

MINUTES PUBLIC HEARING
VCDP Implementation Grant
5:30 P.M. Thursday, November 17, 2016
HARDWICK MEMORIAL BUILDING
3RD FLOOR MEETING ROOM

Select Board

Eric Remick, Chair
Kathleen Hemmens, Vice Chair
Shari Cornish
Elizabeth Dow
Kory Barclay

Others Present

Jon Jewett, Town Manager
Brittany Currie, Business Manager
Alberta Miller, Town Clerk
Jim Lovinsky, Lamoille Housing
Matt Moore, Housing Vermont

Others Present

Charley Burbank Jr.
Mike Bielawski-Gazette
Jim Nudd
Gary Michaels
Mike Lance

5:37 P.M Eric Remick called the meeting to order.

5:38 P.M. Jim Lovinsky explained that there currently were two separate partnerships, Hardwick Housing (rebuilt from a 1992 fire) and Highland Hill Housing (rehab project from 1997) and they were proposing to combine the two in order to re-invest and re-finance to be able to make energy updates and exterior improvements. This would also entail new tax credits as it would be a new partnership. Eric further explained that this hearing was to ask the Town to open an application and apply for funds on behalf of Lamoille Housing and Housing Vermont.

5:42 P.M. Elizabeth Dow asked what the loan terms and repayment plan would be, and Jim said it would be a 30 year deferred loan at 0% interest. Kory asked if the loans would ever be repaid, and Jim said no, as they grew closer towards the repayment date, they would refinance them into new loans instead. Elizabeth mentioned that it sounded similar to a grant in that case, and Jim said no it would need to be a loan in order to allow the opportunity for tax credits. He explained that HUD provides money to the state in the form of a block grant, the state grants the money to the municipality, which then gets loaned to a housing partnership in order to leverage tax credits. Jim further explained the purpose of the tax credits were for businesses to invest in low income housing in low income communities, and in return they would receive tax credits for investing their money.

5:45 P.M. Matt Moore explained the structure of the housing partnerships and how they reach out to banks, insurance companies, etc. to get them to invest into a larger investment fund and in return they receive tax credits lowering their federal corporate tax liability. These types of investments would make up about 25% of the total proposed project or about 1 million dollars and the VCDP money would be a piece of the puzzle as well. Kathleen commented that this was a very confusing system, but it was set up this way for a reason. Kory asked what the rent money was used for, and Matt explained that it funded the operations of the building. He further explained that because the rent money was limited in order to keep the housing affordable, there was not a lot money left over to do much upkeep on the properties. Kory asked why the partnerships couldn't pay for the building improvements, and Jim said they had been but the reserve money ran out. Kathleen asked what the occupancy rate was, and Jim said all but one apartment were full and that one was open due to possible relocation of tenants.

5:52 P.M. Elizabeth mentioned there was a considerable amount of time spent on these projects by Town staff, not only during but after the projects as well. Matt explained that there was \$5,000 available in the project to reimburse for Town administration and legal costs, but no funding going forward.

5:55 P.M. Jim reinforced that the whole idea of these loans were to continue low income housing in the community.

5:58 P.M. Alberta asked how many buildings were currently managed by these partnerships, and Matt replied that there were 8. Alberta mentioned that these 8 buildings paid much lower taxes, and Matt said that due to the structure of the low income housing, these buildings were worth much less as well.

6:01 P.M. Matt explained how low income housing worked, who can get in and what their rent was based on. He explained that the rents that are received are not enough to keep the buildings going without help.

6:04 P.M. Charley Burbank, from Calais VT stated his concern about these types of housing non-profits partnerships and his involvement that began in 1992 when Hardwick Housing began, in order to rebuild after the fire on Main Street. He asked in 1992 what money was being set aside to repay these large loans, and he was told nothing was set aside and they never had intention to repay them, but to refinance in the future. He urged his concern with the fairness to the private landlords; that have to pay for their own capital improvements and how these partnerships never have to pay for any of their improvements as they would just ask for more money. He stated he had gone to Lamoille Housing requesting public tax returns and was denied to view them at the time. Earlier that night, he was given a copy but that copy showed very little liabilities on the books and didn't match up with the Town's records. Matt Moore responded and said that each partnership would have its own tax return (Hardwick Housing, Highland Hill, etc.) so it would not all show up on Lamoille Housing Partnership's tax return. Charley urged the Select Board to consider asking the private landlords in Town what their opinion on this matter was before making any further decisions.

6:15 P.M. Eric Remick adjourned the meeting.

Minutes approved by: _____
Eric Remick, Chair of the Select Board

Minutes taken by: _____
Brittany Currie, Business Manager