

**Housing Task Force Meeting Minutes**  
**Thursday January 17 2019**  
**City Council Chamber**  
**5:15pm to 7:00pm**

In attendance:

Polly Nichol  
Joann Troiano  
Jack McCullough  
Eileen Peltier  
Rick DeAngelis  
Jen Hollar  
Laura Gebhart  
Mary Alice Bisbee  
Jim Libby  
Liz Genge  
Kevin Casey

**Meeting Called to order at 5:15 p.m.**

- 1. Introductions and Approval of the Agenda:** Jack made a motion to approve and it was seconded by Jo, and approved unanimously. The only change to the agenda was to move the Franklin Square discussion to the beginning of the meeting
- 2. Approval of Minutes of December 13th Meeting:** Members did not receive December minutes, they will need to be approved at February meeting. Kevin will check and get those out prior to the next meeting
- 3. Public Comment- No Public Comments**
- 4. Loan Funds Restructuring – Kevin**

This item was very briefly discussed as a follow up to the December discussion. Of primary concern was the keeping the Housing Trust Fund separate from the Housing Revolving Loan funds. The Housing Trust Fund (HTF) was established for very distinct reasons by the taxpayers of Montpelier. Kevin agreed to make the change to the memo establishing a Housing RLF separate from the Trust Fund. The memo will be presented to City Council on February 14<sup>th</sup>. Kevin will make the change and circulate to Jen and Polly.

## **5. Montpelier's Housing Needs and other regional updates – Clare Rock**

Clare suggested that the City and/or CVRPC undertake a Housing Needs Assessment to help determine how the City can identify and then maintain the existing housing stock, identify the number of workforce housing units, identify opportunities to create new entry level housing, look for opportunities for repurposing the existing housing stock and look for infill development opportunities.

## **6. Update from Downstreet – Liz and Eileen Peltier:**

Liz mentioned that French Block is starting to Lease up and first tenants were to move in shortly. That project also has 5 vouchers to assist the homeless. Taylor Street project is well underway and two weeks ahead of schedule. Jim asked about the mix and Eileen explained that of the 30 total units: 4 have no restrictions, 7 units are for people with incomes up to 120% AMI and 19 are Traditional Tax Credit Units (Below 60% AMI)

## **7. Franklin Square Condominiums Update – Eileen Peltier and Rick DeAngelis**

Rick DeAngelis provided a brief history of how the Franklin Square condominiums came to be. In 1988 the City's Community Development Department, through its home ownership program, purchased the property and completed a renovation. Two Condominium Associations were formed. In 1990 Phase II included the renovations of Franklin Square II buildings.

From the beginning there were issues since the rehabs were modest and many of the more serious issues were not addressed. The age of the buildings meant that they were harder to maintain, the ownership structure was not ideal since there was little understanding that the owners were in fact owners not renters. Over the next 10+ years the Condo Association was self-governed, poorly managed, and there was little capital investment in the buildings.

In 2000 the City of Montpelier signed over management of the project to Central Vermont Community Land Trust (CVCLT is now Downstreet). Downstreet hired Montpelier Construction to complete a Capital Needs Assessment (CNA) to determine what the long term strategy and associated costs would look like.

Eileen Peltier discussed the current state of the Franklin Square Condo Association discussions. Downstreet is using the Riverstation Condos on Barre Street as the model, as it is the most successful model of affordable condo ownership that Downstreet has utilized. Under this model 50% of the units will be affordable and 50% will be market rate, FSI and FSII will be combined into one association, the project will have a 20 year CAN completed, the units that become "market rate" must buy out their affordability covenants and those funds will go back in the condo association reserves. Currently the properties need to spend approximately \$125k in immediate needs to "stop the bleeding".

This current proposal would require the City to contribute \$50,000, these funds will be leveraged with \$100,000 contribution from VHCB as well as the owner contributions from those units that will be market rate. Under the new structure, 8 units will buy out their affordability covenants at \$20,000 each, contributing another \$160,000 toward the overall project which is expected to cost approximately \$1,000,000.

Jack asked “How do we insure long term viability”, Rick mentioned that there has been ongoing training over the last 5 years to bring the Condo Board and the owners up to speed on what is required to successfully run a condo association.

Liz asked about the scope of the work. Eileen mentioned that the full scope is in the CNA but mainly it will address mechanical upgrades, common areas, and water damage on exterior of the property.

Jen Hollar asked about the ongoing role of Downstreet and it is currently being discussed that Downstreet will have an ongoing role doing the financial reporting and maintaining financial records.

Jen Hollar asked Rick and Eileen to address the concerns that changing the mix from affordable to market rate will help the association/owners.

Rick addressed these concerns by stating the following reasons:

1. More income diversity will help promote better governance
2. Unrestricted units open up the pool of potential buyers and enhance the image of the property
3. The income generated from the owners wishing to extinguish their affordability covenants will be critical to making the association viable.
4. It is likely that the units that are “market rate” will still be affordable in relation to the overall Montpelier Housing market (likely under \$200k)
5. This model has been successful at Riverstation and without these changes the Franklin Square associations will likely not be able to succeed and a larger failure will be on the horizon.

Jack asked what will the public body actions be needed? Eileen mentioned that once the funding source is identified that the Council will need to support the City’s \$50,000 contribution to the overall project.

The Task Force supports the restructuring and redevelopment of the Franklin Square Condos but no more formal action was taken.

## **8. Proposed Fair Housing Language for Trust Fund Guidelines - Polly**

*In the interest of time this item will be addressed in the February meeting.*

## **9. Update on City Budget – Jack suggested that the increase in the Housing Trust Fund was a good sign and it wo**

## **10. General Announcements and Updates**

Liz provided an update on the Taylor Street project and she is hearing the project may be completed as early as mid-August. Things are on schedule. The question was asked about the makeup of the units and Eileen mentioned that the following mix is required for Taylor Street Housing:

30 Units

7 units up to 120% AMI

4 no restrictions

11 Traditional Tax Credit Housing

French Block: Has 5 vouchers for housing of the homeless. Also in this process Liz has found is that Accessible Units are in high demand.

Jack updated the Task Force on the budget process and he reiterated that the Council has shown great support for increasing the overall funding of the Trust Fund in response to the Task Force repeated requests and the upcoming demand for project like Christ Church, Taylor Street Housing, as well as general support for the First Time Homebuyer Program. Jack mentioned it might make sense to have some representation at the January 24<sup>th</sup> council meeting. However, he anticipates the increased funding for the Housing Trust Fund is very well supported by the Council.

Jen mentioned that the City will be hosting its annual Welcome Legislators event at the Capital Plaza on January 29<sup>th</sup> and it is a good opportunity for people to meet and discuss issues with the legislators. It is an enjoyable event and well attended.

**11. Agenda items for February meeting**  
**Fair Housing Language**

**12. Meeting Adjourned at 7:05 p.m.**