

Community and Economic Development Committee Minutes - August 24, 2021

Members present: Michael Talbott (chair), Sharon Davis (vice chair), Mike Doenges, Bill Gillam, Devon Neary

Others present: Matt Whitcomb, Tom Depoy, Heather Stryzynski, Melanie Paskevich, CJ Jackson, Mary Cohen, Brennan Duffy, Barbara Spaulding, Ed Bove, Andy Paluch, Chris Ettori, Lionel Church, Stephen Box

The meeting convened at 5:30pm.

The first item on the agenda was to continue discussion of a possible assistance program for owner-occupied rental housing with representatives from Neighborworks of Western Vermont.

The meeting began with Heather, Melanie, and CJ from Neighborworks summarizing their experience administering a rental repair program using CARES Act funding to bring back online 35 vacant units in Rutland County to house the homeless. The program involved a \$30k grant per unit with a \$10k match by the landlord. The process involved inspections and progress payments. It took a minimum of 9 months to complete these projects. They emphasized the importance of a substantial dollar amount (roughly \$20k-\$30k per unit) needed to attract landlord attention. In terms of lessons learned, they explained that it was important to establish clear expectations about the final product up front, including details on finishes and energy efficiency.

Alderman Gillam pointed to the needs of many homeowners in the northwest neighborhood, who may rent out a unit in their building but live primarily off social security and can't afford to make needed upgrades to their properties. Several committee members emphasized the need for increasing the stock of market-rate rental housing for the professionals the community is trying to attract and hoped that a city program might be able to complement the focus of Neighborworks and other housing organization on below-market-rate housing.

Community member Lionel Church explained that he used Neighborworks Loans to purchase his multi-unit home. He was able take care of some external building issues with Neighborworks funds and use Efficiency Vermont funds for energy issues, but that he is struggling to find funding to support interior renovations. Low interest loans to make interior improvements appears to be a funding gap.

Alderman Neary asked how the housing needs assessment created by the Housing Trust and the housing data in the Downtown Strategic Plan might employed in crafting a city strategy for addressing housing. Alderman Doenges spoke from his own experience as landlord, saying that it can often be difficult to find the funding to quickly transform below-market-rate units to market-rate or above. Instead of waiting for equity and income to build up over a period of years before making improvements there's a need to help landlords make those improvements right away.

Real estate professional Andy Paluch also emphasized the critical demand for market rate rental housing and the importance of charting clear paths for new investors on how to renovate their properties.

Alderman Whitcomb said he was concerned that so many of these housing programs address where we are, not where we want to be. Many present emphasized the need for a strategic plan and comprehensive data to drive the city's strategy for addressing housing needs. Brennan Duffy explained that the last housing study the city has is from 2018. Alderwoman Davis emphasized the need to seek the input of landlords in crafting a strategy. Ed Bove asked if the city had a list of target area of investment for existing properties and a target area for investment in new housing, explaining that such targets can help in obtaining funding.

Several committee members asked how we might fund a program, and who should administer the program. There was also a clear consensus on the need to gather the relevant data to craft a strategic housing plan for Rutland City. Alderman Neary made a motion to direct the Rutland Redevelopment Authority to investigate the potential use of ARPA funds for market-rate housing purposes, as well as state or federal grants through Vermont Agency of Commerce and Community Development and coordinate with local housing agencies on that investigation. The motion passed unanimously.

The second item on the agenda was to discuss the request by the Housing Trust of Rutland County to forgive the City's 2004 loan on the Tuttle Block in order to allow the Housing Trust to proceed with much needed renovations and additional housing units. Brennan Duffy explained that the Vermont Community Development Program that issued that loan approves of forgiving loan so long as the Board of Aldermen is in agreement. Forgiving the \$600k loan will allow the Housing Trust to create three additional housing units in place of their current offices. They plan begin renovations after they close on funding in December.

Alderman Neary asked for clarification that no money is actually owed to the city on this loan. Mary Cohen clarified that the city only acts as a passthrough. Alderman Doenges made a motion to approve forgiveness of the loan. The motion passed unanimously.

The meeting adjourned at 7:17pm.