



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

ROOM 32 • CITY HALL • BURLINGTON, VERMONT 05401
(802) 865-7144 • (802) 865-7142 (TTY) • (802) 865-7024 (FAX)

www.cedoburlington.org

DRAFT

Minutes to the CD&NRC meeting on 9/2/09

Present: the Committee: David Berezniak (DB) chair, Emma Mulvaney-Stanak (EMS), Russell Ellis (RE), staff Larry Kupferman

Guests: Amy Demetrowitz and Brenda Torpy, Champlain Housing Trust (CHT), Kenn Sassorossi, Housing Vermont (HV), Gretchen Bailey

Staff: Brian Pine, David Weinstein (DW), Kirsten Merriman-Shapiro (KMS), Margaret Bozik (MB)

Chair Berezniak convened the meeting at 6:04 pm.

- 1) Agenda: EMS moved, RE seconded the motion to approve the agenda as presented; so moved.
- 2) Open Forum: there were no members of the public for open forum.
- 3) Action item: Proposal to refinance the Salmon Run apartment complex:

Amy Demetrowitz and Brenda Torpy updated the committee on the plans to refinance and renovate the Salmon run apartment complex on Riverside Avenue. Plans include renovations to roofs, moisture control, energy improvements, solar hot water installations, as well as major engineering work to make sure the slope behind the complex remains stable. They also discuss the original financing structure of the complex 20 years ago in which the City played a role with a loan of 2.9M from a source known as HoDAG. The plan then was to create 20 affordable rental units and the plan now is to retain those 20 units and add 41 additional units under the guidelines of affordability.

According to Ms. Torpy, financing for this project was the first tax credit program in the state, and required an interest position on the City portion in order for investors to have a stream of tax credits although the affordability mechanism in the plan was to zero out any interest payments due on the loan.

Ms. Torpy requests that the City's loan be rolled into the new financing structure for refinance and reconstruction purposes at zero (0%) percent interest and to forgive the interest due on the original note.

ACTION:

EMS moves to assign the \$2.9M at zero percent interest (0%) and to forgive the \$4.3M accrued interest on the original loan. RE 2nds and the motion is passed 3-0 unanimously.

4) Action item: Brownfields Economic Development Initiative (BEDI) grant and loan:

Staff person David Weinstein updates the committee on the recent award of the BEDI grant from HUD for \$1M; the funds need to be obligated by HUD by 9/30/09, and the Mayor needs to sign the grant agreement with the authorization of City Council. The Board of Finance passed the attached resolution in concept at its meeting on 8/31/09. The grant award is tied to the successful completion of a section 108 loan from HUD of approximately \$2M.

RE: questions the link between the grant and the loan and is concerned about the implication to the property tax; would the tax rate be affected which would require a city vote.

DW responded that there would be no affect on the local property tax.

DB is comfortable for the time being to accept the award of the BEDI grant and leave the discussion of the loan to another time.

ACTION: DB moves to pass the resolution to City Council to accept the BEDI grant and authorize the Mayor to sign the grant agreement and to remove the reference in the resolution referring to the Section 108 loan. ES seconds and the motion carries 3-0.

5) Update by staff on the status of the TIF proposal to Joint Fiscal Committee; the committee decided not to discuss this matter tonight.

6) Use of funds received as a result of settlements for North Street undergrounding with Verizon, Adelphia, Fairpoint:

Staff Margaret Bozik and Kirsten Merriman-Shapiro described some of the details of recent settlements with Adelphia (reached through bankruptcy) and Verizon/Fairpoint (through the courts), the source of funds the city used to front the expense during construction. It was pointed out that the settlement with Verizon/Fairpoint was recent and that no funds have in fact been received.

MB: the source of funds for a portion of the expense was HUD (both CDBG and EDI), and the rules controlling program income at play and some effort at understanding how those rules affect the distribution of the funds will need to be made. The City's street capital fund was the source of the remainder of the funds, used primarily for the Riverside work.

7) Other:

a) DB discussed his interest in supporting the community effort to upgrade the entrance to the 127 bike path located at the entrance to the old dump road. It is currently maintained by a group of neighbors, who have a \$2K CDBG neighborhood

improvement grant at their disposal. A meeting with parks and DPW staff along with neighbors resulted in a larger scope of work estimated in the \$25-30K. Staff suggested a number of ways the neighborhood committee could work with Parks, DPW and CEDO to arrange a package of funding, including the use of additional CDBG neighborhood improvement funds as part of that package.

b) EMS offered several ideas for future agenda items:

- A walk thru on CDBG process and criteria for funding decisions
- NPA steering committee and the role council can play in supporting their work
- Moran redevelopment in general and with an overview

c) Meeting schedule: the committee agreed to have a standing meeting time of 6 pm on the first Wednesday of the month at a place to be determined.

ES moves to adjourn, RE 2nds and so moved at 7:55 pm.

Respectfully submitted by Larry Kupferman