

Community and Economic Development Committee

Date: June 4, 2025

Topics:

- Rutland City Market Rate Revolving Loan Fund (RLF)
- Rutland Regional Planning Commission 2026 Regional Plan and Regional Future Land Use Map.

The Community and Economic Development Committee of the Rutland City Board of Aldermen met on Wednesday, June 4th, at 5:30 P.M. in the Lamontagne (meeting) Room in City Hall.

Committee members were present including Chair Donahue, Vice Chair Davis, and Alderman Gillam. A quorum was present and voting.

Also in attendance: Aldermanic Board President Allaire, and Alderman Cupoli.

City officials attending included: Mayor Doenges and Rutland City Planning Director, Ed Bove.

Other officials included: Barbara Spaulding, Director of Grants & Outreach for the Rutland Redevelopment Authority (RRA). Mary Cohen; CEO of Cornerstone Housing Partners and Melanie Paskevich, Cornerstone's Chief Program Officer.

Members from the public included John Sabatasso.

Chair Donahue opened the meeting at 5:31 P.M.

Specifically, being considered were:

- 1) Expanding the Rutland City Market Rate Revolving Loan Fund (RLF) to include new housing units (in addition to the repair and rehab of rental units).
- 2) Consideration of a Municipal Request for Tier 1B Area Designation for submission to the Vermont Land Use Review Board.
- 3) For the RRPC Future Land Use Map: The Proposed Designated Downtown District Boundaries within the Neighborhood Development Area; of the City of Rutland Zoning Map.

Regarding item 1) Chair Donahue turned the presentation over to Melanie Paskevich who discussed their request to expand the Revolving Loan Fund (RLF) to include new housing units primarily sparked by interest from a new housing developer but coupled with the fact that the fund was underutilized by landlords for repair and rehab only. To date only 2 loans have been made, totaling \$60,000.00 for 2 units (\$30,000 each) as prescribed by the loan program. The total fund was \$400,000 (originally capitalized by

ARPA funds). After a healthy discussion on the merits by the committee, the other Aldermen present, the Mayor and the housing officials ***Vice Chair Davis moved to recommend to the full Board of Aldermen, seconded by Alderman Gillam, the following:***

Change the City's Market Rate Revolving Loan Fund to include new housing units with the caveat that the Rutland Redevelopment Authority endeavors to strike a balance between rehab and repair applications and those for new units.

Chair Donahue called for further discussion. Hearing none the motion was approved unanimously by the committee (3 Yes, 0 No).

Regarding item 2) The Committee discussed the details of a Municipal Request for Tier 1B Area Designation (which would be submitted July 1, 2025, with the RRPC and take effect on January 1, 2026) and the details of Act 250 exemptions for development within a Tier 1B area. The Committee went on to discuss the additional benefits for development in a Tier 1A Area Designation (application can be submitted to the Vermont Land Use Review Board by the City after January 1, 2026). The Committee also discussed the current unlimited housing unit Exemption status the City has under Act 181's / Act 250 Interim Exemption in place until January 1, 2027.

Because the Tier 1B status would limit our housing units to 50 and we now are fully exempt under the Act 250 Interim status ***Vice Chair Davis moved to recommend to the full Board of Aldermen, seconded by Alderman Gillam, the following:***

The City not submit a municipal request through the RRPC for Tier 1B Area Designation for July 1, 2025 and that the Rutland City Planning Director be authorized to submit a municipal request for Tier 1A Area Designation after January 1, 2026 to the Vermont Land Use Review Board.

Chair Donahue called for further discussion. Hearing none the motion was approved unanimously by the committee (3 Yes, 0 No).

Regarding Item 3)

Ed Bove presented the proposed map of Designated Downtown District boundaries. The Committee and officials present had a robust discussion on the details. A couple notes of interest include the following: A) This boundary would not affect the current downtown "Special Benefit District" but could afford other incentives to development within the

expanded boundaries. B) While the proposed boundaries are very similar to those of the new Tax Increment Financing (TIF) District and the Committee believes mirroring those boundaries would be the preferred version. Ed Bove also pointed out the merits of extending beyond the TIF boundaries south to capture the Strongs Ave area down to the Flood Plain past Hopkins St. The Committee concurred. Ed will modify and present the map with those adjustments.

Accordingly, Vice Chair Davis moved to recommend to the full Board of Aldermen, seconded by Alderman Gillam, the following: The Board adopt the proposed outline of the Designated Downtown District encompassing the TIF District Boundaries and any identified bisected properties and additionally extending the boundaries south to include the Strongs Ave. area down to the Flood Plain past Hopkins St.; and adding the identified additional land in the Planned Growth Area (according to the maps submitted by Planning Director Bove).

Chair Donahue called for further discussion. Hearing none the motion was approved unanimously by the committee (3 Yes, 0 No).

Alderwoman Davis moved to adjourn, seconded by Alderwoman Gillam. Motion passed and the meeting concluded at 6:30 P.M.

Respectfully submitted:

Tom Donahue, C&ED Committee Chair