

**HARTFORD BUSINESS REVOLVING LOAN FUND COMMITTEE/
HARTFORD VCDP REVOLVING LOAN FUND COMMITTEE**

Meeting Minutes

June 7, 2023 at 8:30 a.m.

Hartford Town Hall, Room 312

171 Bridge Street, White River Junction, VT

And via Zoom and by Conference Call

This meeting was conducted in compliance with the Vermont Open Meeting Law with electronic participation. The public was able to join the meeting from a computer, tablet or smartphone.

The HBRLF/ VDCP RLF Committee is:

Frank Klymn (term expires 2/21/2026)

Michael Gabriele (term expires 3/8/2024)

Jay Zanleoni (term- expires 1/11/2024) - Chair

Members attending online/by phone: Jay Zanleoni (Chair) and Michael Gabriele

Others attending online/by phone: Erika Hoffman-Kiess, GMEDC Executive, Lori Hirshfield, Town of Hartford Department of Planning and Development Director and Crystal Pearson as a member of the public.

Others attending in person: Mark Condon, GMEDC Executive Assistant.

Quorum was not met for this Committee meeting. Crystal Pearson's term on the Committee expired on May 18, 2023 and her reappointment has not yet been approved by the Selectboard.

Committee Chair Jay Zanleoni called the meeting to order at 8:35 a.m.

Minutes

Without quorum, the minutes of the March 8, 2023 were not able to be approved. This will be done at the next Committee meeting.

Executive Session: Review of the Confidential Loan Summary Report for April 2023 and Updates on any Potential Loan Applications

Mike Gabriel made a **motion** to go into Executive Session due to the proprietary nature of the information in the April 2023 Loan Summary Report and to receive an update on any potential loan applications. Jay Zanleoni seconded the motion, and the motion passed.

The Committee went into Executive Session at 8:37 a.m.

At 8:48 a.m. the meeting came out of Executive Session. No actions were taken.

Committee Members and New Town Policy & Procedures

Jay announced that he, as Committee Chair, has received an email from the Town going over new Town policies and procedures regarding Committee memberships. One of the new policies now requires a monthly report to the Town listing if there are any vacancies or expected vacancies on the Committee. The Town will then post the vacancies for all Committees. Lori Hirshfield stated this would then open a 30-day period for accepting applications to fill the vacancies. Lori said she will work with Jay to get him started on the initial reports.

Crystal Pearson said that she had submitted her paperwork seeking reappointment to the Committee. Lori noted that the vote on some reappointments had been tabled at the last Selectboard meeting due to time constraints. She expects the Selectboard to handle them at their next meeting.

Erika Hoffman-Kiess departed the meeting at 9:00am.

Jay stated that this Committee does have a vacancy as Ryan Scelza resigned at the last meeting due to moving out of the area. Crystal said she has been handing out flyers about the Committee and that Frank Klymn has been reaching out to some people to see if they might be interested. Jay noted that all the current members are bankers. He noted it would be good to have a local business owner to vary the backgrounds and experiences in accordance with the HBRLF adopted Guidelines.

Discussion of Potential Housing Programs

This agenda item was a continuation of the discussion at the last Committee meeting exploring ways in which the HBRLF and the VCDP RLF Funds could be used to increase workforce housing. Lori shared some information on the successes of the May 6th *Home Creators Expo* focused on Accessory Dwelling Units (ADUs) with over 140 people attending. She noted that this is one example of the community coming together to promote affordable housing.

Lori said that the VCDP RLF funds could be used for development of housing with a certain percentage benefiting people with low to moderate incomes. The tenants of the housing units could be counted towards that, not just the property owners. Lori suggested some of the ways the funds could be used included providing technical assistance for creating ADUs, direct loans, buying down loans to provide more favorable interest rates, and reduced interest loans.

Jay asked if it could be grants that would reduce the total fund. Lori said that it could be both grants and/or loans. She said it could be modeled after existing programs and gave an example of the the Vermont Housing Improvement Program (VHIP) which provides a \$50,000 grant to property owners creating ADU's; Lori was not suggesting this amount, just the concept. There was some discussion about the structure of the VHIP program with a 5-year term to keep the rent at a specified reduced rate, and Upper Valley property owners go through The Haven portal to connect tenants with housing. If the property is sold within the 5-year term, the Purchase and Sales agreement needs to include completion of the 5-year commitment for the reduced rate. At the end of the 5-year term, there is no restriction on the rental rates.

Jay stated that he preferred the idea of low interest rate loans rather than grants to extend the funds utility over time . He also thought that the grant amount likely would likely need to be significant to affect the current cost of building an ADU. Crystal agreed saying construction costs have doubled and that unless it was a large grant it likely would not make a difference for someone to go ahead with such a project. Jay did think that \$2,000 grants for technical assistance in planning might work.

Crystal said that tenants do benefit by going through The Haven system. The Haven pays the tenant's first month rent and security deposit. With other state rental assistance programs, the tenets out of pocket cost can be around \$300 monthly.

Jay asked if the HBRLF only was allocated for businesses. Lori said it could be used to support economic development and gave an example of a new or existing businesses needing employee housing. She said that overall, the Town needs more housing for a mix of housing types.

Mike Gabriel asked how much the VCDP fund has available and Jay said \$148,000. Mike stated that he did not have an opinion if grants or loans would be preferable as long as the funds are providing assistance to those who need it.

Lori said she knew of a couple of businesses looking at housing projects for their employees.

Crystal said she may be more comfortable with revolving loans for multi-unit buildings owned by LLCs and not owner-occupied. Jay noted that if, for example, a business owner wants to construct a 4-plex for employee housing, it is more like a typical business loan. He asked if the HBRLF can be used for business housing. Lori said the guidelines state it is to promote local businesses. She noted that if the business itself was sold, the housing loan likely should address if it needs to be paid back.

Lori asked if the VCDP RLF Committee was in favor of using the fund for housing. Jay said he was in favor of looking at it more, possibly not for the entire fund amount. He said he was not opposed to grants but was more interested in revolving loans with low interest rates.

Instead of waiting for the next regularly scheduled Committee meeting in September, Lori suggested holding a special meeting before then to continue the housing discussion with a quorum. Jay said he would work with Lori and Mark to schedule one six weeks from now.

Other Business

There was no other business.

Adjournment

Mike Gabriele made a motion to adjourn the meeting, Jay Zanleoni seconded the motion and the motion passed unanimously.

The meeting was adjourned at 9:35 a.m.