

**Fiscal Year 2023**  
**Burlington Housing Trust Fund (HTF) Administrative Committee (HTFAC)**  
**Meeting Minutes**  
**Approved**

**Meeting Date/Time:** December 8, 2022 at 1:00 p.m.

**Meeting Location:** City Hall, 149 Church Street, Champlain Room and virtually Via Zoom

**Present:**

- City Councilor Zoraya Hightower
- Mayor's Office Administrative Coordinator Erin Stoetzner
- Community & Economic Development Office (CEDO) Director Pine
- CEDO Assistant Director, Grants & Finance Todd Rawlings
- CEDO Housing Program Specialist II Harrison Martin-O'Brien

**Absent:** None

**Also Present:**

- Chris Donnelly (Champlain Housing Trust (CHT))
- Miranda Lescaze (CHT)
- Julian Mandigo (Cathedral Square Corporation (CSC))
- John Michael Longworth (Committee on Temporary Shelter (COTS))
- Jaclyn Marcotte (CHT)
- Alison Johnson (Green Mountain Habitat for Humanity)
- Kirby Dunn (HomeShare Vermont)
- Mark Redmond (Spectrum Youth Services)
- Hayley Shriner (Lighthouse Commons)

**Meeting called to order:** by Director Pine at 1:05 p.m.

**1. Agenda:** Motion made by Director Pine to accept the Agenda as drafted, seconded by Councilor Hightower. Motion passed unanimously.

**2. Old Business:**

- a. **Minutes:** Motion made by Director Pine to accept draft minutes for the meeting September 29, 2022. Seconded by Administrative Coordinator Stoetzner. Motion passed unanimously.

**3. Public Forum:**

Director Pine: This is an opportunity to comment on the general work of the Housing Trust Fund. There will be time for discussion of applications during new business.

Seeing no comments, Director Pine closed public comment.

**4. New Business:**  
**a. Discussion of FY23 project and capacity applications**

**Discussion:**

Director Pine: Todd it'd be helpful if you could walk us through the FY23 applications and allocations.

Assistant Director Rawlings: I'm happy to give an overview, and if there are questions it's up to the committee to discuss what we chose here or make another decision later. The staff recommendations memo has been circulated and hopefully everyone has had a chance to look at that and read that closely. The background is at the last Housing Trust Fund Administrative Committee (HTFAC) meeting the decision was made to shift the scoring of applications to CEDO staff and to ask CEDO staff to make recommendations for the committee to respond to. To be clear, the committee has the full discretion to take these as written, or to disregard them completely in terms of the allocation decision that occurs. This is merely intended to help make the decision-making process easier, and hopefully it has achieved that. The other piece of background is that the memo is informed by resolution, ordinance, and guidance by an entity that is now known as the Community Development and Neighborhood Revitalization (CDNR) committee. Specifically at least 50% of the funds of the HTF need to go to projects serving folks below 80% and below 50% of Area Median Income, no more than 35% of the funding can go to capacity grants, and 15% can be taken as administration for the Housing Trust Fund. That 15% has historically gone to pay staff to do many other things beyond the Housing Trust Fund, the largest of which is to administer the Inclusionary Zoning Ordinance, which creates a significant staff burden. Those funding percentages have been the practice of the HTF since it began and we continue to honor that and make sure we're following the letter of that ordinance. In terms of staff recommendations, staff have proposed to fully fund all capacity grant applications at \$147,500 and have recommended to use the majority of the project funding, with one exception, for the highest scoring applications. A little bit of background on the scoring, one of the other outcomes from the previous meeting was that Councilor Hightower made what we think is a very valuable suggestion with respect to the rubric that we have been using over the last three or four years and we ended up making a modification to our scoring rubric. We've included both the original scoring and the newest version of that in this memo so that folks can take a look. We think that Councilor Hightower's proposed rubric has value, especially in that it allows us to do the scoring in such a way that the priorities of the city are still reflected in the scoring, but with fewer categories. We think that's a really elegant solution, but it is up to the committee whether or not that version is adopted. The intention of using these rubrics is to ensure that we are connecting our funding to stated city priorities and we went through a very public process with CDNR a few years ago to make sure that we were capturing the right things, like, are applications meeting the priorities of the Mayor's housing action plan, or the goals of the City's Consolidated Plan, and other baseline factors. We felt that it was really important that we use the rubric to make sure we're keeping the public's priorities in the forefront when it comes to making these decisions.

Director Pine: Thank you that has been helpful Todd. Does anyone on the committee have any questions about that?

Erin Stoetzner: Not at this time.

Director Pine: We'll call it the Hightower rubric from now on. You will note that one of the projects recommended for funding doesn't necessarily score particularly high here, so I think it's important to note that HomeShare brought forward a proposal through the CDNR committee that then resulted in a council resolution that was unanimously adopted. This gave us pretty clear guidance that it was a pilot demonstration that it was worth funding, even though when held up against the rubric it didn't score particularly high.

Assistant Director Rawlings: You could make the case that our recommendation to fund that was an acknowledgement that there are cases where the rubric doesn't tell the whole story, and that's why it's important that the committee has discretion.

Director Pine: One thing to note that is a little unusual of a development, a new day for the housing trust fund, we increased our tax levy significantly to the full penny resulting in an annual revenue of about \$560,000, but more worth noting is inclusionary zoning payments in-lieu, condo conversion fees that assess a fee to offset the loss of rental housing, and the newest source of revenue is the Short Term Rental revenue coming in for the month of October at \$52,000 just for the month of October. That's a significant new infusion. What we don't expect is for that number to remain that high. We think some people will convert short term rentals back to housing. There's also bound to be some seasonal fluctuation. We don't expect \$50,000 a month in revenue, but we do think it will be somewhere around \$20,000 per month. That's the order of magnitude once we reach a stabilized level, when some folks will drop out and go back to residential, again this was the goal of the policy. It's a 9% assessment on any room done through short term rental. It does mean that any projects that aren't funded during this decision round doesn't mean we have to wait until a year from now, we may be revisiting a funding opportunity depending on how the next few months go this spring. Thanks for walking us through that Todd. What do we have for any committee questions or comments, or do we want to engage the applicants who are here to ask questions and give them a chance to make their case, what's the pleasure of the committee?

Erin Stoetznier: I would like to hear from the applicants, but I'd like to hear what Zoraya thinks we should do as well.

Councilor Hightower: I'm happy to hear from the applicants. I also have some initial thoughts before the applicants go, if that's okay. I don't remember how we allocated for capacity applicants and I don't know how much funding we have left in that bucket, and two, just looking at who did rise to the score, if one of the things we want to consider is to generally go with staff recommendations, but that we may want to consider fully funding some of the lower cost projects, like the Ethan Allen Dining and Nutrition support Project, add the cost of taking \$2,000 from the top three that have a higher ask. Taking a two thousand dollars off of \$300,000 of funding, versus not funding a third of the lower proposals is one of the things I'm thinking about as we go through this.

Director Pine: Sure, if you look at the memo on page 3 it'll layout the capacity requests, on the memo, the minimum ask went up to \$10,000, higher priority applications, like CHT's, are those that create housing. Everyone who requested capacity applications from this recommendation will be funded. The additional \$142,000 leftover from the capacity apps will go to fund project applications.

Councilor Hightower: Thank you, I was trying to understand where the additional \$142,000 would go.

Director Pine: The mayor has asked that we wait to make funding decisions until he has a chance to convene some key members of staff and talk through some of the allocations here.

Erin Stoetznier: I believe he is wanting to convene the next meeting for project allocations the week of December 19<sup>th</sup>.

Director Pine: So we, as a committee, would reconvene that week?

Erin Stoetznier: I believe so, yes

Director Pine: This memo came out on Monday of this week, so there just hasn't been enough time to discuss and ask questions for our meeting today.

Councilor Hightower: Are we talking about project or capacity, and if so, then this memo actually isn't staff recommendations? Or it is?

Director Pine: It's both project and capacity funding, but as far as the sequence of getting it fully vetted, we may have jumped the gun on issuing a recommendation before discussing it with the mayor.

Councilor Hightower: So we're not following the agenda, or the recommended motions today?

Director Pine: That's the request - that we hold off on making an allocation today.

Councilor Hightower: And the Mayor just couldn't make the meeting today, or Erin, he didn't have a chance to discuss with you the recommendations?

Erin Stoetznner: It was on my end, and not on the Mayor's end. I didn't allocate sufficient time for him to review the recommendations and it wasn't on his end.

Director Pine: We are having a chance to discuss it as a staff, and we haven't had time for that yet, and that's we will be doing this coming week and that's what pushes us off to reconvening the following week.

Councilor Hightower: I feel like the Mayor's appointee is here, so I don't totally understand why the Mayor has to go beyond his appointee, but I'm also not going to say he can't weigh in. I'm happy and ready to talk through this and take a vote on this today, but if folks feel uncomfortable with that. I'm going to push it.

Director Pine: It's important to note that it's 1:30 and we'd like to set aside time for applicants to speak about their projects if they would. Since our recommendation is to fund all of the capacity applications, I think we should focus on the project applications.

Assistant Director Todd Rawlings: Do we know if the intention of the Mayor is to be looking at the capacity applications as well? Or is it primarily around project funding?

Director Pine: I believe it around project funding.

Erin: That is what I believe as well.

Director Pine: Let's stick with projects today. CHT you're at the top of the list, do you want to talk about the timing of your projects and this request and how it fits with your other sources of funding?

Miranda Lescaze: Thank you for the recommendation of funding for the Post apartments project. We are really excited about this one. We're a little short on time, so I'll just say that it's an exciting opportunity to create 38 new apartments, of which are 8 designated for the homeless, and will include 2 nonprofit spaces, all while cleaning up a brownfield site in downtown. The main parts of our funding have been received. We applied for HOME funds through the City and will be going to the brownfield committee when we are further along. We hope to close on the project and begin construction in the fall of 2023. We are expecting a 14-month construction schedule, with the intent to occupy the building in the fall of the following year (2024).

Director Pine: Any questions on that? Otherwise we can touch on your other project, CityPlace.

Miranda Lescaze: Thanks for the recommendation for the Pine at CityPlace project. This is a really important project for Burlington, and a larger number of units of what we can fund for affordable housing.

We are working on coordinating funds for this projects. The Environmental Review work, and permits are ready for this. Our timeline depends on how the funding schedule goes. We budgeted \$600,000 for HTF over two years - \$300,000 for this year and \$300,000 for next year. Those sources are part of the project budget. The project includes a total of 85 total units, with 17 designated for homeless households. The timeline for this involves coordinating with the master developer. In terms of constructability, we need to match their timelines. We expect to be ready to go by late fall of 2023, or early winter of 2023.

Director Pine: What is the timing of the VHCB funding?

Miranda Lescaze: We submitted an application and will be considered by their board in January. We will be submitting to the city for HOME funds very soon, and will be applying for 9% LIHTC in early February 2023.

Director Pine: And what is the approximate order of magnitude for the VHCB funds?

Miranda Lescaze: It would be \$14,000,000 from ARPA, and general funds.

Director Pine: I wanted to point out the order of magnitude of the amount of leverage coming from those other resources. Councilor Hightower or Erin, do you have any questions on this?

Councilor Hightower: In line with some of our thinking, if we were to reduce the funding request for either of these projects be \$2,000 would changing that make a big difference?

Miranda Lescaze: Thanks for the questions, as I mentioned, for Pine at CityPlace we do expect to apply again next year, so funding this could be reduced for Pine to accommodate other applications. I think that could easily be accommodated.

Director Pine: Hearing no others, let's move on to the next application. Kirby, we've been pretty close to this one, can you talk a little about how you're going to do the work, because this funding is only for the incentives, and you've covering all of the labor.

Kirby Dunn: Labor and marketing have been our priorities. We're going to spend a time and resources this year on marketing to try and convince people to participate. We're trying to figure out what are the messages that resonate. Why are people concerned about sharing their homes, what can we do to alleviate those concerns. We've seen our numbers go down dramatically in Burlington in the last few years, with a lot less people willing to share their homes. We're not seeing that same thing across our services area. At the same time we're seeing four to seven times as many people interested as there are homes available. We hope a \$1,000 grant will help get people's attention and get them to consider home sharing. I'm thrilled to see short term rental fees coming in, that has been one of our competitors in this field. We are very excited to try this.

Director Pine: Thank you, Kirby for sharing with us. Just to note that you hired staff for marketing and you're devoting resources to try and turn this around. In Burlington, seeing this drop off in participation and then trying to get an increase in this is very heartening to hear. Home sharing is a huge untapped resource.

Kirby Dunn: We all think that, but people who own their homes don't necessarily it the same way.

Director Pine: Anything else for Kirby? Hearing none, Cathedral Square Corporation Scholars Building Security Upgrade.

Julian Mandigo: Cindy couldn't be here today. Thank you for the opportunity, the support means a lot for us. The project is for security upgrades, like to upgrade our security system with a high security lock system, to address concerns we've had over the past few months related to break-ins and unauthorized creation of keys and other related criminal activity. We haven't seen this before and we've spent a lot of resources on broken windows and broken doors. Reserves are pretty tight at this property, so it's a smaller ask but it's really desperately needed here. This would go a long way to improve the safety of our residents and improve piece of mind and residents and staff here.

Director Pine: It's a small request, but it makes me wonder, McAuley is about 20 years old now, are you considering recapitalizing and resyndication on this to address more major system issues?

Julian Mandigo: I can't really answer that now, but I can get back to you with a timeline on that. We're always taking that into consideration. When we can do rehabs, it's been tight to find funding when the focus is to prioritize new housing. Of course we recognize the important of putting money back in to affordable housing. This project needs to happen now, our residents really need this piece of mind and we really need to upgrade our security as soon as possible.

Director Pine: Any questions from council? Alison from Habitat, do you want to talk about your application? I just want to say, we want to fund everyone, but we have tough decisions to make. We want to support all of these projects, but give us a sense of your timing and when you need to pull the trigger on this project.

Alison Johnson: First I want to thank you, because I know there are a lot of applications and not a lot of money. I understand that you want to be able to fund everybody. I want to take a moment to share the exciting new projects that are happening. One of them is in the New North End on Temple Street to build a new duplex to house low income Vermonters. The site is kind of on a ledge going down toward the beltline, so there's a lot of infrastructure work that needs to take place before we can begin building. And then we have Manhattan Drive. At the end of Manhattan drive there's a small plot of land with a house that will be torn down to create new duplex for affordable housing. We don't; house a lot families, although we wish we could. In comparison to other projects, we are only serving 4 families, but they would be out of rentals and into affordable homeownership. One question, when I was reviewing the memo, it looks like we would be fully funded if additional funding comes into the HTF. I'm curious as to how that would work. Would that be funding for FY23 or for FY24?

Director Pine: That's something that the mayor wants to discuss, how to we do this on a rolling basis, when we always have a chunk of money and we make a decision and that's it for the fiscal year. How do we then prioritize funds for projects that didn't get funded on a rolling basis? Stay tuned for that answer. Jaclyn Marcotte, I'm sure you have some thoughts to share with us on the shared equity request.

Jaclyn Marcotte: For the shared equity program we have two homes in the Old North End that are in need of repair. One of the homes has been in our portfolio for years, but we had to purchase the home back due to condition concerns. We need to make some updates to the addition, and it's not something that the homeowner can take on themselves. Then we have another home that has been in our rental program as a two unit duplex on Archibald Street that we are transferring into our homeowner program, and converting it back to a single family with around 4-5 bedrooms. The tenant that just moved out is hoping to be able to purchase it when they are ready. There is quite a gap in our budgets for these and we are actively working on these. We will be working on the Archibald house over the winter and spring. Our timelines are moving very quickly on these two projects.

Director Pine: Okay thank you. Hayley we will come to you in a minute, but I think, John Michael you're next. Erin, Zoraya any questions for CHT on the shared equity homes?

John Michael: Thanks for giving us the opportunity, come by our groundbreaking tomorrow for the new 16-unit apartment building. It's a great chance to check out the work at the existing shelter

Director Pine: I'll just note that our support for this project is small piece of the overall budget, but the City's HOME commitment was just below \$500,000 for 278 Main Street. Very grateful that COTS was able to leverage the resources on this.

Director Pine: Hayley, you're going to bat clean up here.

Hayley Shriner: I didn't know I'd have an opportunity to present today, and I'm really grateful for the opportunity. I purchased a shared equity unit from this project in 2020 in Lighthouse Commons in the Old North End. There are eleven shared equity units in our condo association, one unit that's not shared equity, and one storage unit. We all really love living in our homes, but have faced the challenge of deferred maintenance in our homes. The board has been trying to address some of the issues with the safety and sustainability of our homes. Things like taking on projects to reside buildings with extensive rot, or roofing for two of our buildings in the last year that prevented a safety hazard. We are targeting specific projects that impact with the safety and sustainability of our projects. One challenge with putting our application together was that we don't have income data on all of our owners. I know that if we did have income data on all of the owners that it could strengthen our application, but we did not pull that information. In order to fund the project that we're doing, we did receive a \$30,000 grant from CHT that we're really grateful. We put in place a special assessment of \$100,000 that, spread between 12 owners, is a really large burden. We understand that this is our responsibility, but as a board we are determined try and access other funding if it is available. We're in a hard place because this is work that has to be done for the safety of the people living in these homes. We also understand that putting that large of a special assessment on low-income homeowners puts these people in a hard position.

Director Pine: Thank you, and I want to thank you because you're one member of your condo association who stepped up here and put this proposal together. The need is significant, and these are small entities, and we've learned in the past that small entities don't have the same economics of scale. The housing that is provided in affordable shared equity home ownership brings a huge value. Erin or Zoraya, anything you want to ask Hayley?

Councilor Hightower: No and thanks Hayley and everyone else who presented for being here.

Director Pine: I want to see if Mark has anything to share.

Mark Redmond: Thank you for having us on. The funding would be for our warming shelter. We started it on a wing and a prayer. We have 16 units on Pine Street. I don't know how we paid for our first year. We used the co-cathedral space last year. A private donor funded the whole thing, but she passed away and we're getting some funding from the state. It should be open by now, but it's not open yet because we can't find the staff. We used to have double coverage during the day and single coverage at night, but we're no longer able to have one person on staff overnight. Any questions, I'm happy to answer.

Director Pine: To address John Michael's comment in the chat, you will all be notified of the final decision meeting. For the administration, sorry that we didn't get a chance to get together to discuss this decision. We will reconvene to make our final decision. Thanks everyone, we provide the funding, but you do all of the important work. Thanks a lot.

**Adjournment:** The meeting was adjourned at 1:59 p.m.

Respectfully Submitted By:  
Harrison Martin-O'Brien  
Housing Trust Fund Staff