

***Department of Housing and Community Development  
(DHCD)FY22***

It is the mission of the Department of Housing and Community Development (DHCD) to support vibrant and resilient communities, promote safe and affordable housing for all, protect the state's historic resources, and improve the quality of life for Vermonters. For the state to grow and thrive, there is a need to carefully integrate growth, environmental protection and economic opportunities into our state, regional and local framework.

DHCD provides training, technical assistance and regulatory guidance as well as funding and incentives. Staff helps businesses, individuals, municipalities and community leaders determine how to maximize their infrastructure, revitalize town centers, protect our historic and cultural resources, promote the working landscape, create jobs, produce and preserve housing opportunities, and develop new projects that support the state's land use goals and recreational opportunities.

**Divisions and Programs**

**Vermont Community Development Program:** The Vermont Community Development Program (VCDP) administers funding from the U. S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) program. Activities that support economic development and affordable housing continue to be VCDP's top priorities for funding, however this past year had an increase of funding for infrastructure and childcare projects. The VCDP assists communities on a competitive basis by providing financial and technical assistance to identify and address local needs in the areas of housing, economic development, public facilities, public services and handicapped accessibility modifications. The program is designed to predominantly benefit persons of low and moderate income. In addition, financial assistance is provided to communities with urgent needs, such as threats to health and safety and removal of slums and blighted properties.

VCDP staff are assigned to each region of the state and provide technical assistance to municipalities, businesses, nonprofit organizations and housing developers to help them meet the complex and increasingly rigorous federal requirements. Typically, the program provides guidance to approximately 80 communities and receives 30 to 50 applications each year. Requests always exceed available resources by more than 200%. State funding to support the VCDP program is established in the federal authorizing legislation and requires a minimum 2% state match of the federal funds which must be used for program administration. Additional state funds above the required 2% state match are necessary as federal funding has remained level but grant monitoring, administrative and compliance requirements at the state and federal level continue to increase. Grants are made available to all municipalities in Vermont except for Burlington which receives a direct allocation through HUD's CDBG Entitlement Program.

Last year's CDBG allocation was \$6,920,250. This past program year VCDP awarded nearly \$7 million to 33 projects, which leveraged over \$47 million. The funds were awarded to: housing, economic development, public facility and planning projects. The VCDP also collects approximately \$400,000 annually in Program Income from grants that were converted to loans

(principal and interest) and subsequently repaid. These funds are used to enhance the annual allocation from HUD and increases the grant funding available to assist communities. The VCDP is both the Department's and Agency's single largest source of grant funding to support communities and address their needs. Though we have seen modest increases in the program in the past few years, the annual allocation remains below its pre-2010 annual average of \$8 to \$9 million.

VCDP funding priorities are established in the HUD Consolidated Plan for Vermont. The Consolidated Plan covers not only the VCDP, but the Home Investments Partnership Program (HOME), administered by the Vermont Housing and Conservation Board and the Emergency Solutions Grant Program (ESG), administered by the Vermont Agency of Human Services. HUD's move to an electronic submission of the plan through the Integrated Disbursement and Information System (IDIS) requires far more collaboration on reporting data and programs serving the same populations, to measure goals and outcomes. DHCD is the HUD point of contact for the Consolidated Plan and all programs that populate the HUD required Consolidated Annual Performance and Evaluation Report (CAPER). The Consolidated Plan is developed every five years and then updated through an annual Action Plan. DHCD completed a robust effort, including a series of regional meetings, surveys and targeted outreach, to prepare the five-year plan for 2020-2025 this past year. The Department engaged citizens to seek input in accordance with the State's Citizen Participation Plan that encourages involvement by low-income people likely to benefit from projects and actions funded by VCDP. The priorities established in the Consolidated Plan support the state's objectives of increasing the supply and quality of affordable housing, decreasing the number of people experiencing homelessness, creating and retaining jobs, strengthening communities and improving the quality of life for Vermonters.

**Housing:** DHCD's work is designed to produce, support and/or protect housing that is affordable for all Vermonters. Efforts include chairing and staffing both the Vermont Housing Council and the Rental Housing Advisory Board, administering the request for proposals and contract for the State's five-year Housing Needs Assessment, general housing policy work, advocating for federal housing resources, administration of the federal Neighborhood Stabilization Program, and the state Charitable Housing Investment Tax Credit. DHCD also provides oversight of the federal HOME program, which is administered by the Vermont Housing and Conservation Board (VHCB). Other initiatives include enhanced fair housing activities, and ongoing participation in interagency efforts to promote the preservation and development of housing and ending homelessness. The DHCD Commissioner also represents the Governor on the Joint Commission for Tax Credits and the Vermont Housing Finance Agency.

**Mobile Home Parks Program:** DHCD is tasked with administering Vermont's mobile home park laws, arguably the most progressive in the nation, which are designed to protect the safety and rights of owners and residents. DHCD implements rules concerning mobile home park leases, rent increases, the sale or closure of mobile home parks, and habitability, and conducts an annual registration of all mobile home parks (3 or more mobile homes on a parcel). Two hundred and thirty-eight mobile home parks (17 cooperatively owned -- up from 13 last year, 47 non-profit owned, 174 private owned -- down from 182 last year) are registered with the Mobile Home Park Program with a total of 7,096 lots. The program serves as a resource on mobile home

and park issues; and provides technical assistance to residents, park owners and advocates. Highlights from the past year include increasing the number of online registrations of mobile home parks, assisting resident ownership of four additional mobile home parks, and assisting residents and park owners of mobile home parks put up for sale or for closure. The Department also continues to improve and create an efficient process for addressing complaints from residents concerning habitability and lease violations under Act 8 of 2016 which expanded the Department's authority to enforce the mobile home park law to include administrative penalties, and investigate and resolve complaints of park owner violations by residents. The program continues to administer the annual \$72,000 CVOEO First Stop grant which provides direct education, advocacy and referral services for individual mobile home park residents. The program also continues to monitor performance of the Champlain Housing Trust Manufactured Housing Down-payment Assistance Grant Program.

**Division for Community Planning and Revitalization (CP+R):** Vermont's distinctive sense of place is tied to its primary land use planning goal: to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside. Through collaboration with sister agencies and external partners, the CP+R Division works to provide communities with the tools, training, grants, and incentives for local leaders to plan and implement projects that support thriving and walkable communities – furthering Vermont's foremost statewide land use goal. This year the division expanded its program portfolio to support pandemic recovery.

**State Designation Programs:** CP+R administers the State's designation programs (Downtowns, Village Centers, New Town Centers, Growth Centers, and Neighborhood Development Areas) which support Vermont's goal of fostering compact urban centers. Communities value the benefits from the state designations and the support they receive from working with CP+R's professional staff that include a team of planners, economic development professionals, landscape architects, historic preservationists, and grant specialists.

Applications for designation are reviewed and approved by the Downtown Development Board. Upon designation, communities receive specialized training and technical assistance from the CP+R team as well as development incentives, such as access to downtown and village center tax credits, reallocated sales taxes, and downtown transportation fund grants; priority state grant consideration; waived or lowered permit fees; and streamlined Act 250 requirements.

- **Downtowns** (23 total). This program provides grants, tax credits, and technical assistance to keep Vermont's historic, regional centers of commerce strong and vital. The towns of Fair Haven, Richmond, and Morristown are currently exploring downtown designation.
- **Village Centers** (204 total, 18 new designations added in 2020). Like the downtown program, the village center designation program provides training and tax credits to help Vermont's smaller centers thrive. The number of designated village centers has increased by 100% (98 to 204) in the last six years.
- **New Town Centers** (2 total). This program is designed to help communities without a traditional downtown, but with the ability to plan and develop a new downtown. The program supports South Burlington's build out of its City Center with plans to infill the underused University Mall parking lot with pedestrian-friendly housing and businesses.

The Town of Berlin recently submitted its draft application for New Town Center Designation.

- **Growth Centers** (6 total). Not all development fits in central business districts, and this program helps communities plan for orderly growth in areas that surround a designated downtown village center or new town center. Data shows that the program is achieving its goal to concentrate more than half the towns' new development within the designated growth center, helping to reduce development pressure on Vermont's farms and forests.
- **Neighborhood Development Areas** (7 total, 1 new designation added in 2020). This program provides regulatory benefits and reduced fees for new housing in areas within walking distance of a designated downtown, village or new town center. Lower costs for moderate to affordable housing projects within designated neighborhoods were achieved through state permitting benefits. Timelines were shorter by an estimated average of over 7 months and projects saved an average of \$50,000 in state permit fees.

**Downtown and Village Tax Incentives:** A benefit of downtown and village center designation, this program spurs investments in traditional commercial centers and provides incentives to encourage investments that make existing buildings safe and accessible. In 2020, the Department allocated \$3.2 million in state tax incentives for 30 projects, supporting more than \$160 million in downtown and village center rehabilitation efforts. With increased funding from the legislature, the division created a new \$700,000 January funding round to support pandemic recovery.

**Downtown Transportation Fund:** This program supports revitalization efforts in designated downtowns by making these areas more pedestrian, bike, and transit friendly. Recently awarded projects include: the installation of bike racks and trash cans in Bellows Falls, the Franklin Lane improvement project in Bennington, a multi-modal transportation park and ride in Brandon, downtown pedestrian wayfinding signage in Rutland City, Eastern Avenue and Pearl Street enhancement project in St. Johnsbury, Main Street signage in Waterbury, and the fabrication and implementation of the wayfinding plan in Winooski. Since 2016, the fund has invested nearly \$1.9 million to support 19 community projects leveraging over \$16 million in funding.

**CP&R Partnerships in 2020 allocated over \$10 million in new funding to support pandemic recovery, local community planning and revitalization efforts:**

- Supported the investment of \$6.4 million in the Everyone Eats program that employed the hard-hit restaurant sector to prepare meals for food insecure Vermonters. Since early August, the program has delivered 547,480 total meals (24,485 meals per week).
- Allocated 61 Restart Vermont Regional Marketing and Stimulus Grants totaling \$589,039 to fund activities like direct consumer incentives, local media buys, print and production costs.
- Supported the allocation of \$500,000 in Buy-Local Campaign that enrolled over 1000 local businesses and offered 11,846 consumer purchase incentives.
- \$90,000 Better Places Grant program with the Vermont Community Foundation, National Life Group Foundation, the Vermont Arts Council, and the Preservation Trust of Vermont to help communities bounce back more quickly from the pandemic.

- \$2.8 million with the Agency of Natural Resources and Transportation to expand the network of electric vehicle charging stations in Vermont.
- \$200,000 in Clean Water Funding with Agency of Natural Resources to plan and build stormwater management features into downtowns and village centers.
- \$34,000 in “Quick Build for Health Grants” from the Vermont Department of Health funding to support project implementation through the Better Connections program partnership.
- \$80,000 by partnering with the Vermont Association of Realtors, AARP-VT and the Vermont Housing Conservation Board on the Zoning for Great Neighborhoods project to create new tools and resources to align local zoning regulations with community housing needs and goals.

**Community Planning and Local Pandemic Recovery:** CP+R also provides technical assistance to local and regional officials integrating planning with community revitalization and place-based economic development, working closely with the Regional Planning Commissions (RPCs), statewide partners, and other agencies within state government.

- Staffed the Governor’s Community Action Team charged to find and share best regional and community recovery practices and identify gaps in recovery efforts to ensure equitable distribution of resources, especially in rural areas and underserved populations. Supported 14 county-wide and regional conversations held virtually from July-October 2020 and attended by more than 1,200 Vermonters.
- Led trainings to raise statewide awareness on housing needs and solutions and organized a *Zoning for Great Neighborhoods* training in January 2021
- Continued to partner with stakeholders to support Act 250 reforms that promote development in downtowns, villages, neighborhoods.
- Continued work with partners including sister agencies, USDA-RD, VHCB, VLCT, Preservation Trust of Vermont, VHFA, AARP-VT, VAC, VCF, Efficiency Vermont, Local Motion, VCRD, Vermont Realtors Association, and others to identify and coordinate investments to implement community-driven projects.
- In partnership with Efficiency Vermont, provided targeted energy assistance to businesses and property owners in Irasburg, Barre City, Island Pond, and Johnson
- Administered \$2.9 million in Regional Planning Commission work plans focused on modernizing local zoning to welcome housing

**Municipal Planning Grants (MPG):** CP+R administers the MPG program, which helps local leaders tackle issues facing their towns, like where to locate new housing or how to bring needed infrastructure to support new housing, businesses, and economic vitality. This year, 45 total applications were reviewed with 32 recipients selected. Funded projects range from a downtown marketing strategy to save small businesses during COVID, charting a re-use plan for a vacant factory site, undertaking an equity audit to improve municipal services and civic participation, and amending zoning rules to expand housing choice using the Enabling Better Places neighborhood zoning guide. Grants continue to help towns revitalize by adopting useful and relevant municipal plans and capital infrastructure and facility plans, charting the way for strong communities and a better future.

**Division for Historic Preservation:** The Vermont Division for Historic Preservation (VDHP) is dedicated to identifying, preserving, and interpreting historic resources on behalf of the state and promoting them as significant components of our communities. VDHP encourages preservation projects through local and statewide partnerships, project review, educational outreach, State and National Registers listings, and grant and tax credit programs. The National Park Service supports the division with an annual federal award to support the federally required duties of the State Historic Preservation Officer (SHPO). Last year's federal award was \$621,103 and it is expected to be level funded for federal fiscal year 2021.

In 2020, VDHP successfully processed thirteen nominations to the National Register with 265 historic districts and 11,668 buildings, structures, and sites listed statewide since 1966. The number of nominations processed and forwarded to the National Register of Historic Places for successful designation has increased 60% from the previous five years. The listings this year recognized nine individual properties, including the Canal Street Schoolhouse in Brattleboro, Center Road Culvert in East Montpelier, Fire District No. 2 Firehouse in Chester, Maple Hill Farm in Norwich, Meeting House Farm in Norwich, Lyme-East Thetford Bridge in Orange County, the home of Moses P. Perley in Enosburg Falls, the Reynolds House in Barre City, and the modern-style Stockmayer House in Norwich. Historic districts listed include White River Junction in Hartford, Brigham Hill in Norwich, and East Calais in Washington County. Multiple property documentation, providing an historic context by which to nominate resources more efficiently, have been accepted for Mid-Century Modern Residential Architecture in Norwich and Stone Transportation Culverts in Vermont. Eight additional nominations are presently being processed.

**The Barn Grant program**, begun in 1992, is the oldest state barn grant program in the country and cumulatively has provided \$3.7 million in grants to help repair and restore 412 historic barns and agricultural outbuildings. Of the 39 applications requesting \$488,077, 19 projects were awarded grant funds totaling \$227,197 for the 2020-2021 grant period. For the next grant period, 44 applications were received requesting \$523,904; \$200,000 is available. The applications will be reviewed and awarded in February 2021. Additional funding is provided for 2020-2021 because of an Act 250 violation that will support barn restoration/rehabilitation projects in Windham County.

Since the **Historic Preservation Grant program** began in 1986, it has provided \$5.7 million in grants for the rehabilitation and preservation of 581 of Vermont's iconic community buildings. In 2020, 17 of the 52 applications submitted were awarded \$236,066, leveraging \$623,150 in construction work. For the next grant cycle, 2020-2021, applications for 37 proposed projects were received, requesting \$550,669 with \$204,896 available. Thirteen of these grant requests were awarded in December 2020, leveraging \$465,818.

In the past five years 64 Vermont construction projects received **federal rehabilitation investment tax credits (RITC)**, with nearly \$83 million in qualified rehabilitation expenditures bringing historic properties back into service. For 2019, fifteen completed projects were granted \$15 million in RITC, leveraging more than \$75 million in qualified rehabilitation investment through the employment of contractors and purchasing of materials. The program continues to have success in supporting development and rehabilitation of housing and despite a pause or

delay in construction caused by Covid-19, four projects were completed in federal fiscal year 2020, while thirteen projects were submitted for Part 2 approval. Of these seventeen projects, fourteen involve rehabilitation for housing, resulting in an anticipated 160 units of new or rehabilitated housing. Projects completed include the Smith Block in Brandon, the Old Stone Mill in Middlebury, Homestyle Hotel in Ludlow, and the HC White Mill Complex in North Bennington. A cornerstone of the Brandon Village Historic District, the Smith Block project creatively adapted the building's vacant upper floors to create twelve units of market-rate housing and involved installation of a new elevator tower, egress stair, and sprinkler system, allowing the grand entry staircase from street level to remain intact and largely unaltered. The Old Stone Mill in Middlebury, originally built to support the local textile industry and altered several times by previous owner, was reimagined for mixed commercial use, with a restaurant, retail, and office/coworking space. There are roughly thirty active RITC projects at various phases currently being reviewed by SHPO and another forty potential projects have been identified by the Vermont Tax Credit Reviewer. Beginning in the next fiscal year, Vermont will have a new National Park Service Tax Credit Reviewer.

**Certified Local Government Program (CLG):** The CLG program helps 17 communities save the irreplaceable historic character of their places by supporting the active role of local preservation commissions. The City of St. Albans became our newest CLG in September; since 2013, the number of CLG communities has increased by three. For 2020, the CLG funds supported eight community projects with \$70,153 in funding, with a local match of \$49,359. These projects include historic sites kiosk in Bennington, energy efficiency guidance documentation for historic buildings in Burlington, revitalization study for the East Calais General Store, demolition ordinance clarification for Hartford, barn survey in Norwich, survey status overview and recommendations for Rockingham, survey update in Shelburne, and the rewiring of 20 historic light fixtures at the Joslin Memorial Library in Waitsfield. Because of COVID-19, extensions of one year were provided to those projects supported for 2018-2020.

**Roadside Historic Site Markers Program:** VDHP is charged with approving and overseeing the creation and installation of Vermont Roadside Historic Site Markers. This is a small state program with a great reach and overwhelming popularity. The program was established in 1947, with the installation of ten markers. Since then, more than 269 site markers have been placed statewide, with one in Virginia, to commemorate events significant to local communities, the state, and nation. More than fifteen applications for new markers are submitted annually. In 2020, 21 new or replacement markers were installed, honoring Vermont's history. Such markers include the home site of Justin Morgan and the pasture of the Morgan Horse in Brookfield, the educational support provided by Peter Bent Brigham with the funding of the Brigham Academy in Bakersfield, the creation of the Glenwood Seminary and Brattleborough Academy in Brattleboro, and the gay and lesbian club known as the Andrews Inn established at the Hotel Windham of Bellows Falls. The marker commemorating the Fisk Trophy Race in South Pomfret was placed at the top of Suicide Six, a ski slope first accessed by an improvised rope tow that was the first ski lift in the United States. The Primary Peace Corps Training Site in Brattleboro has a new marker honoring Sargent Shriver and The Experiment in International Living at Sandanona estate. Vermont governance was recorded by markers noting the first Lyndon town meeting, the architecture of the Grand Isle County courthouse, and the creation of the Ira town hall. The replacement marker for the Site of the French Fort of St. Anne's Shrine provides more information to readers, with one side in French

to honor the fort's 1666 construction. Thirteen markers were rehabilitated or replaced due to age, vehicular accidents or vandalism, or text that has proven inappropriate today. In response to recent events across our country, review of all Vermont Roadside Historic Site Markers for cultural humility, accuracy, and context began. As appropriate a review committee was formed to discuss the topics and related text of the markers, and if editing or removal are appropriate. Nineteen new markers are now being reviewed or are in production. With more than 45% of the markers over 30 years of age, funding enables eight to ten markers a year to be restored by the original foundry, including some of the first from the late 1940s and early 1950s. Working with the foundry that has created the markers for Vermont since 1947, a full inventory with dates of production has been created and the online database was updated to reflect the numbers of production. The online interactive map was upgraded from a shortlist story map to an interactive web application, providing full access on all mobile devices, and allows visitors customized tours by marker content type, or regions of the state (it went live in FFY20). The application includes thematic identification that allows study of marker topics, including African Americans, Native Americans, Civil War, Revolutionary War, religious edifices, bridges, education, women's history, and state-owned historic sites.

**State-owned Historic Sites:** The State-owned Historic Sites connect visitors to the places where Vermont's history happened. There are fourteen sites comprised of 62 buildings and structures serving the public, including the homes of Presidents Chester A. Arthur and Calvin Coolidge, two nationally recognized Revolutionary War sites, three architecturally significant buildings representing design and construction from the first half of the 19<sup>th</sup> century, a monument to a Revolutionary War patriot, and the iconic Bennington Battle Monument – the tallest structure in the State of Vermont. Due to COVID-19, just six of the nine sites open annually to the public were operating. The season opening was delayed by two months (extending from July 1 to October 31), hours were reduced, some exhibits closed, all events cancelled, and rents waived. Of the five gift shops, four remained open. Pandemic restrictions and cleaning measures were implemented in coordination with Vermont State Parks, Vermont Historical Society, local historical societies and museums, and the National Park Service's Marsh-Billings-Rockefeller National Historical Park. Outdoor spaces, such as trails and parks, were heavily visited even at the sites closed. Revenues from admissions, gift shop sales, donations, and rentals typically provide 51% of the sites' budget; with COVID-19 this number was reduced to less than 15%. The sites welcome an average of 63,000 annually, but for 2020 the number of paying visitors touring the Vermont State Historic Sites reached just 18,214 (more visitors explored the outdoor spaces, but we have no mechanism to tabulate visitation). The collected statistics record more than 1.36 million visitors have been welcomed by Vermont's State Historic Sites since 1998.

VDHP also owns two metal lattice bridges, five covered bridges, and the Forestdale iron blast furnace, as well as serving as custodian of all underwater sites under Vermont waters, including exceptional historic shipwrecks. Nine of these are open to recreational divers as Vermont's Underwater Historic Preserve, with approximately 250 visitors in 2020 despite a shortened diving season. None of the bridges are in service, although some are open to pedestrians; the Scott Bridge reopened to pedestrian traffic in May 2017 and was used for wedding ceremonies throughout the season. Partnering with the Vermont Agency of Transportation (VTrans), in 2018, VDHP has visited all seven bridges to assess conditions and address rehabilitation plans. Two of the bridges have recently been restored and stabilized for pedestrian traffic. Plans are underway to use the

Fisher Covered Railroad Bridge as part of a rail trail, a rehabilitation project that will stabilize the western abutment. Discussions are ongoing about the treatment of the rail tracks that remain inside the bridge. SHPO and VTrans are exploring the deaccessioning/demolition plans for two of the bridges due to severe structural issues and a railroad depot too close to the tracks.

The National Park Service's Rivers, Trails and Conservation Assistance Program has selected the Vermont Historic Sites Accessibility Project as one of their new technical assistance projects. This project creates a partnership to strengthen our accessibility guidance and create a virtual experience for the Vermont State-owned Historic Sites by augmenting the descriptive accessibility guidance available on our website, social media platforms, and outreach/information materials. Accessibility guides will be created describing access to areas, facilities, and services for people with sight, hearing, and mobility impairments. The descriptive accessibility guidance shall serve to improve the overall experience and offer equal participation for all visitors. Easy-to-find online guidance shall clearly explain such information like the location and number of accessible handicapped parking spaces and restrooms, the types of walking and hiking trails accessible to wheelchairs and OPDMDs, and the site of picnic tables with extended tops, shaded benches, and refreshments. Further, the process of outlining the existing facilities in collaboration with our NPS partners shall identify accessibility deficiencies at specific Historic Sites that need to be corrected and resolved such as assistive listening devices for tours and tactile relief exhibits and maps. Taking on this assessment and description effort will help us to determine what sites and projects would be of high value to pursue for further study and enhancement.

Conditions studies, conducted in 2017-2018 at all the sites to outline maintenance priorities and aid in creating a ten-year maintenance plan as we address deferred maintenance issues, will be updated in 2021 in coordination with BGS as we continue to identify and prioritize maintenance projects. The total appropriation annually for maintenance through the Capital Construction Bill currently is \$250,000. The projected maintenance needs for state fiscal years 2020 and 2021 are estimated at \$577,504 for the urgent and high priority projects. Water and drainage management engineering studies were completed in December 2019 for the Senator Justin S. Morrill State Historic Site, recommending significant deferred and proactive work totaling over \$375,650 for the preservation of this National Historic Landmark property. SHPO is planning to apply for a Save America's Treasures grant in January 2021 to address some of the needs at the Morrill Site. VDHP and BGS are contracting an engineer to examine the issues at the Bennington Battle Monument, including but not limited to water infiltration, mortar repointing, spalling of stone, structural integrity of metal stair and entry lintels, emergency lighting, and elevator operations. The monument shall be culminating highlight of the 250<sup>th</sup> Anniversary Commemoration of the American Revolution in Vermont, and as it is our most visited state-owned historic site, maintenance issues need to be addressed properly and hopefully prior to the anniversary of the battle in 2027. Restoration and maintenance projects undertaken in FFY20 were limited because of the effects of COVID-19 on staffing capacity (required refocus), contractor safety, stay at home executive orders, and availability of materials.

**Project Review:** VDHP reviewed and consulted on 2,409 projects in total, which is a 26% increase over last year. This includes 1,889 development projects receiving federal funds, permits, or licenses for their potential impacts to historic buildings and structures, historic districts, historic landscapes and settings, and known or potential archaeological resources; this is equivalent to

FFY19. Under state statute, VDHP staff processed an additional 221 projects under Criterion 8 of Act 250; which is 53 less than last year and is presumably due to construction delays caused by COVID-19. Three memorandums of agreement were signed for Act 250 projects resulting in adverse effects. Under Section 248, for Vermont Public Utilities, 83 projects were reviewed and fourteen memorandums of agreement for adverse effects were executed. For state involvement under 22 VSA chapter 14, 216 projects were reviewed, which is a 24% increase from FFY19. Overall, the Project Review Team continues to maintain a 97.5% completion rate within 30 days or less. Notably, the team of reviewers (3 full-time/2 part-time) operates the program from submittal to concurrence manually with no active database, a tool much needed to ensure efficiency and better serve Vermonters. Projects reviewed under the CARES Act were completed within hours. Thirteen Memorandums of Agreement were signed for Section 106 activities (18 were executed in FFY19). This included SHPO consultation with FERC for three hydroelectric projects, three dam and bridge removals with the Army Corps of Engineers, and the replacement of Ten Kilns Brook Bridge in the Green Mountain National Forest (US Forest Service). Additionally, SHPO was a signatory for a programmatic agreement related to the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant Project involving the rehabilitation and replacement of railroad bridges in Bennington and Rutland counties. The project PA was executed with the Federal Railroad Administration and the Vermont Agency of Transportation. Four adverse effects determinations resulted in project programmatic agreements or memorandums of agreement with FHWA. Agreements addressed archaeological considerations for intersection improvements in Essex and bridge replacement in Leicester, replacement of an eligible bridge in Berlin, and rehabilitation of an eligible bridge in Newbury. The review team continues increase time spent on FERC relicensing of hydroelectric projects. For 2018 to 2024, we are anticipating 25 concurrent relicensing processes. Many of these licensed projects have not had historic resource survey and identification studies completed and will need them during the study periods of the relicensing. It is likely that most facilities will also need new or updated Historic Property Management Plans. For FFY20, three memorandums of agreement have been signed with FERC for relicensing projects: Great Falls Hydro new licensing, Silver Lake Hydro Goshen dam conduit, and Peterson Hydro gate replacement. There are 15 active FERC projects currently under consultation. The Project Review Team completed review of 68 renewable energy projects for Title 248 such as solar, battery storage facilities, methane digestors, and wind installations that require a Certificate of Public Good from the Vermont Public Utility Commission.

### **Partner Organizations**

DHCD provides grant funding to a number of organizations and these ‘partners’ are critical to achieving outcomes in support of our mission. They include regional and local housing organizations, the Champlain Valley Office of Economic Opportunity’s Mobile Home Program, the Fair Housing Project, downtown organizations, and many more.

A particularly important partnership is with the eleven regional planning commissions (RPCs). This statewide network directly delivers a range of critical services that DHCD would need to provide should this network not exist. The RPC’s are established under Vermont law as political subdivisions of the State; they operate under 24 V.S.A., Chapter 177. All municipalities are members of their respective RPC. Core funding for RPCs is derived from the property transfer

tax; it represents approximately 10-20% of their total operating budgets. This funding reaches them through annual performance-based grants that DHCD administers. These grants support local planning and bylaw development, regional planning, transportation planning, and work with other agencies relating to economic development, brownfields, energy, emergency management, housing and natural resource planning. If RPCs did not exist, DHCD would have to substantially increase staff and funding to deliver those services. In every case, DHCD's grant dollars leverage dollars from multiple other sources to complete the RPCs' operating budgets.

### **Budget Issues and Challenges**

In preparation for the FY22 budget cycle, there are several challenges that DHCD must address.

Increased workload and federal program implementation related to COVID-19 response has stressed staff capacity and shifted work responsibilities. New housing and community development programs likely to be proposed in the Governor's FY22 budget will further the need to fill two current staff vacancies. Over the last 4 years DHCD has reduced the number of full-time classified positions and held open vacancies to realize budget savings. Recent increases in federal funding and partnering efforts have reduced the stress on General Fund budget for salaries across most DHCD divisions for the next two years.

However, DHCD has inadequate General Fund support for the Division of Historic Preservation staff and the substantial capital investments needed at the State-owned Historic Sites in SFY22. The federal support (\$621,103 in FY20) from the National Park Service is provided to support the required functions and duties of the SHPO, including review of all Sec 106 impacts related to federally funded projects. The Historic preservation review requirements added over the years by the Vermont Legislature for 22 V.S.A., Act 250 and Section 248 must be funded from state resources. A review of federal- eligible expenses and state-required duties reveals a substantial mis-match between required work and adequate state funding. Federal money must not be used to fund non-federal work, requiring an eventual increase in state funding or decrease in state-mandated work.

It is the responsibility of VDHP to steward the state's fourteen historic sites scattered throughout all of Vermont; they include 62 separate buildings and structures. As a part of this stewardship, VDHP must ensure that the sites are safe, open, and accessible to the public. This has been a challenge during the COVID-19 pandemic and has resulted in substantial budget increases and reductions in earned revenue at the Historic sites in FY21. Increased costs and reduced revenue are projected to continue for FY22. Ongoing capital investments are necessary and form a portion of the Administration's Capital Budget request but the amount that is funded is never enough. As a result, much-needed improvements are deferred resulting in much larger financial consequences for the state. "Band-aid" fixes have become the means by which these properties have limped along. These, along with completing the regular repair/maintenance needs of these properties with fewer staff and resources places significant stress on the VDHP staff and budget. A close working relationship with the Department of Building and General Services (BGS) has helped lay the foundation for an updated and comprehensive 10-year major maintenance plan that now serves as our directive for maintenance priorities. Maintenance and conditions assessments have outlined several critical projects and daily operational needs. Major repairs will

be needed at the Bennington Battle Monument over the next several years. A formal conditions assessment of the Monument, in coordination with BGS, is currently underway.

Despite these challenges, the Department is making significant progress on an ambitious agenda of helping Vermonters and their communities. On the Housing side, DHCD's primary goal is to grow the net new units of housing and invest in existing, but off-line housing throughout the state at all income levels and supporting programs and initiatives that accomplish this goal. We have proposed making structural and foundational changes to our zoning, permitting, fee and incentive programs to encourage more housing of all types and sizes in our already built and serviced areas of the state. These changes will have lasting, positive impact for all of VT and we need continued support to be successful.