

**NORWICH PLANNING COMMISSION
AFFORDABLE HOUSING SUBCOMMITTEE**

Agenda

March 19, 2024 at 7:00 pm

Hybrid Meeting.

In Person at the Tracy Hall Multipurpose Room

Or by Zoom at:

Join Zoom Meeting

<https://us02web.zoom.us/j/81901680530>

Meeting ID: 819 0168 0530

• 888 475 4499 US Toll-free

Agenda

1. Approve Agenda
2. Public Hearing on a proposed Vermont Community Development Program planning grant to assess the feasibility of developing affordable housing on town-owned land on New Boston Road.
3. Adjourn

Attachment

Draft VCDP Planning Grant Application

Notice of Public Hearing

The Town of Norwich is/are considering making application to the State of Vermont for a VCDP Planning Grant 2023 under the Vermont Community Development Program. A public hearing will be held at 07:00 PM on 3/19/2024 at Tracy Hall Multipurpose Room, 300 Main St, Norwich, VT 05055 to obtain the views of citizens on community development, to furnish information concerning the amount of funds available and the range of community development activities that may be undertaken under this program, the impact to any historic and archaeological resources that may be affected by the proposed project, and to give affected citizens the opportunity to examine the proposed statement of projected use of these funds.

The proposal is to apply for \$60,000 in CDBG funds which will be used to accomplish the following activities: Planning activities to determine the feasibility of developing affordable housing on land owned by the Town of Norwich on New Boston Road.

Copies of the proposed application are available at Planning and Zoning Department, Tracy Hall, 300 Main St, Norwich, VT 05055 and may be viewed during the hours of 9:00-4:00 M-TH. Should you require any special accommodations, please contact Pam Mullen at 802-649-1419 to ensure appropriate accommodations are made. For the hearing impaired please call (TTY) #1-800-253-0191.

Legislative Body for the Town of Norwich
Copy submitted by: Pam Mullen
Phone: 802-649-1419

Vermont Community Development Program Planning Grant Application

Instructions:

https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/CD/VCDP/Applicant/CD-VCDP-Planning-Grant-Instructions.pdf

Executive Summary

Please identify the working title for your project, once saved the title used will be the title that will appear when hovering over the application identifier within the system.

Norwich affordable housing site assessment

This Planning Grant will cover the site and regulatory analysis to determine the suitability of part of a town-owned parcel for development of affordable housing. It will include an assessment of the topography, natural and archaeological resources, capacity for on-site wastewater disposal and potable water, optimal siting, design and access options, and the feasibility and demand for the housing concepts that may be a good fit for the site. Integral to the project will be a process of public consultation with low- and moderate-income households, not limited to current town residents, who would be the beneficiaries of development efforts undertaken subsequent to the planning grant period in the event the development is found to be feasible. The final product will be a report laying out the capacity of the site for affordable housing, project options and constraints, and recommendations for next steps.

Consortium

If applying as a consortium, mark yes and then mark each applicable municipality checkbox in the list labeled 'Participating Municipalities'. A consortium is formed when two or more municipalities submit a joint application with one municipality agreeing to serve as the lead grantee.

No

Chief Executive Officer

List the name and title of the elected Chief Executive Officer (CEO) of the municipality. In the case of a joint application, it is the name of the lead applicant's CEO that should be entered. For those municipalities with a municipal manager or administrator, this person can act as the CEO if so authorized by the elected governing body (city council, board of selectmen or trustees), to act on behalf of the municipality.

Brennan Duffy, Town Manager

Contact Person

Please provide the name of the person designated to be your day-to-day contact for the VCDP with respect to the application. This person shall be responsible for:

- *keeping all applicant partners advised as to application progress and communication with the VCDP*
- *providing the VCDP information as may be needed during the application review process*
- *securing decisions from the applicant(s) and others involved with the project with respect to any issues about the project which may arise during application review*

Brian Loeb

Person who prepared this application

If we have questions or need clarification, it is a big help to have the name of the person who did the work of putting together the application. If the Contact Person did the work, just indicate that this is the case. The Grantee Roles & Capacity page should also be completed in the application.

Brian Loeb, Member, Affordable Housing Subcommittee of the Norwich Planning Commission
Jeff Lubell, Chair, Affordable Housing Subcommittee of the Norwich Planning Commission

Estimated Project Funding

This section automatically populates based on the budget pages that you fill out in the online system. No dollar amounts will appear in this field until you have built your budget pages and saved this page.

Subgrantee and Borrower

If your project involves a subgrant or loan, the legal name, complete address, DUNS# and Federal ID# for the subgrantee and borrower are required. Select N/A if your project does not have a Subgrantee or Borrower.

National and State Objectives

National Objectives

- Low-Moderate Income (LMI) - Provide a benefit primarily to persons with very low, low and moderate incomes. If you propose to meet the National Objectives by serving persons of very low, low, and moderate income, please bear in mind that you will be required to document that the project has achieved the proposed benefit within the grant period by demonstrating that at least 51% of the individuals served are persons of low- or moderate-income. *Please Note: Any projects being considered under a Planning Grant must have the potential for providing benefit where at least 51% of those served would be persons with very low, low or moderate incomes.

State Objectives

- Housing - Conserve, expand, and improve housing.

- Economic Development - Create and retain jobs.

Program Management and General Administration

General Administration

General Administration activities relate to the overall management of the VCDP grant. These functions are common to any VCDP grant and include environmental review, financial management, progress reports, requisitions, procurement and final program reports/closeout, among others.

Procured According to VCDP Standards

Goods and services, such as buying supplies, retaining design professionals and awarding construction contracts are all subject to procurement procedures. The appropriate method for any given product or service is dependent on the estimated cost or price, whether the procurement is for a service or product, the type of contract to be utilized, whether the service or product is unique, whether there is any eligible, qualified competition. The key element of procurement is that the entire process provides for full and open competition.

Environmental Review Release

You must secure an Environmental Review Release (ER) letter from the Agency prior to obligating any funds, such as offering contracts, beginning planning work, or requisitioning CDBG funds.

Project Description

Service Area

Indicate the area/region your project will service. This can be as small as a neighborhood in your town or could encompass a county or larger region.

SPAN: 450-142-12272 – This is a 24+/- acre parcel owned by the town that houses, in the southern section, the town's Department of Public Works (DPW) facility and the transfer station. The parcel is longer (north to-south) than it is wide (east to west) and includes flat wooded areas at the northwestern and northern edges of the property that are far from the transfer station and DPW facility and could potentially be used to develop housing without interfering with the continued operations of the DPW facility and transfer station. The site includes slopes, which is one reason a planning grant is needed to determine project feasibility. The assessment will consider which of several possible options for accessing the proposed development site is optimal; if needed, abutting landowners have expressed their willingness to consider an easement that would allow access to the site through their property.

Floodplain

Under the Environmental Review process, you must consider the potential impact the project may have to a designated floodplain. Contact the relevant town clerk, regional

planning commission, or the FEMA Map Service to obtain a copy of the floodplain map covering your project area.

Designated Downtown/Village

Towns and villages that receive downtown/village designation are eligible for a number of benefits, including tax credits, loans and grants from various state agencies, and priority consideration from other state programs and agencies.

Not applicable for project site.

Budget

Budget Considerations for General Administration

All planning grants must have General Administration in the budget. These are costs related to the overall management of the VCDP grant. General Administration work common to any VCDP grant includes environmental review, financial management, progress reports, requisitions, procurement, the final program reports/closeout, among others.

1. Up to eight percent of the VCDP request (not the total project cost) for all grant types and projects, other than scattered site housing developments, may be budgeted for General Administration activities. If this amount calculates to be less than \$5,000.00, the grantee can request up to \$5,000 provided it does not exceed 12% of the VCDP request. However, AM projects are limited to 8%, even if this results in an amount less than \$5,000. More than 8% may be allowed, on a case-by-case basis, provided the applicant demonstrates that a larger amount is necessary for the project.
2. Up to twelve percent of the VCDP request may be budgeted for General Administration activities for regional scattered site housing loan programs and regional small business loan programs.

Budget Considerations for Program Management

There is no Program Management activity associated with Planning Grants. Please include any budget considerations for program management in your Planning activity budget.

Other Budget Considerations:

- 10% Match Requirement: Planning Grants must include a cash or cash-in-kind contribution of goods and/or services of a flat 10% of the CDBG funds requested. All Cash-In-Kind contributions must have an associated dollar value.
- Pre-Award Costs: Applicants who receive an award may be reimbursed through the Grant Agreement for pre-award costs such as the fees charged by professionals (architects, engineers, archeologists, lawyers, etc.) in the preparation of the applications with pre-approval from VCDP staff. Such costs will not be reimbursable to applicants who do not receive an award. These costs should be clearly identified in the application.

Project budget

Sources	Town of Norwich	VCDP	Total
VCDP Grant		\$60,000	\$60,000
Matching Funds	\$6,000		\$6,000
Total Sources	\$6,000	\$66,000	\$66,000
Uses			
Professional Services			
Planning services (wetland analysis, conceptual planning, schematic design, surveying)		\$35,250	\$35,250
Market Study		\$4,000	\$4,000
Archeological Resources Assessment		\$4,000	\$4,000
Legal services		\$7,000	\$7,000
Project management	\$6,000		\$6,000
Contingencies		\$4,950	\$4,950
General Administration		\$4,800	\$4,800
Total uses	\$6,000	\$60,000	\$66,000

Narrative

Priorities of the Consolidated Plan

Each project must meet at least one of the priorities indicated in the Consolidated Plan. Due to the critical and on-going need for the creation and retention of quality jobs and housing throughout Vermont, the highest priority for VCDP funding will be housing and economic development projects. In your response please speak to how your project meets the priorities in the Consolidated Plan.

Regional Needs - Housing

All housing projects will be evaluated based on the regional need and the ability of the proposed project to address that need. Applicants should review the 2015-2020 Vermont Housing Needs Assessment and respond accordingly.

Priorities of the Regional Plan

Most projects have impacts beyond the borders of the applicant municipality. Your response to this question should indicate the regional goal(s) that the project is meeting and how the project meets the goal(s). Additionally, the implications of the project must

be considered, and a written statement that the project is not at odds with the ongoing regional initiatives must be provided from the regional commission(s).

Comprehensive Economic Development Strategy (CEDS)

Please confirm with your local Regional Development Corporation that your region has an approved CEDS and that your project is consistent with it.

Project Need

Project Need is Well-Documented (e.g., studies, updated data, etc.)

1. *Describe the need for this project.*

** Back up your statement with studies, research and data. Avoid generalized statements with no substantial data or evidence.*

A recent study conducted by the Keys to the Valley initiative, a joint project of the Upper Valley Lake Sunapee Regional Planning Commission, Two Rivers-Ottawquechee Regional Commission and Mount Ascutney Regional Commission, suggests that the broader Upper Valley region needs an additional 10,000 homes by 2030.¹ In addition to the housing crisis's direct impacts on low- and moderate-income households, area employers report that they are unable to fill positions or retain employees because of a lack of affordable housing.

Norwich is well located near the regional job centers in White River Junction and in Hanover and Lebanon, NH, and the town has high performing schools. But there is very little existing, dedicated affordable housing, naturally occurring affordable housing, or prospective new housing development at any price point. No dedicated affordable housing has been built in Norwich in over 15 years. The Planning Grant will lay the groundwork for a project at the best-available unused parcel of land owned by the town, in close proximity to homes valued in excess of \$1 million. Affordable housing in this desirable location would help address this regional and local affordable housing deficit.

Norwich has a low level of new homebuilding activity, concentrated at the higher end of the price spectrum on large lots located a significant distance from the town center. The existing housing stock is no more accessible to new residents, since the town consistently has among the highest housing prices in the state. The low volume of home sales in Norwich and other small towns makes these rankings fluctuate, but, for example, according to the accumulated 2023 year-to-date property transfer tax records through June 30², the median sales price in Norwich for residential property under six acres was \$578,000, and for over six acres it was \$1.125 million. Local realtors report intense competition, even at

¹ <https://www.keystothevalley.com/report/2030-home-projections/>

² <https://tax.vermont.gov/document/statistics-ptt-2023-town-q2>

these high prices, meaning those households who are able to purchase homes have the means to make large downpayments or make all-cash offers. The high interest-rate environment exacerbates the challenges facing moderate- or even middle-income would-be homebuyers.

On the rental side, American Community Survey data suggest rental units make up 25% of the town's occupied housing stock³, though the lack of a town rental registry makes it difficult to know unit characteristics, including asking rents, with precision. The most recent Census estimates put the gross rent for a two-bedroom apartment in Norwich at \$1,298 per month.⁴ However, the 2023 HUD fair market rent for Windsor County is just \$1,129.⁵ That means that a household with a housing choice voucher would struggle to afford an appropriate rental unit in Norwich, even if a vacant unit could be found, given the high proportion likely occupied by students of Dartmouth College.

The fact that the town is at present largely inaccessible to new residents with low or moderate incomes hurts employees of local businesses who want to live within a reasonable commuting distance of their employers (and in turn, hurts the businesses' ability to attract and retain employees). Norwich is located close to three major job centers. According to the most recently available data from the Census's County Business Patterns program⁶, three nearby towns – White River Junction (a village in the Town of Hartford), Hanover, NH, and Lebanon, NH – collectively have 33,975 employees (4,754; 12,593; and 16,628, respectively). This concentration exceeds the 24,514 employees in zip code 05401, which encompasses much of Burlington.

In addition to the proximity to jobs that residency in Norwich offers, its elementary school, and the middle school and high school in Hanover, NH that comprise the bi-state school district of which Norwich is a part, are consistently rated highly by education authorities, making Norwich appealing for families with children. In the 2022 assessment from the Vermont Agency of Education⁷, 89% of sixth graders at the Marion Cross School tested proficient or above in language arts, compared to the statewide average of 44%; 82% were proficient in math, compared to 30% statewide.

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<https://data.census.gov/table/ACSST5Y2021.S2502?q=S2502:+Demographic+Characteristics+for+Occupied+Housing+Units&g=860XX00US05055>

⁴ <https://data.census.gov/table/ACSDT5Y2021.B25031?q=Renter+Costs&g=860XX00US05055>

⁵ https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn

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[https://data.census.gov/table/CBP2021.CB2100CBP?q=CBP2021.CB2100CBP&t=Employment&g=040XX00US33\\$8610000,50\\$8610000](https://data.census.gov/table/CBP2021.CB2100CBP?q=CBP2021.CB2100CBP&t=Employment&g=040XX00US33$8610000,50$8610000)

⁷ <https://education.vermont.gov/data-and-reporting/vermont-education-dashboard/vermont-education-dashboard-assessment>

At present, the challenges of developing additional housing in town – including lack of wastewater infrastructure, high land values, and the limited reach of public water infrastructure – are pushing development to other towns. Twin Pines Housing Trust, the regional nonprofit developer that relies on the Low Income Housing Tax Credit and other programs administered by Vermont and New Hampshire, has active projects in Hartford, Hanover and Lebanon, but no prospects in Norwich.

2. Describe the manner in which the need was determined and how your project (proposal) will meet the need described in #1.

*Cite relevant data and attach any studies or information to support this need.

Norwich has a town housing strategy, developed with public engagement in 2019 by the Affordable Housing Subcommittee⁸ and ultimately included as an appendix by the Planning Commission in the 2020 town plan that was approved by the Selectboard.⁹ The housing strategy sets a task for the town to reduce barriers to the development of new housing, and one of the recommended mechanisms is to investigate the use of land owned or controlled by the town as a way to bring down development costs. This task is also included as task 4-3.c in the Housing Chapter of the Norwich Town Plan (2020).

With the facilitation of the then-Planning Director, the subcommittee undertook that investigation in 2021, leading to a report of notable parcels.¹⁰ Much of the property reviewed was located far from the village center, had deed restrictions limiting its use, was currently being utilized for another purpose, or had natural resources constraints that made it less suitable for the development of housing than the site chosen for this Planning Grant application.

The site selected as the subject of this planning grant represents the best available area of unused town-owned land. While not within the village center, it is in a close-in section of Norwich – closer to the center of town and regional job centers than other nearby homes valued at over \$1 million. While this parcel houses the town's transfer station and DPW facility on the southern half of the site (and a long-closed landfill at the very southern end), the proposed development sites are at the northwestern and northern edges of the property, a sizable distance from these facilities, in wooded areas that are outside the fall zone of a radio tower that is on the property. Developing the northwestern or northern edges of the property, in a wooded area from which one cannot see

⁸ http://norwich.vt.us/wp-content/uploads/2012/06/Appendices_2019_12_09.pdf

⁹ http://norwich.vt.us/wp-content/uploads/2012/06/Norwich_Plan_2020-ADOPTED-lr-.pdf

¹⁰ <http://norwich.vt.us/wp-content/uploads/2022/09/2021-Review-of-Publicly-Owned-Land-by-Affordable-Housing-Subcommittee.pdf>

the transfer station or DPW facility, would help to mitigate environmental justice concerns. In addition, to the extent feasible, access options will be prioritized that minimize the need to drive by the transfer station or DPW facility.

Should the planning activities undertaken with this planning grant determine that affordable housing is feasible, it will be important to assess the environmental safety of the site. This could potentially involve subdividing the parcel and partnering with a prospective purchaser for access to the state's Brownfields Reuse and Environmental Liability Limitation Program. Before this process can be considered and undertaken, however, a determination is needed of whether development is feasible and, if so, of what size and at what specific part of the property – evidence and recommendations that can be provided through the activities funded by this Planning Grant.

The requested Planning Grant will help the town determine the suitability of the site for the development of affordable housing, determine the physical, regulatory and financial constraints associated with the site, and develop a project plan that can be used to provide the framework needed to move forward with an environmental assessment and then the development of affordable housing, should the planning grant determine it to be feasible and the town determines the project's benefits outweigh its costs.

The Planning Grant will fund a project that entails both the services of technical experts and local volunteers.

A qualified firm will conduct a conceptual wetland evaluation in the immediate area of the project and conduct conceptual planning of the site, including development and access options, taking into consideration the planning and zoning requirements for subdivision in the town and other likely regulatory requirements (such as wetland classification and likely buffers, Act 250 threshold criteria, and other permits needed to implement the project). This work will include an examination of the feasibility of accessing the site via New Boston Road, either directly, or through an easement from a neighboring landowner, and if needed via Union Village Road (again through an easement); among other issues, this will include an examination of topographical constraints (including slopes and the route of New Boston Brook) and financial feasibility.

Onsite work will include digging test pits in the likely development areas to evaluate soil conditions for potential on-site wastewater disposal; topographic surveying to facilitate access road design and unit layout design; and boundary surveying for the project area. An engineer will consider the amount of land needed for wells and a septic system, along with associated isolation distances. The consultant will also prepare a schematic design for review and discussion by the town and key stakeholders.

At the recommendation of the State Historic Preservation Office, the project will include an Archeological Resources Assessment. (They recommended this rather than a Phase 1 at this time.) The Assessment will include desktop research (land records, historical maps, aerial photos) and onsite examination to determine the historic use of the site, the presence of historic structures and Native American sites, and issues that may be relevant to historic structures on nearby parcels. The town will receive a map of any sensitive areas, a determination of the extent to which they can be avoided by the likely building envelope, and recommendations for the need for a subsequent Phase 1 archeology survey to assess a presumed site's significance.

The project will also include a market study to determine the most appropriate development concept for the site (e.g. rental vs. homeownership, number of units) based on demand, financial feasibility, and other factors. The market study will require a determination of the primary geographic area from which the project's residents will be generated, considering transportation systems, geographic constraints, comparable housing in the area, and social market patterns; an analysis of the market area with respect to the income of residents and their housing needs, with particular attention to income bands relevant for financing programs; a review of local and regional economic trends affecting the area residential market; and an assessment of comparable existing and planned housing offerings in the market area. The study will compare the projected development costs against potential revenue sources to determine the financial feasibility of any future development of affordable housing. Like the other studies, the market study will be conducted by a qualified and reputable firm whose work can be relied upon by future development partners for the site.

The Planning Grant will support two additional work streams to prepare the town to develop the site:

- **Outreach to low- and moderate-income community members** – Members of the town's Affordable Housing Subcommittee will conduct interviews and moderate focus groups with residents of Norwich and surrounding towns. These individuals have lived experiences that should inform the choice of development options and other project requirements. Potential partners for these research and consultation efforts include Twin Pines Housing Trust, which manages the Starlake community, a permanently-affordable homeownership community in Norwich; Norwich Senior Housing, the town's only other dedicated affordable housing site; the Upper Valley Haven, which in addition to being the region's homeless shelter and service provider also connects local landlords with income-eligible tenants for the Vermont Housing Improvement Program; and other local organizations. Among the participants may be individuals who could be residents of future housing

development at the site. The subcommittee will supplement this targeted outreach with general information sessions for Norwich residents to update them on the status of the Planning Grant and obtain feedback on recommendations developed by the project, as well as with briefings with housing developers to identify concerns or priorities that the final Planning Grant work should address.

- **Legal services and additional surveying and regulatory work to prepare for subdividing the parcel** – Should the Planning Grant determine that affordable housing is feasible on the site, a qualified firm, in partnership with the town’s counsel, will conduct the preparatory work that would be needed to separate the part of the parcel most suited to housing from the rest of the parcel, which includes the transfer station, the DPW site and surrounding operations. This preparatory work will entail a subdivision plat for local review (by the Development Review Board) and guidance to the Selectboard and town manager for advancing the development of the site. (The actual subdivision of the property, should it occur, would take place after the conclusion of this planning grant process, should a decision be made to proceed based on the information developed through the planning activities funded by the planning grant.)

To inform the budget, we obtained estimates from Pathways Consulting, LLC, a planning and engineering firm, UVM's Consulting Archeology Program and Doug Kennedy Advisors, a real estate research firm.

After requesting and evaluating multiple proposals, we have identified a consultant on VCDP’s approved consultant list, Wagner Development Partners, that we intend to engage to provide both project management and general administration services for the Planning Grant should the grant be awarded. Isaac Wagner and his team at Wagner Development Partners have extensive experience with project management and grant administration of VCDP grants as well as with the development of affordable housing in Vermont.

3. *a. Describe why this is the best approach to meet this need.*
 - b. Identify other approaches that were considered and explain why they were not pursued.*
- *Clearly indicate all other alternatives that were explored and investigated as alternatives. Summarize the options and outcomes of your investigation.*

Ultimately, the town and region need multiple affordable housing options. To our knowledge, this parcel represents the best possibility for developing affordable housing on an unused area of town-owned land. Given the other constraints on affordable housing development noted above, this represents the best available option for meeting our need.

In parallel to preparing this Planning Grant application, the Affordable Housing Subcommittee has pursued other recommendations of the town housing strategy. Notably, the subcommittee has conducted educational events, in partnership with the Windham & Windsor Housing Trust and other local experts, to encourage homeowners to explore creating Accessory Dwelling Units; and it has begun an effort to build awareness within and a coalition among the town's faith communities, in the hopes of generating public support and potentially the donation of privately-owned land for affordable housing development.

The subcommittee also continues to investigate the other promising parcel of land identified in the recent study, one owned by the fire district, but to which the town controls the development rights. Both municipal entities have indicated that discussion of this parcel's future disposition, and an assessment of its feasibility for housing, is contingent on broader and more long-term negotiations on other issues. The topic of this Planning Grant application was determined to be the best case for concrete and meaningful action on town-owned property not otherwise committed to other uses to address the widely understood local and regional needs for affordable housing.

To be clear, the affordable housing supply shortage in Norwich and the broader region is so severe that multiple projects will be needed. This project will make an important contribution to addressing this need.

All appropriate funding sources have been sought.

4. *Describe the effort to obtain other funding and, why particular funding sources were considered but not pursued.*

**Cite all other sources that have been pursued. Be sure to include any other applications that were made to other funding sources. If they were not funded, please indicate reasons and explain why other funding is not applicable to this application.*

The VCDP Planning Grant is the most appropriate source of funding for the initial evaluation of the site. Other grant programs considered include those offered by USDA-Rural Development¹¹ and the Northern Border Regional Commission¹² generally are applicable to projects that have an identified development partner or that are located in low-income municipalities.

5. Explain the level of municipal government support.
**If the town is not providing any financial support for the project or any Cash-in-Kind services, please explain why.*

¹¹ <https://www.rd.usda.gov/programs-services/all-programs/vt-nh>

¹² <https://www.nbrc.gov/content/program-areas>

The town's contribution at this stage will consist of a \$6,000 contribution toward the costs of project management services, which is 10% of the \$60,000 requested for the VCDP Planning Grant. In addition, members of the Affordable Housing Subcommittee will plan and moderate the community input described in the Project Need section and provide substantive input and oversight for the project.

In the event the products of the Planning Grant suggest that the site may be viable for the development of affordable housing, there may be other ways for the town to contribute to the eventual project, including by making the land available at a below-market price (or at no cost) and by making available to a development partner the town's \$45,000 Affordable Housing Reserve Fund, re-established by the approval of 80% of voters in November 2018.¹³ A determination of how the town can best support an eventual project will be made at a future date, based on a review of learning from the studies funded through this planning grant.

How well the project meets a Consolidated Plan goal.

6. *Describe how your project meets the goals of the Consolidated Plan and identify the strategies that will be employed to meet those goals.*

The Planning Grant will fund activities that prepare the town to respond to several of the priorities in Vermont's 2020-24 Consolidated Plan and 2023 Annual Action Plan.¹⁴ The highest priority need is "Safe, Decent, and Affordable Housing," to be achieved by "increasing the supply of decent affordable housing." And the third priority, economic opportunity, touches on both the role of affordable housing in a high-opportunity town like Norwich on the lives of low- and moderate-income residents in addition to the benefits to local employers' ability to attract and retain staff. The 2023 action plan notes that in the previous year the state allocated CDBG funds to several planning grants, making clear that the criteria incorporate the impacts of the project on future development.

Is the project consistent with the local Municipal Plan?

7. *Provide a letter from the Municipality that tells us how this project is consistent with the Municipal Plan.*
**the certification should come from a person at the municipality who has a right to act on behalf of the municipality. This could be a municipal official or chair of the planning commission.*

To be provided by the Town manager or the Chair of the Planning Commission

¹³ <http://norwich.vt.us/wp-content/uploads/2018/11/2018-General-Election-and-Ballot-Article-Results.pdf>

¹⁴ <https://accd.vermont.gov/housing/plans-data-rules/hud>

Is the project consistent with the regional plan?

8. *Upload a certification from the Regional Planning Commission that the project is consistent with the Regional Plan. Provide clarification if needed.*
**the certification should come from a person at the Regional Planning Commission.*

To be provided by Two Rivers-Ottawquechee Regional Commission

9. a. *If this project is being carried out on behalf of the municipalities within your county or region, the application must include documentation of regional support.*
 b. *Is this project on the Regional Development Corporation Priority List?*
**Check in with your Regional Development Corporation on how to get on their list.*

Not applicable

Degree of health/safety risks to beneficiaries

10. *Describe how this project, if it were to be implemented, would directly addresses a health or safety issue for the intended beneficiaries.*
**Health and safety issues include potable water supplies, eradicating homelessness and poverty, lead paint abatement, handicap accessibility, crime prevention, providing increased health and wellness services, etc. If you are unsure how to answer this question, please contact your CD Specialist.*

The Planning Grant itself qualifies for the “Exempt” level of environmental review.¹⁵ The Two Rivers-Ottawquechee Regional Commission has performed this review, using funding separate from the Planning Grant. (NOTE: this has not happened yet but will before the grant is submitted.)

The 24+/- acre parcel is longer (north to-south) than it is wide (east to west). At the southern end of the parcel, there was formerly a town landfill. That landfill is now closed, and there is a transfer station and a town garage just north of the historic landfill site. The areas most likely to be suitable for development are on the northwestern and northern edges of the parcel, far from the historic landfill, the transfer station and the town garage, as well as outside of the fall zone from a communications tower located on the property. A phase 1 environmental assessment has not yet been performed on the site. Should findings from the Planning Grant determine that a project is feasible, and the town decides to move the project to the next stage, such an assessment would be a logical next step.

¹⁵ https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/CD/VCDP/ER/CD-VCDP-ER-LevelsOfReview.pdf

The site planning work funded by this grant will also inform discussions with abutters, if needed to secure access to the site via easements that allow for driveway construction. Access will also be planned in consideration of minimizing potential traffic impacts of new residents.

Timing Pressures

11. *Please describe, if applicable, any particular issues that make this project time sensitive.*

**Please address if you have closing dates, contract with time limits, other funding that is dependent on CDBG funds, cost estimates with expiration dates, or other factors that may apply.*

None

Project Impact

Level of beneficiary involvement in the development of the project, as appropriate

12. *Describe how persons of low- and moderate- income were involved in the development of this project. How have they shown support?*

** Describe any planning meetings, resident meetings, or surveys that have been done. Describe what methods of communication were used to communicate the goals of the project and how you collected input from persons of low and moderate incomes.*

This Planning Grant application was developed by the town's Affordable Housing Subcommittee – a working group the Norwich Planning Commission established to provide input on affordable housing matters – in consultation with the Planning Commission, the Selectboard, the Town Manager, the Two Rivers-Ottauquechee Regional Commission and Isaac Wagner. As described in the Project Need section, the grant will in part fund outreach to low- and moderate-income residents in the region regarding potential future housing development. The subcommittee views this as an integral component of the project, and subcommittee members have experience soliciting this kind of public input from the process of developing the town's housing strategy.

How well the project indirectly impacts the community and/or additional LMI people.

13. *Describe the indirect impact to the community, if it were to be implemented and other LMI beneficiaries that may be indirectly served by the project.*

**A housing rehab project may preserve housing for 10 existing residents (Direct Benefit) of the facility but may positively impact the community (Indirect Benefit) by retaining affordable housing in an area that has very little. The indirect benefit could also be related to neighbors and adjacent properties, future employees, generations, etc.*

Any future development at the site would directly benefit LMI households who secure access to affordable housing through this development. In addition, the development would add to the town's tax rolls. To the extent that future residents include families with children, it could reduce residents' annual education taxes by reducing per-pupil spending. The development of affordable housing at the site could also reduce commuting distances for employees of area businesses, in turn reducing costs that fall disproportionately on low-wage earners as well as climate impacts of car travel.

Project Feasibility

Readiness to start within three months of the award.

14. Please specifically identify the level of access to any land or buildings that will be required in order to complete your project as proposed; please explain when and how you expect to obtain such access.

**If the planning activities are site specific, adequate access to the site during the life of the planning grant is crucial. If the entity undertaking the planning activities does not own the site a letter from the property owner must be obtained. The letter should: a) demonstrates support for the study's scope of work, b) allows access for whatever work must be done on the property for the study, c) ensures that the property is available during the timeframe needed to complete the study so the project, if found feasible, can move to implementation, and d) provides a willingness to sell the land at the appraised value.*

The town owns the site and has agreed to allow access pertinent to this Planning Grant. There are no obstacles to work starting within three months of award.

15. Please identify the status of commitments from each of the other funding sources; please explain when commitments are expected from each funding source.

None

Benefit/Timeframe Feasibility

16. There must be a reasonable expectation for achieving benefits for persons of low- and moderate income in the plan(s) developed with the use of CDBG funds were to be implemented. Explain what the anticipated benefits(s) would be and how this was determined.

The goal of this Planning Grant is to assess the feasibility of housing that rents or sells at below-market levels and remains affordable in perpetuity; we anticipate that at least half of the units will be permanently affordable to families at or below 80% of the area median income. This will ensure that the project meets or exceeds the requirements for the LMI national objective and meets a vital local and regional need. A more precise determination of the income levels that can

feasibly be served by the site will need to await the outcome of the studies funded by this Planning Grant, including an assessment of the projected costs of the project and the subsidies, if any, that may be available. Workforce housing in Norwich, and Windsor County generally, corresponds to a level of income at which households typically own cars. Because the site is not located on a current Advance Transit bus line, an eventual housing development would most likely target that income level. If needed for the project's overall financial feasibility, a small number of units could be sold or rented at or just below market rates, in a mixed-income model, consistent with the LMI national objective.

17. Timetable:

a. Provide a project timeline. Include dates the Environmental Release, permits in hand, 100% funding commitments, design completion, construction completion, etc. as well as for procurement steps including hiring, execution of contracts achieving Benefit, and any other key dates for actions to carry out this project.

b. How was this timetable determined?

18. If the applicant community has an open PG, please explain its capacity to administer an additional PG and describe the timeline to complete the open PG.

Cost estimates are reasonably supported

19. *Submit back-up documentation to support the cost shown on the Budget Forms. If supporting documentation was uploaded to the budget forms, please note this in the text box and select N/A.*

Cost estimates provided by firms with extensive VCDP Planning Grant experience.

20. *Despite best efforts and built in contingencies, please explain how cost overruns will be covered?*

**It is not enough to say that the estimates for your project are firm. Please discuss your capacity for gap financing or the availability of operating reserves.*

Cost overruns with the site investigation components of the project would jeopardize funding available for later site planning and legal work. However, if needed to cover cost overruns, the town could consider tapping its \$45,000 Affordable Housing Reserve Fund. Another option is to increase the in-kind contributions provided by members of the affordable housing subcommittee, which includes several individuals with relevant housing experience.

Resolution for Grant Application

A VCDP grant must go to a municipality or municipalities. Even if an organization or agency sponsors the project and prepares the application, final authority and responsibility rests with the municipality(ies). To be certain that the legislative body understands the obligations it will

assume if the application is successful, the appropriate Resolution for VCDP Grant Application Authority must be adopted by the municipality(ies), signed by the legislative body(ies) and the original(s) are uploaded to the grant application.

To be issued by the Selectboard following public hearing (below)

Public Hearing

The municipality's legislative body must hold at least one public hearing, in an ADA accessible location, to provide residents with an opportunity to learn about the proposal and an opportunity to comment. The Federal Act requires that the development of projects carried out in whole or in part with CDBG funds, must involve citizen participation, especially low- and moderate-income citizen participation.

A public hearing has been scheduled for March 19 at 7 p.m. in the Tracy Hall multipurpose room.

Certification of Program Income/Unrestricted Revenue Available

Applicants that have received income from previous VCDP and/or HUD grants must include a history of such receipts for the previous three years, the current balance of such funds and what is anticipated to be received during the course of the proposed program. Describe how the funds are being used and indicate whether the funds are being committed to the proposed activities.

Town to provide certification

Option Agreement/Other Evidence of Site Control

If the planning activities are site specific, adequate access to the site during the life of the planning grant is crucial. If the entity undertaking the planning activities does not own the site a letter from the property owner must be obtained. The letter should: a) demonstrates support for the study's scope of work, b) allows access for whatever work must be done on the property for the study, c) ensures that the property is available during the timeframe needed to complete the study so the project, if found feasible, can move to implementation, and d) provides a willingness to sell the land at the appraised value.

Not applicable.