

Draft

Vermont Housing & Conservation Board

MINUTES

Wednesday, July 8,, 2021

ZOOM Conference Call

10:00 am

Board Members: Neil Mickenberg, David Marvin, Emily Wadhams, Maura Collins, (VHFA), Billy Coster (designee for ANR), Kate McCarthy, Andrea DeLaBruere (designee for AHS); Ann Fielder, Clarence Davis (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, Karen Freeman, Beth Schwarz, Ian Jakus, Brenda Riddle, Gretchen Rittenhouse, Ron Rupp, Julia Anderson; Liz Gleason, Laurie Graves

Others Present: Kathy Beyer, Tyler Labrie (Evernorth); Michael Monte, Amy Demetrowitz (CHT);

Chair David Marvin called the meeting to order at 10:01 a.m. He welcomed everyone to the meeting. He acknowledged Neil and his leadership over the past several years.

Public Comment

There was no public comment.

Project Presentations

Town Suites, Williston – Champlain Housing Trust – 2021-121-001

CHT request is \$13,620,285 in ARPA/VHCB funds for acquisition, construction and related expenses.

Harbor Place/Hotel D, Shelburne – Champlain Housing Trust – 2014-041-002 & 2021-141-001

CHT request is \$2,490,344 in ARPA/VHCB funds for acquisition, construction, and related expenses for the Harbor Place project and up to 7,345,518 in ARPA/VHCB funds for acquisition, construction, and related expenses for Hotel D.

Ho Hum Motel, South Burlington – Champlain Housing Trust – 2021-082-002

CHT request is \$957,000 in ARPA-SFR funds for construction, and related expenses.

Jenny introduced CHT’s projects with a bit of overall context for Chittenden County. It is an area with the highest need in the state in terms of housing those who are experiencing homelessness. In a 4-month period beginning in January, CHT received 940 applications for fewer than 50 vacancies in its portfolio, which speaks to a deep unmet need for housing in this area. Homelessness has been persistent and exacerbated by the pandemic.

CHT has worked for the past several years under the premise that housing those who are experiencing homelessness needed to be their number one priority. A little more than 20% of their rental units are currently occupied by people who had experienced homelessness, and the last time we measured this, 41% of unit turnovers in the prior year had been leased to those experiencing homelessness – all of

which speaks to the fact that this is an organization with some deep experience responding to its community need.

Jenny explained that CHT is proposing a very significant set of initiatives to serve the needs of people who have experienced homelessness. They are proposing four projects, with a total of 170 homes, of which 136 are designated for those exiting homelessness, requesting a little more than \$24 million in funding. About 70% of that funding will come from ARPA. The four projects consist of Harbor Place and Days Inn, Ho Hum and the Towne Suites Hotel, referred to as the Williston Hotel.

Harbor Place and Days Inn are two projects which each need to be funded in order for either to move forward. They will serve a combined 78 households. Harbor Place originally came to VHCB seeking full funding, but after discussions with staff, determined that they could obtain leverage through the use of 4% credits, anticipated to generate \$1.3 million in funding. The Harbor Place parcel contains some long-term development opportunities, including potentially for homeownership. For some context, CHT first developed Harbor Place into temporary housing, in close partnership with the Agency of Human Services, and it has been part of their overall plan since we originally funded this project to redevelop and expand housing options at this site. The nearby Days Inn is an acquisition and light renovation that will quickly provide high quality units, and will meet the emergency housing needs that had been managed previously at Harbor Place.

The Towne Suites Project also originally came to us with a 100% funding ask, but now anticipates being able to leverage close to \$5 million in equity with 4% credits. In the short term, the ability to serve 38 households experiencing homelessness is a first for us in Williston. Jenny pointed out that it is an area that we have not yet provided homelessness funding and in the long term, the opportunity to have 72 units of mixed income housing.

Finally, the two buildings at The Ho Hum, on Williston Road, which is currently serving as an Isolation and Quarantine facility, will offer 20 units of housing to people coming from the coordinated entry system. There is some flexibility built into the timeline for this project, which will enable CHT to continue to work closely with the Agency of Human Services and be responsive to their needs this fall and winter. As with Harbor Place, we knew when we funded this project as an isolation facility that CHT would be coming back to us with a plan to convert to permanent housing.

Jenny welcomed Amy Demetrowitz and Michael Monte from CHT, as well as Kathy Beyer from Evernorth. Amy shared that they will be doing energy audits on each of the buildings. Michael spoke about the resident services plans for these projects. As noted in Jenny's cover memo to the board, the projects include funding for services. Ann Fielder asked about support staff ratio to residents and Michael explained that the proposal is based on CHT's experience with similar projects and the capacity of service organizations. The ratio depends upon the property and need. Chronically homeless residents need more support. Neil appreciated the social service funding to support people in the building

Neil asked about CHT's model of emergency housing with an effort towards permanent housing/integrated housing. Michael explained that they have always wanted to move to this model. There was a board discussion about the location of the motels and how people are accessing services in the area. Michael explained that Harbor Place has not been operating previously as a permanent

community, but as emergency housing. The other properties are much more community based. There was a brief discussion of social service partners in the region.

Kate asked about acquisition costs for several of the projects. How does this compare to the pre-Covid real estate market? Jenny pointed out that these buildings are in good shape and so the acquisition costs are a high percentage of the total development cost. Hotel D and Town Suites don't need a lot of work. The issue of appraised value was discussed. A question was raised about why the budgeted amount for services was significantly lower at the Ho Hum than for the other projects. Michael explained that CHT has a contract with AHS for the Ho Hum which covers those costs so most of the expense appears there. There were no further comments or suggestions from the board about the services in the project budget. Maura commended CHT for its work and noted that the model is being shared nationally. She suggested that Vermont's experience with this type of housing presents a great opportunity for independent evaluation and several members of the board and staff agreed.

Housing Fund Usage

Jenny introduced the proposal to create pools of funding that would be used to address several key areas of housing need, as well as, the proposed ARPA Guidelines. Gus added that there are still details that need to be addressed with the ARPA guidelines. Jen explained that the staff will recommend updates as necessary. Some of the ARPA-SFR funds may be replaced with state general funds as the end of the fiscal year. As the rules become clearer, Gus explained that some adjustments between the funding sources may be required and it would be helpful to staff to have that authority with the new funding as it does with existing programs. Kate asked about the contingency funds and what needs the staff anticipate. Gus explained that all types of expenses have gone up – lumber, steel, labor costs have all seen increases. Our partners have responded quickly and there may be unexpected increases in cost because of this quick turnaround.

Kate also expressed some concern that in several years as things slow down, there may be there staffing issues as organizations downsize to pre-pandemic levels. Emily was curious about availability of qualified staff. Everyone is struggling in this job market. Maura asked about the ARPA Guidelines and whether they would be approved at this meeting or wait until after the public information sessions being held next week. Jen explained that it is a balancing act since applicants need basic guidelines to apply. Timing is a decision to be made by the board but staff believe it's important to provide them before our next housing application deadline which is July 23rd. Staff hope to get feedback from sessions and public feedback will recommend updates to the guidelines and priorities accordingly. Gus suggested making clear the guidelines are interim and the Board agreed. If there are changes to be made, the Board may be asked to update the Guidelines in September.

Contingency Fund - 2021-140-000

One Time Organizational Support - 2021-143-000

Farmworker Housing Pool 2021-144-000 & 2013-058-000

Interim ARPA-SFR Guidelines and Procedures

Consent Agenda

Emily made the motion to approve the Consent Agenda. Neil seconded the motion. All voted in favor of the motion.

The Consent Agenda consisted of:

- 1) Phoenix House, Barre (DHCD)(2021-142-001)
- 2) Homeownership Pool Recapitalization (2002-068-000)
- 3) Channell additional funds, Reading (2019-044-001)

Roll Call

Maura Collins – yes

David Marvin– yes

Emily Wadhams – yes

Neil Mickenberg – yes

Billy Coster - yes

Kate McCarthy – yes

Andrea DeLaBruere – yes

Ann Fielder- yes

Clarence Davis - yes

Maura Collins - yes

Conservation/Viability discussion

Karen led a discussion about staff's proposal for allocating additional FY 22 Conservation funding. There will be an additional \$10 million in funds available to the Conservation and the Viability programs this year. Staff wanted to present their ideas about allocating these funds, as well as, receive input from the board. There is strong support in the legislature and at the Ag Agency for enhancing the capacity of the Viability Program. In addition, this proposal would provide additional funding for recreation lands, natural areas and historic sites. Billy Coster pointed out that this is an opportunity to make back some lost ground for the conservation of non-ag resources. He noted that during the pandemic there was increased demand for outdoor recreation opportunities. He also encouraged more funding for stewardship to non-ag partners. He was also interested in hearing more about Retro OPAV outcomes around the state and metrics used to gauge success of those projects. Gus explained that this is the beginning of the discussion about this additional funding and there will be a formal proposal to the board this fall.

Director's Report & Legislative Update

Gus gave a brief update to his staff report. He reported that our hiring searches for housing staff have been very successful. Both the new associate housing director and housing assistant will start in the month of July. He also had a great visit at the Huntington Town Forest with Senator Leahy and his staff. He also mentioned that he hopes to create a formal calendar for the board for the upcoming year. This calendar will also include board committee meetings. There was a brief discussion about how board meetings will be held in the upcoming months as the pandemic slowly winds down. The hybrid model will probably be an option.

Deliberations:

Projects

Housing Projects

Williston Hotel 2021-121-001
Harbor Place/Hotel D 2014-041-002 & 2021-141-001
Ho Hum Motel 2021-082-002

Neil made a motion to approve the above resolutions as a block. Ann seconded the motion. Discussion: There was a brief discussion about the appraisals and the motel market. It is a difficult issue right now in the hot real estate market. There was consensus that these projects will make a big difference in the issue of homelessness. There was also a discussion about the location of these projects and future development of the sites. All voted in favor of the motion.

Roll Call

Maura Collins– yes
Billy Coster– yes
David Marvin– yes
Emily Wadhams– yes
Neil Mickenberg – yes
Ann Fielder – yes
Clarence Davis - yes
Andrea DeLaBruere – yes
Kate McCarthy- yes

Housing Fund Usage

Contingency Fund 2021-140-000
One Time Org Support 2021-143-000
Farmworker Housing 2021-144-000-& 2021-082-002
ARPA Interim Guidelines and Procedures

Neil made a motion to approve the above resolutions as a block with suggested changes to the ARPA guidelines. Emily seconded the motion. No Discussion. All voted in favor.

Roll Call

Maura Collins– yes
Clarence Davis - yes
David Marvin– yes
Emily Wadhams– yes
Neil Mickenberg – yes
Ann Fielder - yes
Andrea DeLaBruere – yes
Kate McCarthy- yes

Other Business

There was no other business.

The meeting adjourned at 12:11 pm.
Respectfully submitted,
Marcy Christian

Resolutions

ARPA-SFR Guidelines & Procedures

Resolution:

To adopt the provisions contained in the document titled “VHCB ARPA-SFR Awards to Grantees: Guidelines and Procedures” and dated July 8, 2021. If technical corrections to the wording of the Guidelines are needed, the Chair is authorized to approve such changes that staff may identify.

Housing Organizational Capacity Support Pool Project # 2021-143-000

Resolution:

To create a set-aside pool of One Million Dollars (\$1,000,000) to support the capacity of the non profit housing network. Awards up to \$30,000 will be made from this pool with the approval of the Executive Director. Awards above \$30,000 will be made in consultation and with the approval of the Organizational Grants Committee.

Farmworker Housing Pool Project # 2021-144-000

Resolution:

To create a set-aside pool of One Million Two Hundred Thousand Dollars (\$1,200,000) to support farmworker housing initiatives. Staff may transfer up to \$200,000 of this into the ZEM Pilot Pool (2013-058-000) for Farmworker Housing at a future date, if there is demonstrated demand and capacity.

Housing Contingency Pool Project # 2021-140-000 Board Meeting Date: July 8th, 2021

Resolution:

To add One Million, Two Hundred and Fifty Thousand Dollars (\$1,250,000) to the Contingency Pool established by the Board at its June 23, 2021 meeting.

Hotel D ♦ Shelburne, Vermont Champlain Housing Trust, Inc. 2021-141-001

Resolution:

To score the application “10” for need, “9” for impact and “9” for quality, and to award Champlain Housing Trust and Evernorth (the "Developers") VHCB/ARPA-SFR funds in the amount of up to Seven Million Three Hundred Forty-Five Thousand Five Hundred Eighteen dollars (\$7,345,518) for acquisition, rehabilitation and related expenses. This project involves property located at 3229 Shelburne Road, Shelburne and consists of a total of 58 rental units in 1 building.

This award is subject to the following restrictions and conditions:

Affordability and Conveyance Restrictions:

Developer shall execute a VHCB Housing Subsidy Covenant of perpetual duration that restricts fifty eight (58) units, which will be prepared by VHCB general counsel and will contain restrictions substantially as follows:

VHCB:

During the course of the pandemic and the subsequent period of economic recovery, the fifty-eight (58) units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry. After that period, the units will be restricted as follows:

For as long as the Property is operated as a motel, open to the general public, and designated to particularly serve very low-income individuals without a home, Developer shall ensure that: (i) every reasonable effort is made to provide housing to persons whose annual income, at their date of initial occupancy, is less than or equal to 30% of Median Income; (ii) except in instances where individuals and families are fleeing violence and/or dangerous situations, the units will be primarily occupied by or available to persons whose annual income, at their date of initial occupancy, is less than or equal to 50% of Median Income; and, (iii) some number of the units may be available to the general public as transient lodging.

If Developer ceases to operate the Property as a motel to all members of the general public that particularly serves very low-income individuals without a home, Developer shall enter into a new housing subsidy covenant approved in writing by VHCB and containing provisions to ensure that:

- (1) the Property is used to provide Affordable housing;
- (2) every reasonable effort is made to maintain the income qualifications set forth in subsection (a) above; and,
- (3) in any event, the Property is occupied by persons whose Annual Income, at their date of initial occupancy, is less than or equal to 80% of Median Income.

VHCB Special Conditions

1. This award may be funded in whole or part with federal ARPA-SFR funds, and/or FY2022 State appropriation to the VHCB. Disbursement of project funds cannot occur until the State of Vermont has released these funds to VHCB. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB.
2. This award is contingent on VHCB receiving an appraisal for the property at 3229 Shelburne Rd. in Shelburne demonstrating that the acquisition cost does not exceed the appraised value.

Housing ARPA-SFR Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB. Disbursement of ARPA-SFR funds cannot occur until the State of Vermont/AOA has released these funds to VHCB.
2. This award may be funded in whole or part with FY2022 State appropriation to the VHCB. Disbursement of project funds from the FY2022 State appropriation cannot occur until the State of Vermont/AOA has released these funds to VHCB.
3. Federal and State requirements and guidance related to this award, which may contain a combination of funding sources, are evolving. In the event that VHCB staff learn of additional requirements, or changes to existing requirements affecting the funding sources, Developer agrees to provide information as requested to document the project's compliance.
4. During the course of the pandemic and the subsequent period of economic recovery, the 58 units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry. After that period, if changes to the affordability and homeless targeting restrictions are required, the Developer may request revisions to the Affordability Restrictions set forth in the VHCB Housing Subsidy Covenant for VHCB's consideration.
5. Developer shall report on incurred expenses, and other relevant information in a form and at a frequency to be prescribed by VHCB. Upon VHCB's request, Developer shall submit any other information necessary to document compliance with ARPA-SFR requirements, as well as, compliance with other federal and state laws and regulations.
6. Prior to closing, and where applicable, Developer will provide:
 - a. A full appraisal, or, subject to VHCB staff approval, a partial appraisal, demonstrating the reasonableness of acquisition costs.
 - b. For projects with ARPA – only funding, a Phase I environmental site assessment, acceptable to VHCB staff. Projects with other funding sources are subject to the environmental provisions of those sources.
 - c. Section 106 historic review, unless exempted.
 - d. A relocation plan and budget acceptable to VHCB staff.
 - e. A final bid or quote for project scope of work acceptable to VHCB staff.
 - f. Evidence of commitment of rental subsidy, support services, and commitment of all other funding sources, or documentation of progress satisfactory to VHCB staff.
7. All documents and records related to this award must be retained for a period of at least 5 years from the date of final disbursement of funds.

8. VHCB reserves the right to change the source of the funds provided, not the amount, and will notify Developer.
9. Prior to closing, Developer will provide VHCB staff with an executed State Fiscal Recovery Fund Program Assurances Form.
10. During the course of the pandemic and the subsequent period of economic recovery, the units funded with this award are to be designated for the homeless. After that period, the Grantee will make every reasonable effort to increase the income mix of the resident households. If changes to the affordability restrictions are required, the Grantee may request revisions to the Covenant for VHCB's consideration.

This award is also subject to Standard VHCB Conditions for Rental Housing Projects and Standard VHCB Conditions for ARPA-SFR Projects.

**Hotel Williston ♦ Colchester, Vermont
Champlain Housing Trust, Inc. and Evernorth, Inc.
2021-121-001**

Resolution:

To score the application “10” for need, “9” for impact and “9” for quality, and to award Champlain Housing Trust and Evernorth (the "Developers") VHCB/ARPA-SFR funds in the amount of up to Thirteen Million Six Hundred Twenty Thousand Two Hundred Eighty-Five Dollars (\$13,620,285) for acquisition, rehabilitation and related expenses. This project involves property located at 66 Zephyr Road, Williston and consists of a total of 72 rental units in 2 buildings.

This award is subject to the following restrictions and conditions:

Affordability and Conveyance Restrictions:

Developer shall execute a VHCB Housing Subsidy Covenant of perpetual duration that restricts seventy-one (71) units, which will be prepared by VHCB general counsel and will contain restrictions substantially as follows:

VHCB:

I. During the course of the pandemic and the subsequent period of economic recovery, thirty-eight (38) units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry.

Developer shall target and make every reasonable effort to lease the aforementioned thirty-eight (38) units to persons whose household income, at their date of initial occupancy, is at or below 50% of area median income. Initially, the annualized rent charged for these units shall not exceed 30% of 50% of area median income for a household consisting of one and one half persons per bedroom.

After the course of the pandemic and the subsequent period of economic recovery has ceased, these thirty-eight (38) units will be restricted in accordance with the VHCB Restrictions set forth below in Section III.

II. For those remaining thirty-three (33) units that are not set aside for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry, these units will be restricted as follows:

Developer shall lease thirty-three (33) units to persons whose household income, at their date of initial occupancy, is less than or equal to 80% of area median income. The annualized rent charged for each such unit shall not exceed 30% of 70% of area median income for a household consisting of one and one-half persons per bedroom.

After the course of the pandemic and the subsequent period of economic recovery has ceased, these thirty-three (33) units will be restricted in accordance with the VHCB Restrictions set forth below in Section III.

III. After the course of the pandemic and the subsequent period of economic recovery has ceased, all seventy-one (71) units will be restricted as follows:

Developer shall lease seventy one (71) units to persons whose household income, at their date of initial occupancy, is less than or equal to 80% of area median income. The annualized rent charged for each such unit shall not exceed 30% of 70% of area median income for a household consisting of one and one-half persons per bedroom.

Developer shall target and make every reasonable effort to lease thirty-eight (38) of the aforementioned seventy one units to persons whose household income, at their date of initial occupancy, is at or below 50% of area median income. Initially, the annualized rent charged for these units shall not exceed 30% of 50% of area median income for a household consisting of one and one half persons per bedroom.

Developer shall make every reasonable effort to lease any five (5) of the aforementioned thirty-eight units to persons whose household income, at their date of initial occupancy, is less than or equal to 30% of area median income, OR, to persons with special needs.

Developer shall make every reasonable effort to maintain the initial level of affordability on said units. In addition, Developer shall make every reasonable effort to ensure that the annualized rents for all units are "affordable" to the occupying households, as described further in section 7 of the VHCB Housing Subsidy Covenant. Any conveyance of the property shall require the prior written consent of VHCB, which consent shall not be unreasonably withheld if the proposed transferee is an eligible applicant to receive funds from VHCB.

VHCB Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds, and/or FY2022 State appropriation to the VHCB. Disbursement of project funds cannot occur until the State of Vermont has released these funds to VHCB. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB.
2. Prior to closing, the Developers will work with VHCB staff to fully resolve, to VHCB staff satisfaction, the issues raised by the use of 4% Low Income Housing Tax Credits in this project, which include, but are not limited to, concerns regarding true debt, minimum gain, 50% test, and LP Capital Accounts.
3. This award is contingent on VHCB receiving an appraisal for the property at 66 Zephyr Road in Williston demonstrating that the acquisition cost does not exceed the appraised value.

Housing ARPA-SFR Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB. Disbursement of ARPA-SFR funds cannot occur until the State of Vermont/AOA has released these funds to VHCB.
2. This award may be funded in whole or part with FY2022 State appropriation to the VHCB. Disbursement of project funds from the FY2022 State appropriation cannot occur until the State of Vermont/AOA has released these funds to VHCB.
3. Federal and State requirements and guidance related to this award, which may contain a combination of funding sources, are evolving. In the event that VHCB staff learn of additional requirements, or changes to existing requirements affecting the funding sources, Developer agrees to provide information as requested to document the project's compliance.
4. During the course of the pandemic and the subsequent period of economic recovery, the 38 units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry. After that period, if changes to the affordability and homeless targeting restrictions are required, the Developer may request revisions to the Affordability Restrictions set forth in the VHCB Housing Subsidy Covenant for VHCB's consideration.
5. Developer shall report on incurred expenses, and other relevant information in a form and at a frequency to be prescribed by VHCB. Upon VHCB's request, Developer shall submit any other information necessary to document compliance with ARPA-SFR requirements, as well as, compliance with other federal and state laws and regulations.
6. Prior to closing, and where applicable, Developer will provide:

- a. A full appraisal, or, subject to VHCB staff approval, a partial appraisal, demonstrating the reasonableness of acquisition costs.
 - b. For projects with ARPA – only funding, a Phase I environmental site assessment, acceptable to VHCB staff. Projects with other funding sources are subject to the environmental provisions of those sources.
 - c. Section 106 historic review, unless exempted.
 - d. A relocation plan and budget acceptable to VHCB staff.
 - e. A final bid or quote for project scope of work acceptable to VHCB staff.
 - f. Evidence of commitment of rental subsidy, support services, and commitment of all other funding sources, or documentation of progress satisfactory to VHCB staff.
7. All documents and records related to this award must be retained for a period of at least 5 years from the date of final disbursement of funds.
 8. VHCB reserves the right to change the source of the funds provided, not the amount, and will notify Developer.
 9. Prior to closing, Developer will provide VHCB staff with an executed State Fiscal Recovery Fund Program Assurances Form.

This award is also subject to Standard VHCB Conditions for LIHTC Housing Projects and Standard VHCB Conditions for ARPA-SFR Projects.

**Homeland Program ♦ Statewide Vermont
2002-068-000
Board meeting date: July 8, 2021**

Resolution:

To add a total of Two Million Nine Hundred Thousand dollars (\$2,900,000) to continue operation of a statewide subsidy pool for the purchase and rehabilitation of up to 40 owner-occupied homes.

These funds shall be available to the following organizations: Addison County Community Trust (ACCT), Champlain Housing Trust, Inc. (CHT), Downstreet Housing and Community Development, Inc. (DHCD), Neighborworks of Western Vermont (NWWVT), Gilman Housing Trust, Inc., d/b/a Rural Edge (RE), Twin Pines Housing Trust, d/b/a Twin Pines Housing (TPHT) and Windham & Windham Housing Trust, Inc. (WWHT) (the "Grantee" or "Grantees", as applicable). This award shall be subject to the following restrictions and conditions:

This award is subject to the following restrictions and conditions:

Affordability Restrictions

The initial purchaser(s) of a unit subsidized under this program shall be an "Eligible Household" as defined below. Grantee and the purchaser(s) shall execute a Housing Subsidy Covenant of perpetual duration. This Covenant will be prepared or reviewed by VHCB counsel and shall contain restrictions on conveyance. With respect to the improvements, the Covenant shall include a requirement that whenever an owner intends to sell the unit, Grantee shall have a right to repurchase the unit at a price

determined pursuant to a limited appreciation formula approved by VHCB staff. The Covenant shall also restrict resale, whether by the owner or by Grantee, so that the improvements may only be resold to Eligible Households. With respect to land owned by a Grantee, any conveyance shall require the prior written consent of VHCB, which consent shall not be unreasonably withheld if the proposed transferee is an eligible applicant to receive funds from VHCB.

Definitions

"Eligible Household" shall mean a person or group of persons whose Household Income, at the date of their initial occupancy, is less than or equal to 120% of Median Income, adjusted for family size.

"Household Income" shall mean annual income determined in accordance with Title 24, §813.106, of the Code of Federal Regulations.

"Median Income" shall mean median income for (i) the Burlington Metropolitan Statistical Area {County in which the Land is located, if outside the Burlington MSA}, or (ii) the State of Vermont {State of Vermont Nonmetro if outside the Burlington MSA}, whichever is greater, as determined from time to time and published in the Federal Register by the United States Department of Housing and Urban Development.

VHCB Special Conditions:

1. Prior to first disbursement to a Grantee, that organization shall demonstrate appropriate staffing and controls for the program as measured by criteria established by VHCB.
2. Prior to disbursement to a Grantee, that organization shall develop a plan for which markets within its service area are suitable for resale restricted homeownership.
3. Grantees will work to start reporting on the race/ethnicity of households who benefit from this program in fiscal year 2022.
4. Prior to disbursement to a Grantee, the Grantee shall confirm that they have conducted outreach to regional groups that represent black, indigenous and people of color households.
5. For condo purchases, VHCB will review to our satisfaction whether the number of units and scale of association is sufficient to promote the viability of the association. VHCB will also require that any new condo meet Fannie Mae financing requirements and we will require a copy of the resale certificate or equivalent documentation.
6. VHCB Homeland funds shall be available to Grantees to assist eligible households to purchase homes. Funding shall be requested on an individual transaction basis up to the following amounts:
 - a) Households can receive a grant amount of the lesser of \$80,000 or 35% of the purchase price.
 - b) Households can also receive up to \$20,000 for rehabilitation loans on the homes; however, the total award for a buyer driven home cannot exceed \$80,000. Any funds

used for rehabilitation will be granted to the participating non-profit by VHCB and not secured by a mortgage; the non-profit will loan the funds to the homebuyer in a 0% deferred loan, which can be forgivable upon sale if the home has not appreciated.

- c) For homes that are developed and constructed by a non-profit Grantee, households can receive up to \$100,000 per home given the additional new construction costs.
 - d) The minimum grant is \$20,000.
 - e) Grantees shall be awarded a development fee of \$5,900 per transaction.
7. In its evaluation of requests to approve Homeland funds for individual buyers, VHCB staff shall consider the following factors:
- a) compliance with VHCB guidelines and policies for homeownership programs;
 - b) the proposed buyer's need for Homeland assistance to purchase the home; the proposed buyer's creditworthiness, and the level of affordability of the home for the proposed buyer;
 - c) The quality of the home and its likely future marketability.
8. Grantees are encouraged to combine outside funds with VHCB Homeland subsidies in order to assist additional applicants. The grant amounts listed in special condition #4 are considered maximum and minimum grant amounts. However, to encourage leveraging of other funds, organizations may request a lower subsidy amount and receive a development fee for a transaction if the following conditions are met:
- a) Grantee must demonstrate a sufficient level of affordability for the initial purchaser and for long-term stewardship of the home;
 - b) The minimum subsidy amount requested from VHCB is \$10,000 but the total subsidy in the project is at least \$20,000;
 - c) VHCB must review and approve the legal and financial security structure for each transaction.
9. VHCB Homeland funds shall be used to subsidize the acquisition of condominium units or detached single family homes.
10. The restrictions and conditions of this award shall apply to all funds remaining in previous awards for the Homeland Program.

Standard Conditions for Homeownership Projects:

- 1. All homeownership units in the project assisted by VHCB shall comply with the following VHCB policies and guidelines pertaining to homeownership:

Buyer Cash Assets

Buyer Cash Contribution
Loan to Value
Refinance
Resale
On-site Water and Waste-water systems

2. Prior to disbursement the Grantee shall submit for VHCB staff review and approval the ground lease, limited equity formula, housing subsidy covenant, and any other documents designed to ensure the perpetual Affordability of the units subsidized with these funds. With respect to each homeownership unit, the Grantee must obtain an option to purchase providing that whenever an owner intends to sell the unit, the Grantee will have a right to repurchase the unit at a price determined in accordance with a resale formula approved by VHCB staff.
3. VHCB homeownership funds can be disbursed once the funds for downpayment grants are secured in a mortgage; funds for rehabilitation work on a home can be granted to the nonprofit. VHCB will review and approve the documents used to secure the rehabilitation funds. Prior to closing with the homeowner, the Grantee shall submit the following items, acceptable in form and content to VHCB staff, to demonstrate the need of the buyer and the quality of the home: a letter stating the amount of the request; affordability worksheet; a Purchase & Sales Contract; an appraisal substantiating the purchase price; a third party inspection or other documentation approved by VHCB staff to verify the habitability of the home.
4. At the closing on each unit subsidized with VHCB homeownership, the Grantee and the purchaser of the unit shall execute the VHCB approved Housing Subsidy Covenant, which shall be recorded in the appropriate Land Records.
5. Grantees shall give VHCB staff prior notice of each proposed resale of a unit subsidized with homeownership funds and provide VHCB staff with an affordability worksheet, in a form acceptable to VHCB, for each proposed purchaser. Grantees shall ensure that the homes are resold only to Eligible Households, either by exercising their option to purchase or by arranging for direct sales to Eligible Households, unless this requirement is waived by VHCB staff with respect to a particular transaction. In addition, Grantees shall notify VHCB staff of any pending foreclosure or other legal proceeding affecting any property subsidized with homeownership funds.
6. Grantees shall require that each homeowner purchasing a home with funds available through this award to escrow property taxes and home insurance on a monthly basis when that service is offered by the lender.
7. Throughout the development process, Grantee shall notify and consult with VHCB staff prior to making any major changes to the project including but not limited to project concept and scope, design and amenities, budget, unit breakdown and income targeting.

Harbor Place ♦ Shelburne, Vermont
Champlain Housing Trust, Inc. and Evernorth, Inc.
2014-041-002

Resolution:

To score the application “10” for need, “9” for impact and “9” for quality, and to award Champlain Housing Trust and Evernorth (the "Developers") VHCB/ARPA-SFR funds in the amount of up to Two Million Four Hundred Ninety Thousand Three Hundred Forty Four dollars (\$2,490,344) for

acquisition, rehabilitation and related expenses. This project involves property located at 3164 Shelburne Road, Shelburne and consists of a total of 20 rental units in 2 buildings.

This award is subject to the following restrictions and conditions:

Affordability and Conveyance Restrictions:

Developer shall execute a VHCB Housing Subsidy Covenant of perpetual duration that restricts twenty (20) units, which will be prepared by VHCB general counsel and will contain restrictions substantially as follows:

VHCB:

During the course of the pandemic and the subsequent period of economic recovery, the twenty (20) units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry. After that period, the units will be restricted as follows:

Developer shall lease twenty (20) units to persons whose household income, at their date of initial occupancy, is less than or equal to 80% of area median income. The annualized rent charged for each such unit shall not exceed 30% of 70% of area median income for a household consisting of one and one-half persons per bedroom.

Developer shall target and make every reasonable effort to lease ten (10) of these twenty units to persons whose household income, at their date of initial occupancy, is at or below 50% of area median income. Initially, the annualized rent charged for these units shall not exceed 30% of 50% of area median income for a household consisting of one and one half persons per bedroom.

Developer shall make every reasonable effort to lease any three (3) of the ten units to persons whose household income, at their date of initial occupancy, is less than or equal to 30% of area median income, OR, to persons with special needs.

Developer shall make every reasonable effort to maintain the initial level of affordability on said units. In addition, Developer shall make every reasonable effort to ensure that the annualized rents for all units are "affordable" to the occupying households, as described further in section 7 of the VHCB Housing Subsidy Covenant. Any conveyance of the property shall require the prior written consent of VHCB, which consent shall not be unreasonably withheld if the proposed transferee is an eligible applicant to receive funds from VHCB.

VHCB Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds, and/or FY2022 State appropriation to the VHCB. Disbursement of project funds cannot occur until the State of Vermont has released these funds to VHCB. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB.

2. Prior to closing, the Developers will work with VHCB staff to fully resolve, to VHCB staff satisfaction, the issues raised by the use of 4% Low Income Housing Tax Credits in this project, which include, but are not limited to, concerns regarding true debt, minimum gain, 50% test, and LP Capital Accounts.

Housing ARPA-SFR Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB. Disbursement of ARPA-SFR funds cannot occur until the State of Vermont/AOA has released these funds to VHCB.
2. This award may be funded in whole or part with FY2022 State appropriation to the VHCB. Disbursement of project funds from the FY2022 State appropriation cannot occur until the State of Vermont/AOA has released these funds to VHCB.
3. Federal and State requirements and guidance related to this award, which may contain a combination of funding sources, are evolving. In the event that VHCB staff learn of additional requirements, or changes to existing requirements affecting the funding sources, Developer agrees to provide information as requested to document the project's compliance.
4. During the course of the pandemic and the subsequent period of economic recovery, the 20 units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry. After that period, if changes to the affordability and homeless targeting restrictions are required, the Developer may request revisions to the Affordability Restrictions set forth in the VHCB Housing Subsidy Covenant for VHCB's consideration.
5. Developer shall report on incurred expenses, and other relevant information in a form and at a frequency to be prescribed by VHCB. Upon VHCB's request, Developer shall submit any other information necessary to document compliance with ARPA-SFR requirements, as well as, compliance with other federal and state laws and regulations.
6. Prior to closing, and where applicable, Developer will provide:
 - a. A full appraisal, or, subject to VHCB staff approval, a partial appraisal, demonstrating the reasonableness of acquisition costs.
 - b. For projects with ARPA – only funding, a Phase I environmental site assessment, acceptable to VHCB staff. Projects with other funding sources are subject to the environmental provisions of those sources.
 - c. Section 106 historic review, unless exempted.
 - d. A relocation plan and budget acceptable to VHCB staff.
 - e. A final bid or quote for project scope of work acceptable to VHCB staff.
 - f. Evidence of commitment of rental subsidy, support services, and commitment of all other funding sources, or documentation of progress satisfactory to VHCB staff.

7. All documents and records related to this award must be retained for a period of at least 5 years from the date of final disbursement of funds.
8. VHCB reserves the right to change the source of the funds provided, not the amount, and will notify Developer.
9. Prior to closing, Developer will provide VHCB staff with an executed State Fiscal Recovery Fund Program Assurances Form.
10. Prior to closing and disbursement, Developer will provide a finalized Permits Opinion regarding this project from its attorney.

This award is also subject to Standard VHCB Conditions for LIHTC Housing Projects and Standard VHCB Conditions for ARPA-SFR Projects.

**Ho Hum Conversion ♦ South Burlington, Vermont
Champlain Housing Trust, Inc.
2021-082-002**

Resolution:

To score the application “9” for need, “10” for impact and “8” for quality, and to award Champlain Housing Trust, Inc. (the "Developer") ARPA-SFR funds in the amount of up to Nine Hundred and Fifty-Seven Thousand Dollars (\$957,000) for rehabilitation and related expenses. This project involves property located at 1660 Williston Road, South Burlington and consists of a total of Twenty (20) rental units in 2 buildings.

This award is subject to the following restrictions and conditions:

Affordability and Conveyance Restrictions:

Developer shall execute a VHCB Housing Subsidy Covenant of perpetual duration that restricts Twenty (20) units, which will be prepared by VHCB general counsel and will contain restrictions substantially as follows:

VHCB:

During the course of the pandemic and the subsequent period of economic recovery, the 20 units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of coordinated entry. After that period, Twenty (20) units will be restricted as follows:

Developer shall lease Twenty (20) units to persons whose household income, at their date of initial occupancy, is less than or equal to 80% of area median income. The annualized rent charged for each

such unit shall not exceed 30% of 70% of area median income for a household consisting of one and one-half persons per bedroom.

Developer shall target and make every reasonable effort to lease 6 (Six) of these 20 units to persons whose household income, at their date of initial occupancy, is at or below 50% of area median income. Initially, the annualized rent charged for these units shall not exceed 30% of 50% of area median income for a household consisting of one and one half persons per bedroom.

Developer shall make every reasonable effort to lease any Two (2) of the 6 units to persons whose household income, at their date of initial occupancy, is less than or equal to 30% of area median income, OR, to persons with special needs.

Developer shall make every reasonable effort to maintain the initial level of affordability on said units. In addition, Developer shall make every reasonable effort to ensure that the annualized rents for all units are "affordable" to the occupying households, as described further in section 7 of the VHCB Housing Subsidy Covenant. Any conveyance of the property shall require the prior written consent of VHCB, which consent shall not be unreasonably withheld if the proposed transferee is an eligible applicant to receive funds from VHCB.

VHCB Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds, and/or FY2022 State appropriation to the VHCB. Disbursement of project funds cannot occur until the State of Vermont has released these funds to VHCB. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB.

Housing ARPA-SFR Special Conditions:

1. This award may be funded in whole or part with federal ARPA-SFR funds. Awards of ARPA-SFR are contingent upon the execution of a grant agreement between the State of Vermont and VHCB. Disbursement of ARPA-SFR funds cannot occur until the State of Vermont/AOA has released these funds to VHCB.
2. This award may be funded in whole or part with FY2022 State appropriation to the VHCB. Disbursement of project funds from the FY2022 State appropriation cannot occur until the State of Vermont/AOA has released these funds to VHCB.
3. Federal and State requirements and guidance related to this award, which may contain a combination of funding sources, are evolving. In the event that VHCB staff learn of additional requirements, or changes to existing requirements affecting the funding sources, Developer agrees to provide information as requested to document the project's compliance.
4. During the course of the pandemic and the subsequent period of economic recovery, the 20 units funded with this award are to be designated for those who are homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID 19 public health emergency, and/or those who are referred through the local system of

coordinated entry. After that period, if changes to the affordability and homeless targeting restrictions are required, the Developer may request revisions to the Affordability Restrictions set forth in the VHCB Housing Subsidy Covenant for VHCB's consideration.

5. Developer shall report on incurred expenses, and other relevant information in a form and at a frequency to be prescribed by VHCB. Upon VHCB's request, Developer shall submit any other information necessary to document compliance with ARPA-SFR requirements, as well as, compliance with other federal and state laws and regulations.
6. Prior to closing, and where applicable, Developer will provide:
 - a. A full appraisal, or, subject to VHCB staff approval, a partial appraisal, demonstrating the reasonableness of acquisition costs.
 - b. For projects with ARPA – only funding, a Phase I environmental site assessment, acceptable to VHCB staff. Projects with other funding sources are subject to the environmental provisions of those sources.
 - c. Section 106 historic review, unless exempted.
 - d. A relocation plan and budget acceptable to VHCB staff.
 - e. A final bid or quote for project scope of work acceptable to VHCB staff.
 - f. Evidence of commitment of rental subsidy, support services, and commitment of all other funding sources, or documentation of progress satisfactory to VHCB staff.
7. All documents and records related to this award must be retained for a period of at least 5 years from the date of final disbursement of funds.
8. VHCB reserves the right to change the source of the funds provided, not the amount, and will notify Developer.
9. Prior to closing, Developer will provide VHCB staff with an executed State Fiscal Recovery Fund Program Assurances Form.

This award is also subject to Standard VHCB Conditions for ARPA-SFR Projects or Standard VHCB Conditions for Rental Housing Projects.

**GSH @ Phoenix House ♦ Barre Town, Vermont
Downstreet Housing and Community Development, Inc.
2021-142-001**

Resolution:

To score the application “10” for need, “8” for impact and “8” for quality, and to award Downstreet Housing and Community Development, Inc. (the "Grantee") Homelessness Relief Funds (HRF) funds in the amount of up to Three Hundred Ten Thousand Dollars (\$310,000) for rehabilitation, debt reduction, and related expenses. This project involves property located at 580 South Barre Road, Barre and consists of a total of 15 shelter beds in 1 building.

This award is subject to the following restrictions and conditions:

Affordability and Conveyance Restrictions:

During the course of the pandemic and the subsequent period of economic recovery, the fifteen (15) units funded with this award are to be designated for the homeless. After that period, the units will be restricted as follows:

Grantee shall execute a VHCB Housing Subsidy Covenant of perpetual duration that restricts fifteen (15) units, which will be prepared by VHCB General Counsel and will contain restrictions substantially as follows:

- a) For as long as the Property is operated as a shelter for homeless individuals by Good Samaritan Haven, the Grantee shall ensure that:
 - i) priority for occupancy shall be for individuals with the lowest household income; and
 - ii) every reasonable effort is made to provide housing to persons whose annual income, at their date of initial occupancy, is less than or equal to 30% of median income.
- b) If the Property ceases to be operated as a shelter for homeless individuals, the Grantee shall enter into a new housing subsidy covenant approved by VHCB staff and prepared by VHCB General Counsel and containing provisions to ensure that the Property is used to provide affordable housing.

Any conveyance of the property shall require the prior written consent of VHCB, which consent shall not be unreasonably withheld if the proposed transferee is an eligible applicant to receive funds from VHCB.

HRF Special Conditions:

1. The Grantee shall submit a report to VHCB no later than October 31, 2021 on the status of the project, occupancy, demographic information, timeline for completion and any other data requested by VHCB staff. The occupancy report should include all of the units in the project and include the following information for each unit:
 - i. the number of households and/or individuals who are currently residing in said units who were homeless or at risk of homelessness due to a disruption to their previous housing situation as a result of the COVID-19 public health emergency; and/or referred through the local system of coordinated entry to housing; and,
 - ii. the unit number, the gross rent charged for the unit, the household size of the resident, the household income of the resident, the race of the head of household, and the amount of rental assistance provided, if any.
2. Prior to closing, and where applicable, Grantee will provide:
 - a. A full or partial appraisal demonstrating the reasonableness of acquisition costs.
 - b. A Phase I environmental site assessment, acceptable to VHCB staff.
 - c. A Section 106 historic review, unless exempted.
 - d. A relocation plan and budget acceptable to VHCB staff.
 - e. A final bid or quote for project scope of work acceptable to VHCB staff.

- f. Evidence of commitment of rental subsidy, support services, and commitment of all other funding sources, or documentation of progress satisfactory to VHCB staff.
3. All documents and records related to this award must be retained for a period of at least 5 years from the date of final disbursement of funds.
4. VHCB reserves the right to change the source of the funds provided, not the amount, and will notify Grantee.
5. If applicable, Federal and State requirements and guidance related to this award, which may contain a combination of funding sources, are evolving. In the event that VHCB staff learn of additional requirements, or changes to existing requirements affecting the funding sources, Grantee agrees to provide information as requested to document the project's compliance.
6. If the Grantee ceases to operate the Property as a shelter, the Grantee shall enter into a new housing subsidy covenant approved by VHCB in writing and containing provisions to ensure that:
 - a. the Property is used to provide affordable housing;
 - b. VHCB will work with Grantee to revise, to VHCB staff satisfaction, the Affordability Restrictions set forth in the VHCB Housing Subsidy Covenant.
7. This award will be made in the form of a grant, and will be secured with a non-recourse mortgage deed.
8. Prior to closing, Grantee will provide a comprehensive plan for debt retirement and restructure for VHCB staff review and approval.
9. Prior to closing, Grantee will provide the terms and conditions of the lease with Good Samaritan Haven for VHCB staff review and approval.
10. Prior to closing, Grantee must receive final zoning approval from the Town of Barre.
11. Prior to closing, Grantee will provide conclusive evidence of support for the project by the Agency of Human Services, including commitment for funding sufficient to support Good Samaritan Haven operations as outlined in the project budget.
12. Prior to closing, Grantee and Good Samaritan Haven will provide MOUs with all service partners and with the Town of Barre, if required, for VHCB staff review and approval.
13. Prior to closing, Grantee and Good Samaritan Haven will report to VHCB staff regarding efforts to provide expanded public transportation to the site.

This award is also subject to the Standard VHCB Conditions for Rental Housing Projects.

**Channell Farm project, Reading, Windsor County, VT
2019-044-001**

Resolution:

To amend VHCB Grant Agreement #2019-044-001, UVLT, Channell Farm, to increase the award by \$65,552.50, all for acquisition of development rights on the 61.31-acre Channell Farm in Reading, Windsor County. The Grantee shall otherwise remain subject to all of the Special and Standard Conditions of Grant Agreement #2019-044-001.