

March 22, 2021

Underhill Selectboard
PO Box 120
Underhill, VT 05489

Dear Underhill Selectboard

I am writing to provide a bit of background on the hearing regarding the VT Community Development Program (VCDP) planning grant application scheduled for 5:00 p.m. on April 8th.

Overview- This grant application is a follow up to what the United Church of Underhill (UCU) presented to the Selectboard several weeks ago about the feasibility of purchasing the nine acre parcel of land behind the UCU on Park St. to build affordable housing and preserve some open space. This grant is available to support the planning costs (engineering for site planning, environmental work, legal costs, permit costs, etc.) to get the UCU to the point of verifying the project is feasible. The end goal is to have a project plan that can support the necessary approvals for subdividing the parcel to begin construction.

The role for the Town of Underhill- The applicant for this grant is the Town of Underhill. That is a requirement of the VCDP who is the State agency disbursing funds from the U.S. Department of Housing and Urban Development. In this case, the UCU will be a subgrantee and take on the responsibility of doing the work described in the grant application. This relationship of an eligible applicant municipality with a non-profit subgrantee doing the work is the majority model in VT. The VCDP website states; *Any Vermont town, city (except Burlington), incorporated village chartered to function as a general purpose unit of local government, or a consortium of such entities, is eligible for funding. However, the majority of projects are a coordinated effort between the municipalities, community groups and local or state non-profit organizations or small businesses.*

Presuming the grant is approved and funded, the pathway for expenditures will look like this:

- The UCU team is responsible for assuring the eligibility of service providers (i.e. engineers, environmental specialists, etc.) and obtaining bids if required.
- After services are provided and an invoice is received, the UCU team is responsible to approving and paying the invoice prior to reimbursement from the grant.
- Paid invoices for work done on this grant will be forwarded by the UCU team to the Town Finance Officer. The Town Finance Officer enters the invoices into the GEARS system and submits them to VCDP.
- VCDP reviews the requests for payment and approves them. VCDP will then forward payment to the Town of Underhill.
- Reimbursements from the Town of Underhill to the UCU will be handled like other routine payments made by the Town.

The key features of this system are:

- ✓ The Town takes no responsibility for selecting, approving and monitoring the work done under this grant. The UCU team as subgrantee takes these responsibilities.
- ✓ The Town pays no money before receiving payment from the VCDP. The UCU pays the money up front and is reimbursed after the VCDP approves the request and transfers money to the Town.

- ✓ The procedures for receiving invoices from the UCU team, submitting them to the VCDP, receiving funds and then reimbursing the UCU will follow the routine financial procedures already in place in Underhill.

Limited staff support will be needed for periodic grant report submissions into GEARS. An alternative to this is for the Selectboard to authorize permission to a UCU team member for data entry into the system, relieving town staff of this task.

What happens at the hearing? A public hearing with the governing officials of the applicant is a requirement from VCDP and must be completed before submitting this planning grant application. It is important to recognize this is a grant to support *planning activities*. Support for this grant application does not obligate the Town or signal support/endorsement of any ultimate plan to develop the property and build affordable housing. Presuming this project continues to appear feasible, future steps will follow the usual development review process including opportunity for additional public input. The question for this hearing is, *shall the Town support the UCU in obtaining funding to proceed with project planning*. Minutes of the meeting are required to be kept and they will need to be submitted with the application.

Specific steps to be taken at the completion of the hearing-

- There is a five day waiting period after the public hearing to allow minutes to be prepared and adjustments made to the grant application based on input received at the hearing.
- The Selectboard must approve the signing of a **Single Applicant Resolution** (attached) indicating the Town's willingness to apply for the funding. If the grant is awarded, there will be a second resolution needed to formally accept the grant.
- The Town Administrator needs to submit the grant application in the GEARS system.
- Consider whether or not you will authorize someone from the UCU team to enter grant reports into the GEARS system. Access into GEARS would be strictly limited to this one planning grant.

Thanks to the Selectboard for scheduling this hearing, to Brad Holden for his assistance in getting the hearing properly warned and to Andrew Strniste for doing the application entry into GEARS. The UCU team is excited about this project. Affordable housing is an identified need in the Town of Underhill and we are pleased to be able to play a role in working to make it available. We look forward to attending the hearing on April 8th and if you have any questions beforehand, please do not hesitate to contact me.

Sincerely,

Dan Manz, Chair
UCU Church Council