

DRAFT

Minutes

Housing Trust Fund Task Force

April 12, 2016

- 1) Call to Order – The meeting was called to order by Chair, Debbie Ingram.
Members Present: Debbie Ingram, Charlie Magill, Jeff Fehrs, Kenn Sassorossi, Benjamin King, and Ted Brady

Staff Present: Ken Belliveau, Planning Director; Rick McGuire, Town Manager

Others Present: Michael Monte - Chief Operations and Financial Officer (Champlain Housing Trust) and Kevin Casey - Community Development Specialist (Montpelier Department of Planning and Community Development)

- 2) Minutes: March 23, 2016 - No corrections were made and Chair declared them accepted.

- 3) Discussion:

Kevin Casey – Chair Ingram introduced Mr. Casey. He explained that the Housing Trust Fund for Montpelier was established in 2003. Initially Montpelier set aside one cent on the tax rate for the trust fund as a ballot issue. The fund has been used to support a number of housing projects over the years. They have partnered with Downstreet (formerly the Central Vermont community land trust). According to Mr. Casey, Montpelier has a very tight housing market. He reviewed a few of the programs they offer. They have a preference built in for families with children which brings in more state funding for education.

Mr. Magill asked if there is a problem with the federal fair housing laws. Mr. Casey responded that they checked this out and found it to be legal.

Mr. Casey explained that the problem has been with tight budgets causing a reduction in available funds. Mr. Casey described this as a savings fund. He noted that projects can add to Grand List. The fund started out with \$80,000 per year and is now down to \$20,000. He suggested developing a clear mission statement.

Mr. King asked about partnering with local banks and having them offer lower interest rates. Mr. Casey explained that they don't actually undertake projects but rather they partner with others to provide funding.

Mr. Fehrs wondered about public acceptance. Mr. Casey stated that keeping the funding as a ballot item makes it less likely to be reduced or eliminated. Mr. Casey explained that some have a different view of affordable housing when the real goal is simply to reduce the amount of unaffordable housing and maintain a healthier housing market. This can also affect aging seniors.

Ms. Ingram asked if they use any sources of funding other than the property tax. Mr. Casey explained that they just have that one source. The funding does leverage other sources of investment however.

Ken Belliveau joined the meeting.

Mr. Fehrs wondered if the town will support both open space and housing.

Mr. Casey suggested developing a report that is independent of the Planning Department in order to give it more credibility. Mr. Casey stated that the bias against affordable housing is part generational. Mr. Casey suggested a fee that is part of the development fee that can be used to partially fund a housing trust fund. Contributions from businesses may also be a possibility. Mr. Belliveau suggested a nexus study to substantiate the fee might be needed before the fee can be instituted.

Mr. Magill expressed concern that as a ballot item, he is not certain that community would support the concept of using property tax dollars for a housing trust fund.

Mr. Brady wondered if the focus should be on preserving land for affordable housing to piggy back on the success of the Environmental Reserve Fund. Mr. Belliveau noted that the town's regulations limit the availability of land for housing by design.

Michael Monte - Mr. Monte arrived at 8:30 a.m. He noted that Charlotte and South Burlington both have trust funds. According to Mr. Monte, it is natural to tie in some form of inclusionary zoning with financial support for the developer of affordable housing. The administration is built into the regulations. For Burlington trust fund money is used for a variety of projects including rehabilitation. Funding of the Burlington Trust started out as a penny on their tax rate as a special purpose tax, but has been reduced over time.

Monte believes this was a good approach. Monte suggested it might be more effective as a regional approach with all communities contributing funding. Mr. Monte concluded there are not sufficient resources from state and federal government in support of affordable housing. Monte suggested some flexibility by allowing some funding to go outside of the town borders.

The Burlington fund is administered by Community development staff. Trust fund decisions are made by a committee. The Trust Fund has a full set of rules as to how money can be spent. A portion (15%) is used for administration. Another portion is available for capacity building for non-profits.

- 4) Next Meeting: The next meeting was set for April 26th at 7:30 a.m. Maura Collins should be invited as the next speaker. Ms. Ingram suggested Ms. Collins has knowledge of models in other states.
- 5) Adjournment: The meeting was adjourned at 9:06 a.m.