

Town of Underhill

ARPA Funds Use Proposal – PHASE 1

In January 2022, the U.S. Department of Treasury issued an Overview of the Final Rule for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan Act (ARPA). These federal funds were extended to state and local municipalities to address impacts of the pandemic with substantial flexibility on how the funds can be allocated based on the local need to help us build a strong, resilient community and support long-term growth and opportunity.

The Final Rule provides extensive information about allowable spending with greater simplicity and the Town of Underhill took the on time permitted “Standard Allowance”, the most flexible choice; allowing us utilize the funds for “government services.” Unless the treasury has stated otherwise government services are any services traditionally provided by the recipient government.

The Town of Underhill has \$696,228.55 remaining in ARPA funds to spend on eligible activities. These funds must be obligated by December 31, 2024 and spent by December 31, 2026.

Information and Instructions:

The Town of Underhill has formed an [ARPA Advisory Committee](#) to review and recommend projects to the Selectboard for consideration. The Selectboard of Underhill will consider the recommended projects and authorize spending. Submission of a completed Phase 1 Proposal is your first step to get your project, concept, or idea in front of the ARPA Advisory Committee. This process is intended to be simple and allow for those requesting funds to do so without providing extensive information initially. The first review of Phase 1 Proposal will be November 14, 2022 and after the meeting you will hear from the Committee on the next steps. Only complete applications will be reviewed. They must be received by email, mail or in person (see Links and More Information) and all applications must be type written and not hand written. Assistance is available if necessary.

We encourage you send in the completed Phase 1 Proposal as soon as possible so we can work with you and make recommendations or provide feedback prior to completing a complete **Phase 2 Application**. We will respond to completed proposals as we review them in committee. **The deadline to submit Phase 1 Proposal is 1/31/2023**. Final recommendations will be forwarded to the Selectboard by 5/31 2023. The Selectboard then has the authority to decide which projects will ultimately be funded. This timeline is subject to change; however, we would like to have the funds obligated as soon as possible so there is a longer period of time for the projects to come to fruition and to ensure that the money is spent by 12/31/2026.

Submit this completed document by:

Email to: jsilpe-katz@underhillvt.gov

Mail to: Town of Underhill PO BOX 120 Underhill, VT 05489

In Person to: Underhill Town Hall, 12 Pleasant Valley Rd. Underhill

Questions or Assistance: Jennifer Silpe-Katz, 802-899-4434 x 2 or at above email

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Committee/Group/Individual Requesting Funding:

Contact Name: Dan Manz on behalf of the United Church of Underhill

Phone Number: 802-899-3411 **Email:** dmanzvt@gmail.com

Date: 11/3/2022

Proposal Name/Brief Description:

Harvest Crossing Affordable Housing- The need for affordable housing in Underhill is urgent and has been recognized in the current Town Plan (Chapter 6) and the 2020 housing study. In 2019, the median price for home sales in Underhill was nearly \$400,000, well beyond the income-based affordability for Vermonters (\$57,800). As a practical matter, it is difficult for towns alone to create affordable housing. Investing ARPA funds through partnerships with non-profit groups is one way Underhill can make affordable housing a reality in our Town. Harvest Crossing is an initiative of the United Church of Underhill (UCU) in partnership with Green Mountain Habitat for Humanity (GMHfH) to build approximately seven perpetually affordable homes in the field located behind the UCU. GMHfH will sell the homes to working Vermont families so that their monthly expenses don't exceed 30% of their income. This effort has been underway for over two years now. To date we have completed a Phase I environmental assessment of the property and a wetlands assessment and delineation. An archeological assessment of the property is being done. An engineering firm has been hired and is beginning work on a site plan to include road access, home siting, septic placement and other details.

Estimated Cost/Description of Estimate Process (use the space here and attach additional pages and any supporting documents):

The UCU is planning to purchase the property from its current owner, Phil Jacobs. The UCU will do the site plan for division of the property into lots and submit it through the Development Review Board (DRB) process. Once approved by the DRB, the Church will make the necessary infrastructure improvements including road, utilities and septic to prepare "shovel ready" building lots. Property not needed for the homes will be retained by the UCU as open space behind the church. GMHfH has agreed to purchase the lots and build the affordable homes. The more cost the Church can absorb in the site development, the lower the price of the lots can be and the lower the costs to GMHfH for actually constructing the homes. Some of the costs are known and firmly established (such as the cost of the property). Other costs are estimates that will be firmed up after site engineering and the archeology assessment are completed. The goal of the UCU is not to make any money on this initiative but rather, to keep the cost of selling the lots to GMHfH as low as possible so they in turn can keep the cost of the houses as low as possible for the ultimate purchasers.

The Town of Underhill has assisted the UCU with the application and administration of a \$50,000 planning grant from the VT Community Development Program. GMHfH secured a \$10,000 feasibility grant. Senator Sanders assisted in securing a \$200,000 Housing and Urban Development grant. The UCU has raised over \$77,000 from supportive donors.

The remaining funding needed to complete this project is about \$188,500. We do not anticipate ARPA funds will cover this full amount but any additional funding is an important step towards the completion of this initiative. Our specific request is for \$75,000 which will be applied to the roadway and utility infrastructure for the homes.

See the attached page for additional budget details. Please visit our website at www.harvestcrossing.org

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Please Answer the following questions by marking the answer in the space provided.

Benefit to Town of Underhill

Does this proposal	YES	NO	Not Sure
Invest in the town without creating a need for additional or ongoing revenue or expenses? Is this a one-time expense?	X		
Benefit a population that was disproportionately impacted by the pandemic?	X		
Benefit a population underserved prior to the pandemic?	X		
Mitigate and/or help the Town adapt to the effects of climate change?			X
Improve or create infrastructure for Underhill? Ex. Natural resources, pedestrian access, transportation but not limited to	X		
Align with or impact the goals and priorities of the Town Plan? LINK	X		

Comments:

Feasibility of Project

Can this proposal	YES	NO	Not Sure
Be fully planned, estimated and obligated to the Town by December 31, 2024?	X		
Be fully completed and paid for by the end of 2026?	X		
Be used to leverage or match other grants, funds or projects?	X		

Please attach estimates, quotes, drawings, or supporting documents or elaborate in any way you would like. Please note that the ARPA Advisory Committee only recommends projects to the Selectboard and the Selectboard has the ultimate authority to allocate the funds. [17 V.S.A. § 2664](#)

Links and More Information:

Final Rule – Overview at <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>

Final Rule – FAQ’s at <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>

Specific Information for Town of Underhill at https://www.underhillvt.gov/vertical/sites/%7B4E962BB9-B4BB-4504-A3EE-ED54521A1BCE%7D/uploads/Coronavirus_Local_Fiscal_Recovery_Fund_Overview_Presentation_06092022.pdf

**United Church of Underhill - Harvest Crossing
Affordable Housing Initiative**

Project administration	\$ 7,500.00
Land purchase from Phil Jacobs	\$ 250,000.00
Property Line Adjustment	\$ 5,000.00
Legal Fees	\$ 7,000.00
Engineering	\$ 70,000.00
Town Permits	\$ 4,000.00
Construction Loan fee & Interest	\$ 25,000.00
Roads & Utilities	\$ 125,000.00
Mound Septic Systems	\$ 150,000.00
Surface Water Control	\$ 100,000.00
Project Budget estimates	<u>\$ 743,500.00</u>
In-kind admin contributions UCU and Underhill	\$ 7,500.00
Donations to date	\$ 77,500.00
Feasibility Grant	\$ 10,000.00
VCDP Planning Grant	\$ 50,000.00
CPF HUD Grant	\$ 200,000.00
Lot sales to GM Habitat	\$ 210,000.00
Funds Committed to Date	<u>\$ 555,000.00</u>
Remaining Cost after committed funds are applied	\$ 188,500.00
ARPA Funds requested for 60% of roadway and utility infrastructure	\$ 75,000.00
Remaining costs to be covered by additional grants and fundraising	<u><u>\$ 113,500.00</u></u>