

Others Present: Britt Haselton (Vermont Land Trust), Tyler Miller (Vermont Land Trust), Peg Merrens (Upper Valley Land Trust)

Chair Kate McCarthy called the meeting to order at 1:01 pm.

Public Comment

No public comment

Minutes

David Marvin made the motion to approve the Minutes from the December 20, 2024 board meeting. Neil Mickenberg seconded the motion. All voted in favor of the motion.

Roll Call

Neil Mickenberg - Yes

David Marvin – Yes

Ryan Patch – Yes

Amy Mynter – Yes

Billy Coster – Yes

Kate McCarthy – Yes

Proposal to increase Agricultural Stewardship Contribution - Isaac and Stacy

Stacy presented that this proposal is before the committee as there has been an increase in the costs of stewardship across the conservation sector and a recognition that it is crucial to fund it. Beyond agricultural stewardship, we are seeing the need to increase stewardship for natural areas projects as well. Stacy gave an overview of the proposal which recommends increasing the VHCB stewardship contribution for farm projects to \$18,000 per project over 3 years, with a boost to \$15,000 in FY25 (including already funded FY25 projects, \$16,000 in FY26, \$17,000 in FY27, and \$18,000 in FY28).

Tyler Miller from Vermont Land Trust (VLT) shared that when they are evaluating stewardship at VLT they are trying to be as efficient and effective as possible. They work to keep violation rates low and have lower full time employees per number of easements than most other land trusts in the country.

Peg Merrens from Upper Valley Land Trust (UVLT) shared they are supportive of the consideration. They have looked at their farm specific conserved lands and UVLT is covering a lot of the cost of stewardship.

Ryan asked if there was consideration around tying increases to inflation, concerned with \$18,000 for a year could not be enough in future years. Stacy responded that VHCB staff is considering the impacts of inflation and recommends including some sort of escalator to account for that.

Neil expressed concern with the potential reduction of state and federal funds and feels like this is a large jump from previous funding levels. He also asked if there are other ways to close the gap besides VHCB funds. Wondering if in 3 or 4 years we realize this commitment is too high it may be hard to back track.

Billy expressed that having robust documentation would be helpful and asked about the funding source for stewardship. Stacy responded that this will be State funds and out of the annual ag target. Billy asked about the recent one-time stewardship endowment award that VHCB made to VLT; how does this relate? Stacy responded that the \$18,000 is based on calculations from VLT around how much it costs to do this work per project. Trey shared that the VLT stewardship contribution we made helped leverage private funds to build up the overall endowment, which is underfunded, to meet the annual costs of stewardship. This proposal would help ensure that this gap does not grow larger as more easements are added.

Billy shared that he feels that stewardship funds should be focused on monitoring and enforcing rather than technical support for succession planning, etc. Stacy responded that when land trust staff monitor farms, there are conversations about the farm operation, changing ownership, succession planning etc, and the land trust plays an important role in supporting landowners in these areas.

Billy expressed he does not support an auto increase for the stewardship contribution and it should come to the Board. Also hope staff can consider a sliding scale system if there are properties that would require less stewardship time.

Gus shared that we have not picked an annual escalator and plan to return to the Board for more discussion. As the portfolio grows, we will need to revisit this conversation.

David M. shared his support of this proposal, and that this is a big increase because it has been underfunded for so long. David is concerned about monitoring and enforcement being the main goal of stewardship and stated that there are other important goals such as building landowner relations and supporting farmland transfer and succession planning.

Ryan agreed, that this is just as important as other goals and that additional funding for stewardship is needed.

Kate asked what the other sources of stewardship endowments are? Stacy shared that land trusts are seeking funding from private philanthropy. Tyler and Peg shared they are about at 50% annual private fundraising for stewardship work.

Neil Mickenberg made the motion to bring this proposal to the full board for consideration. Ryan seconded the motion. All voted in favor of the motion.

Roll Call

Neil Mickenberg - Yes

David Marvin – Yes

Ryan Patch – Yes

Amy Mynter – Yes

Billy Coster – Yes

Kate McCarthy – Yes

Retro-OPAV Policy Revisions – Isaac Bissell and Stacy Cibula

Isaac gave an overview of the three major changes in this proposal.

Gus shared that the last section of the recommendation concerning stewardship awards may need to be reviewed.

David asked why we might not consider funding an OPAV in places like Stowe, given a specific example that Isaac had provided. Isaac responded that in the specific case in question the high acquisition costs gave us pause and as a result the project wasn't brought before the board.

Neil asked if there is criteria that the staff employs when evaluating an OPAV. Isaac shared that there are specific guidelines around Need, Impact, and Quality in the current policy.

Billy asked about the process if this would be used when there isn't a transfer taking place and whether there will be conditions in the grant agreement about how the funds are used.

Isaac shared that there are times when the retro-OPAV funds go toward large loan debt or infrastructure improvements, but that specific grant conditions directing the use of funds is not envisioned in the case of non-transfer retro-OPAV projects.

Kate asked about if we advance this policy it would be good to come back to the Board in three years to understand when we are utilizing OPAVs.

Ryan asked about a specific grant requirement, and what is the point of an OPAV. Isaac shared the intent of the OPAV is to eliminate estate buyers from the pool and keep the land owned by farmers.

Ryan said he would be opposed to any restrictions on OPAV money transferred to the farms.

Billy is open to this if it might be on a more limited basis.

Amy M. asked about how many retro-OPAV's they are seeing that are not occurring when an ownership transfer is happening. Isaac shared that we do not see many and would assume there are probably more out there.

Tyler VLT shared how OPAV funds are utilized currently.

Ryan asked what the problem would be if there is potential of having several OPAVs in a year. Trey responded that it would mean VHCB would need to adjust the overall conservation budget.

David Marvin made the motion to bring this proposal to the full board. Neil Mickenberg seconded the motion. All voted in favor of the motion.

Staff will work with David Marvin to update proposal after discussion prior to going to the Board.

Roll Call

Neil Mickenberg - Yes

David Marvin – Yes
Ryan Patch – Yes
Amy Mynter – Yes
Billy Coster – Yes
Kate McCarthy – Yes

Proposal to establish VHCB Stewardship Fund - Isaac and Bill

Bill gave an overview of the need for a VHCB endowment establishment for our sole-held easement portfolio and asked for feedback. Isaac provided context on estimated stewardship costs per project and projected size of the endowment needed.

Gus shared that the finance committee needs to examine this as well, and it is unusual for governmental entities to have endowments.

David voiced that this feels very important and want to ensure that the endowment manager is investing the funds in line with VHCB's values. David and other board members discussed that it is important to make sure the funds are held by an eligible entity.

Neil asked where the funds would come from. Bill responded they would be VHCB Trust funds.

Neil asked about the legislature's views on this and Gus responded that we will be addressing questions around the Legislature and how the money would be invested.

There was discussion around the timing of this proposal and if its important to tie it into facets of Act 59

Bill shared that In the past we have contributed to stewardship endowments to co-holders of easements on state lands. Now that we are sole-holding easements this proposal requests we create our own stewardship endowment which per project will be less costly than providing funds to a co-holder.

Next steps will to present this concept to the VHCB finance committee, and potentially draft a framework that can be presented at a future full board meeting.

Survey cost-share program - farm projects – Stacy

Stacy gave an overview of the proposal to expand and formalize a cost share process to help fund land surveys, with 75% of survey costs to come from VHCB and 25% from a land trust or the land owner. Based on the VLT survey funding pilot, we have learned that acreage figures are different than what we expect and are often less. In the long run, there will be cost-savings from doing surveys given their many benefits, which includes reducing violation risk for both VHCB and the land trust.

Peg (UFLT) expressed she would not like to see land surveys be a requirement and recommends keeping them on a case-by-case basis.

Billy asked about the non-farm projects where surveys are allowed expenses. Isaac replied that we are funding survey costs for natural areas projects.

Amy Mynter made the motion to bring this proposal to the full board. David Marvin seconded the motion. All voted in favor of the motion.

Amy asked if we are staying on a case-by-case basis. Stacy responded that this will not be a requirement and will stay as a case-by-case basis.

Neil shared concern around increased cost to VHCB.

Roll Call

Neil Mickenberg - Yes

David Marvin – Yes

Ryan Patch – Yes

Amy Mynter – Yes

Billy Coster – Yes

Kate McCarthy – Yes

Funding donated easement project costs - Bill and Trey

Bill gave an overview of the proposal.

David asked if donated easements have the same benefits as other projects. Trey responded that staff would evaluate the applications in the same way they do other easements.

Elizabeth shared that during the underwriting process they can evaluate them in the same way but you may not get all of the same benefits depending on the landowner.

David expressed concern around VHCB funding stewardship and that partners don't work to raise as much money on their own.

Gus responded that there are many folks that would like to donate an easement but that the costs can also be prohibitive.

Kate asked if the Board has previously discussed what it would take to support easements and why are we bringing it forward now. Trey shared that in discussions with partners there are projects that don't come to VHCB because of our current policies. Gus shared this has not been a discussion in past years.

Billy asked what the goal is for today. Bill shared that we are broadly asking for thoughts from the Board.

Ryan shared this sounds like a good idea and is in support of seeing more formal guidelines. Kate asked for some clarification about the fourth policy consideration "Executory Interest vs. Co-Held Easement". Elizabeth shared what our role would be if we moved to an executory interest versus co-held easements.

Billy asked if there is a cap for these funds being considered. Bill shared that there is not a cap at this point, currently total project costs per donated easement is about \$65,000, so we are considering splitting that with the partner.

Next steps are to bring back draft guidelines to next CIC meeting.

David requested some statements from Partners around fundraising for stewardship.

DRAFT

Other Business

David shared that it would be good to revisit our caps.

Adjourned at 3:40 PM

Minutes Submitted by Bonnie Woodford