

S.100 Testimony

Zak Hale

Hale Resources, LLC

4/25/2023

Real Estate Development



Family Owner and Operated
Renovated 50+ Properties since 2009
Renovated and own about 125 Units

Property Management



200+ Units Under Management

10-5-5

Future Challenges

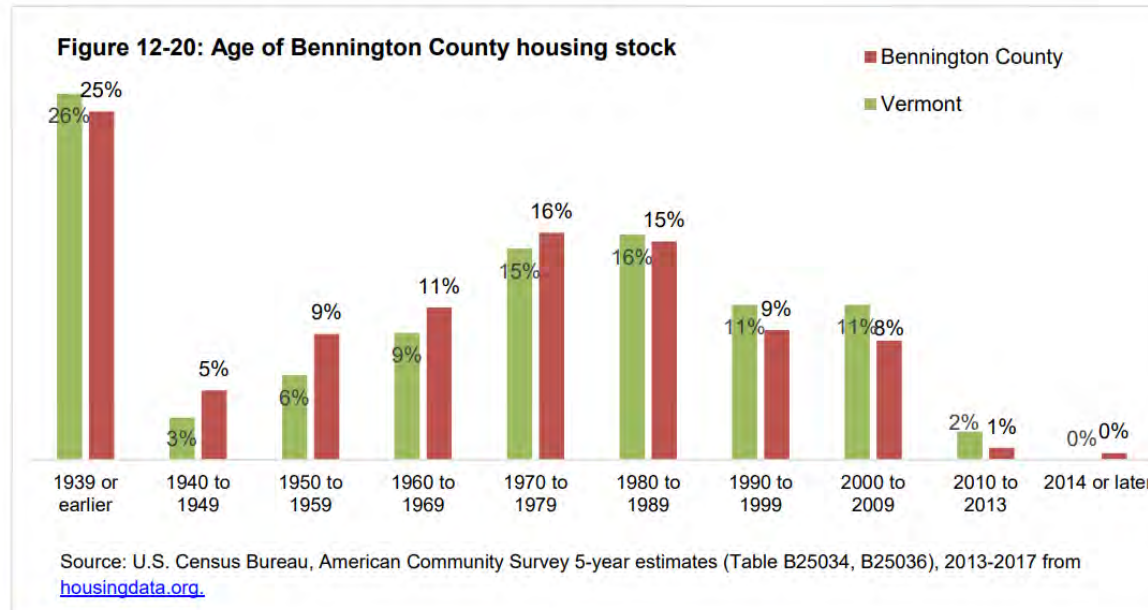
Since 2021

VHIP			
Existing	New	Property Name	Unit Name
1		115 Gage St.	3
1		137 Webb St.	2
1		219 Pleasant St.	1
1		219 Pleasant St.	4
	1	219 Pleasant St.	7
1		253 Union St.	1-Downstairs
1		253 Union St.	2-Upstairs
1		302 Pleasant St.	6
1		304 Pleasant St.	3
1		323 Pleasant St.	1
1		323 Pleasant St.	2
1		323 Pleasant St.	4
	1	323 Pleasant St.	5
1		332 Pleasant St.	8
1		408-416 South St.	410
	1	701-705 Main St.	701 Main St. #1
	1	701-705 Main St.	701 Main St. #2
1		701-705 Main St.	701 Main St. #3
1		701-705 Main St.	701 Main St. #4
1		701-705 Main St.	705 Main St. #1
1		701-705 Main St.	705 Main St. #2
	1	701-705 Main St.	705 Main St. #3
1		1004-1006 Gage St.	1
1		1004-1006 Gage St.	3
1		408 South Street	408
	1	809 Main Street	Comm. 1
	1	809 Main Street	Comm 2
1		319 Pleasant	1
1		319 Pleasant	2
	1	319 Pleasant	3
	1	319 Pleasant	4
22	9		



78 percent of Bennington Town's renters are households including only one or two persons. (76 percent for Bennington County). Again, this points to the market need for small rental units.

²⁷ Source: U.S. Census Bureau.



³ Vermont Coalition to End Homelessness [2017 VCEH Local CoC Assessment Report](#)

⁴ U.S. Census Bureau, American Community Survey 5-year estimates (Table B25035), 2013-2017 from [housingdata.org](https://www.housingdata.org)



324 Pleasant (10 Unit)



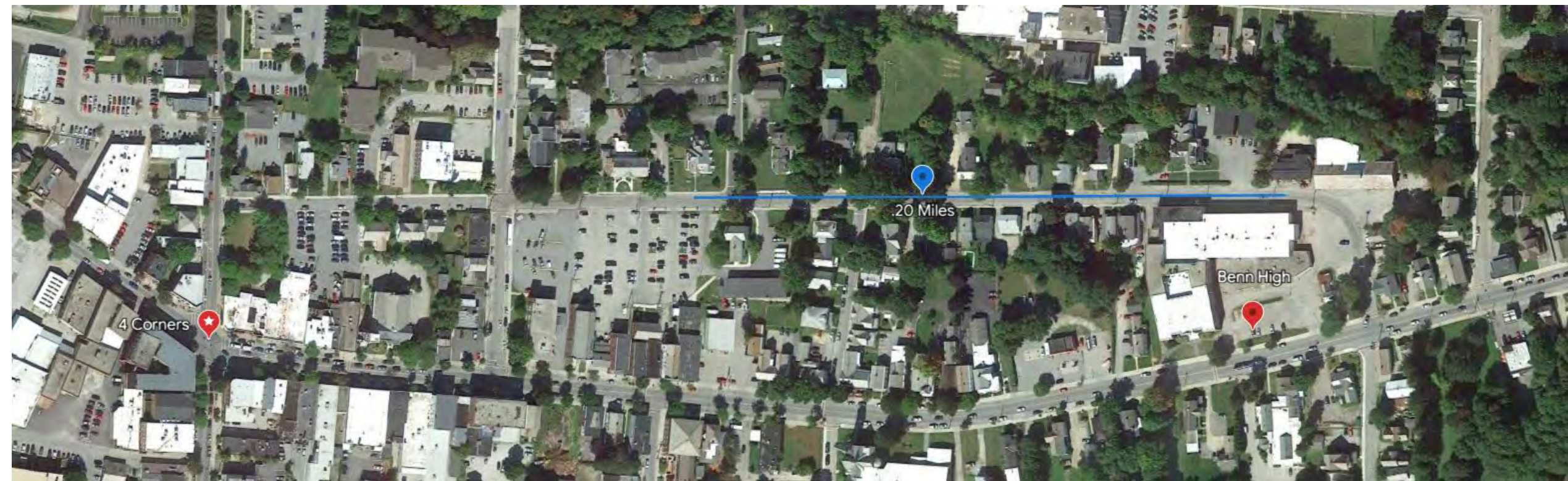
308 Pleasant (8 Unit)



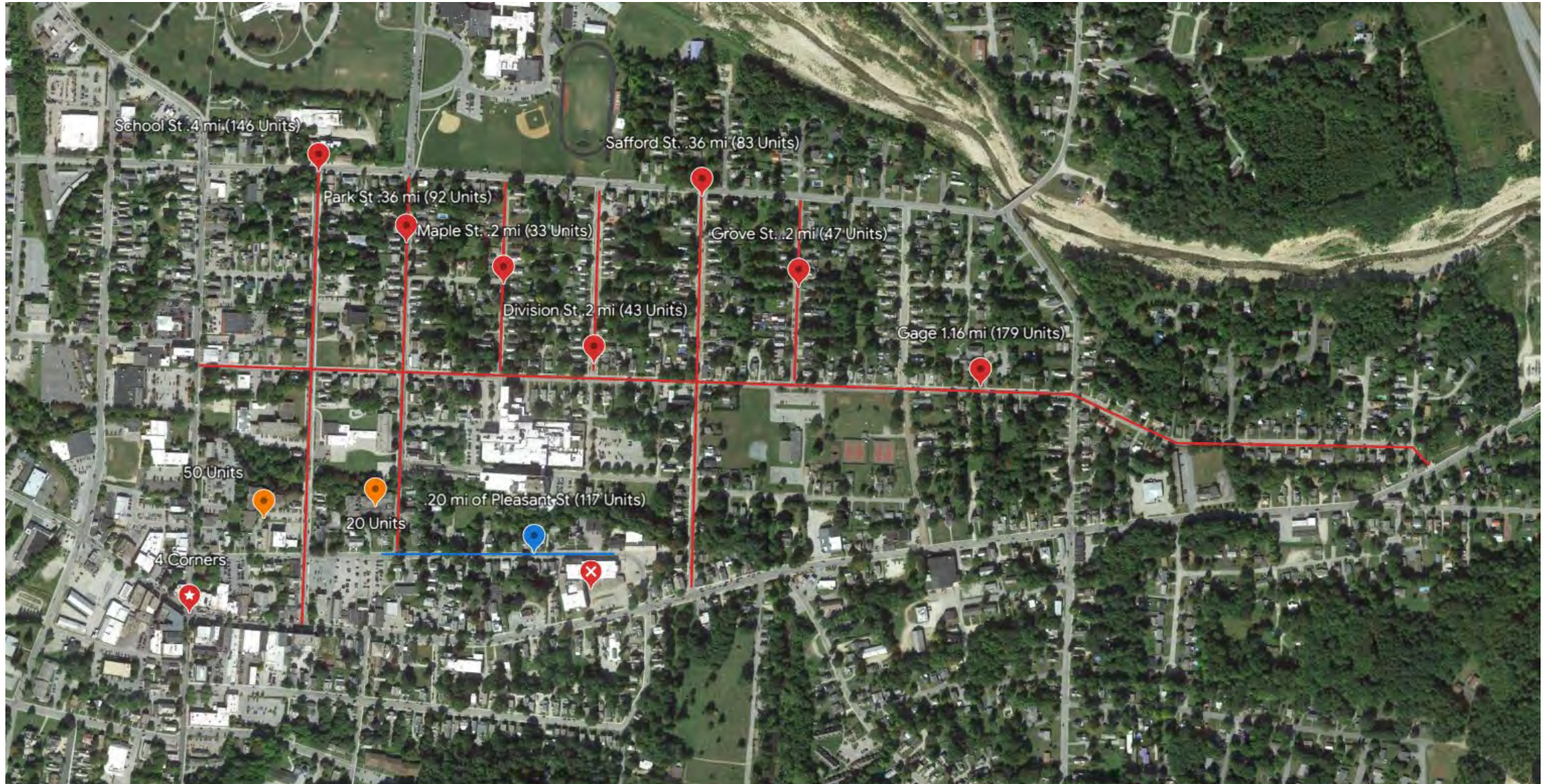
304 Pleasant (5 Unit)

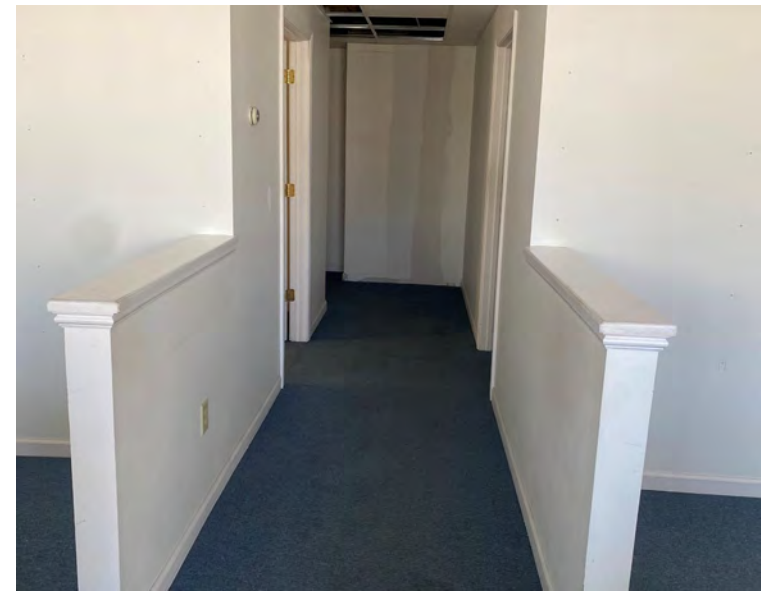


212 Pleasant (10 Unit)



PLEASANT STREET HAS 117 UNITS IN .20 MI

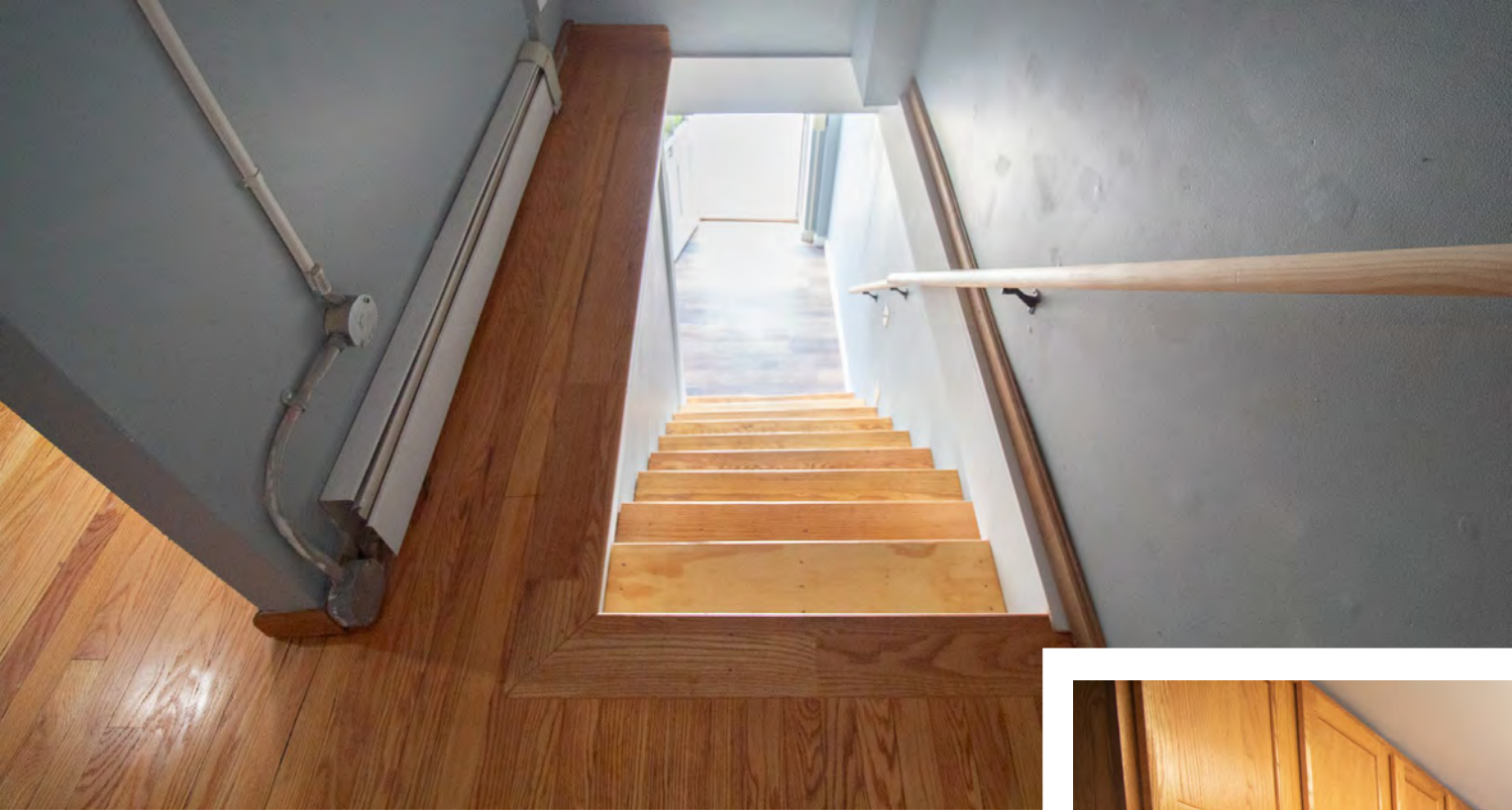






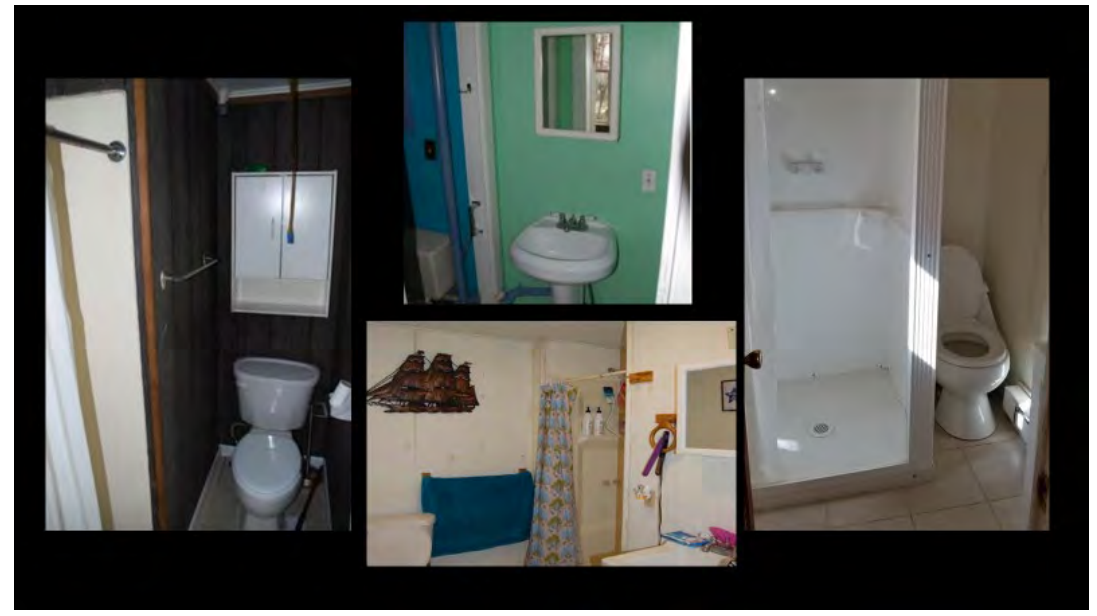






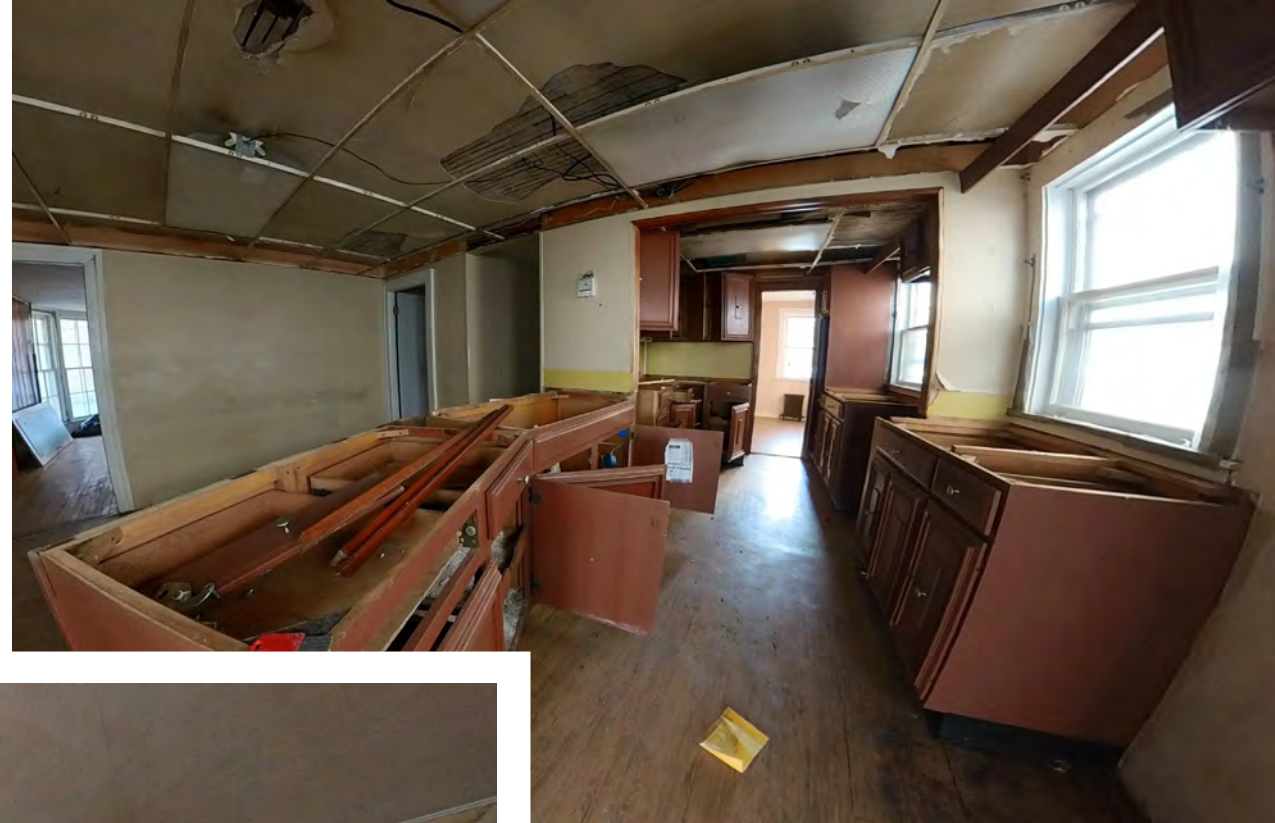


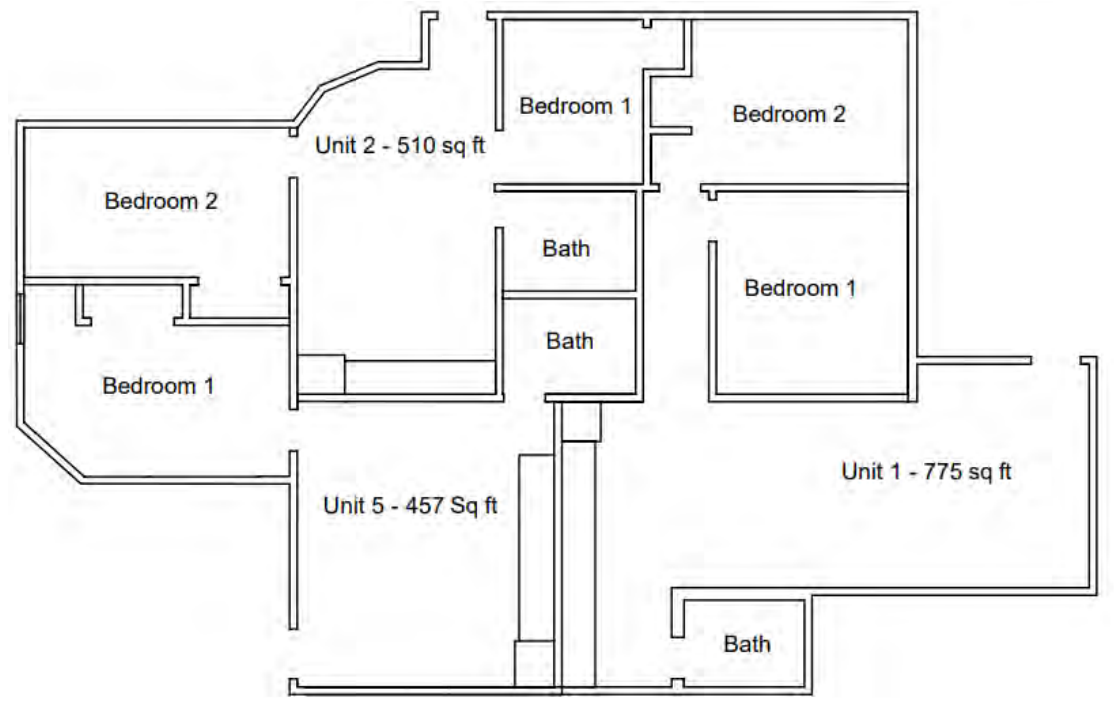
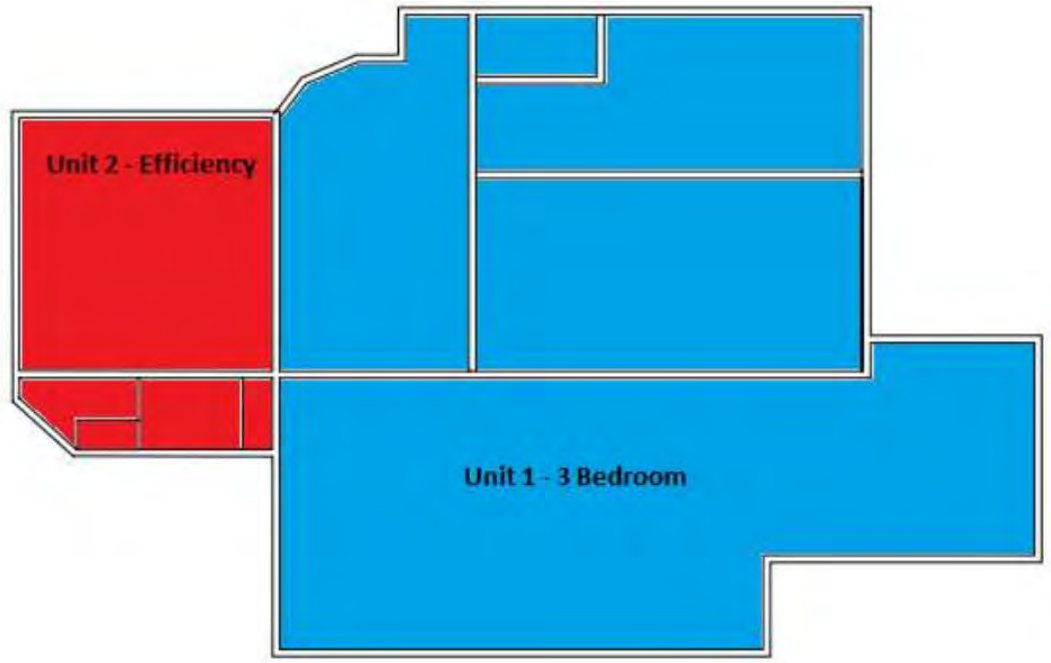


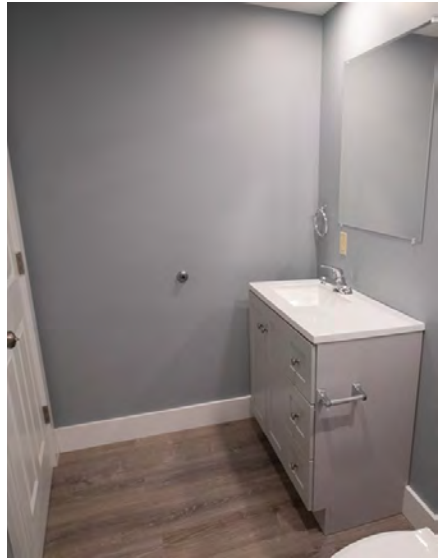


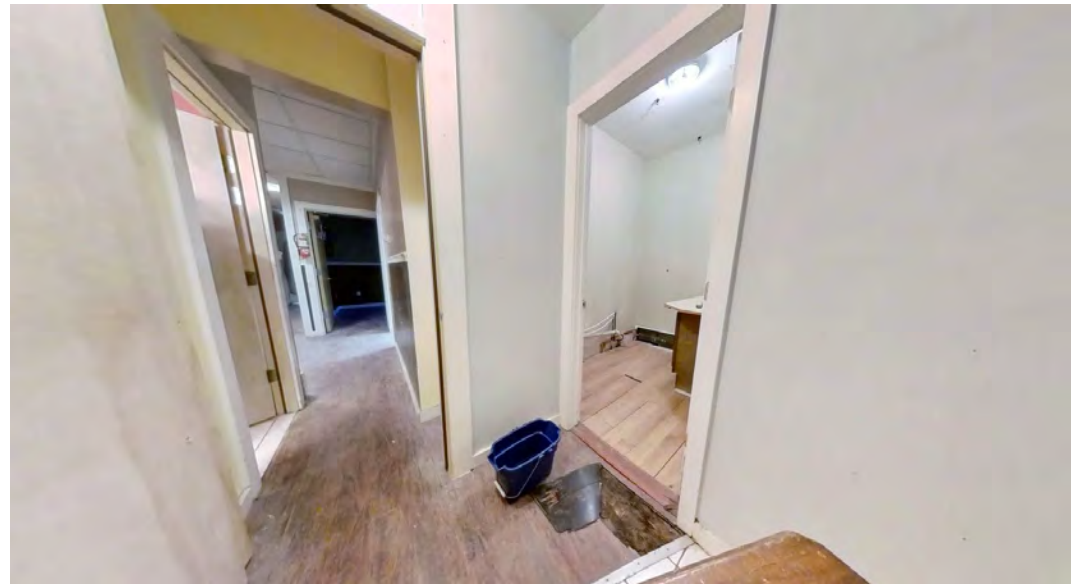
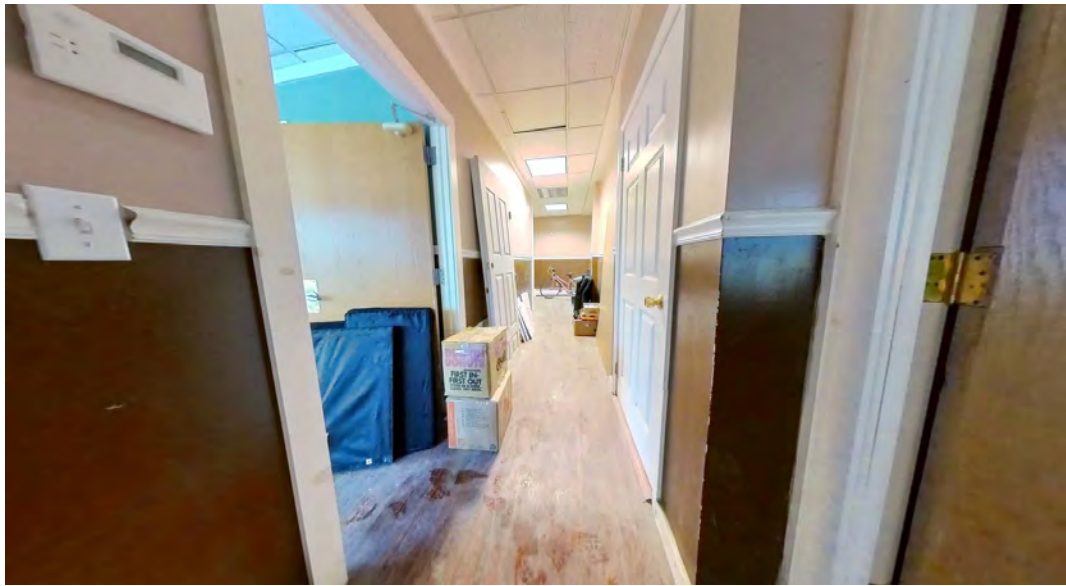


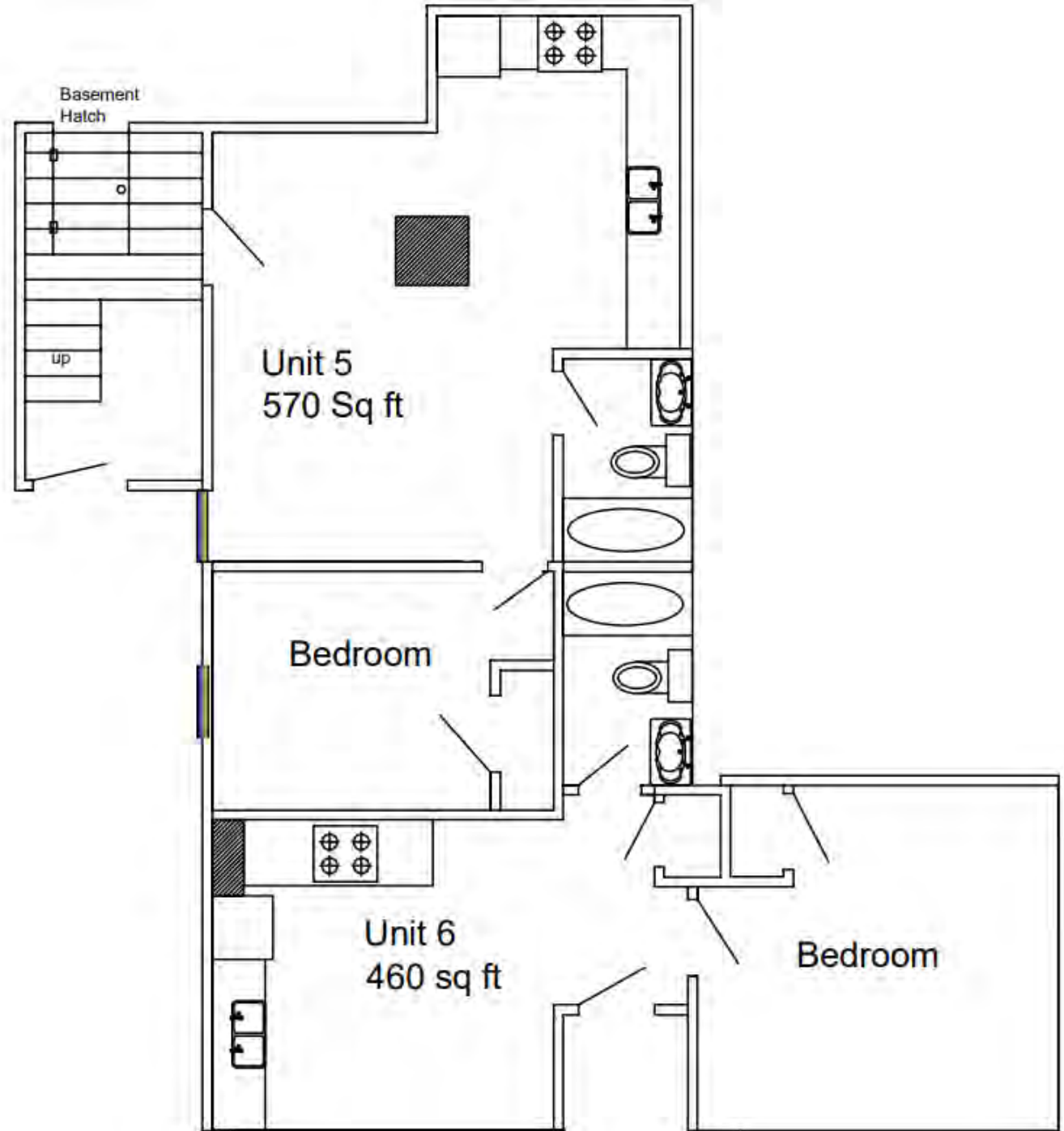
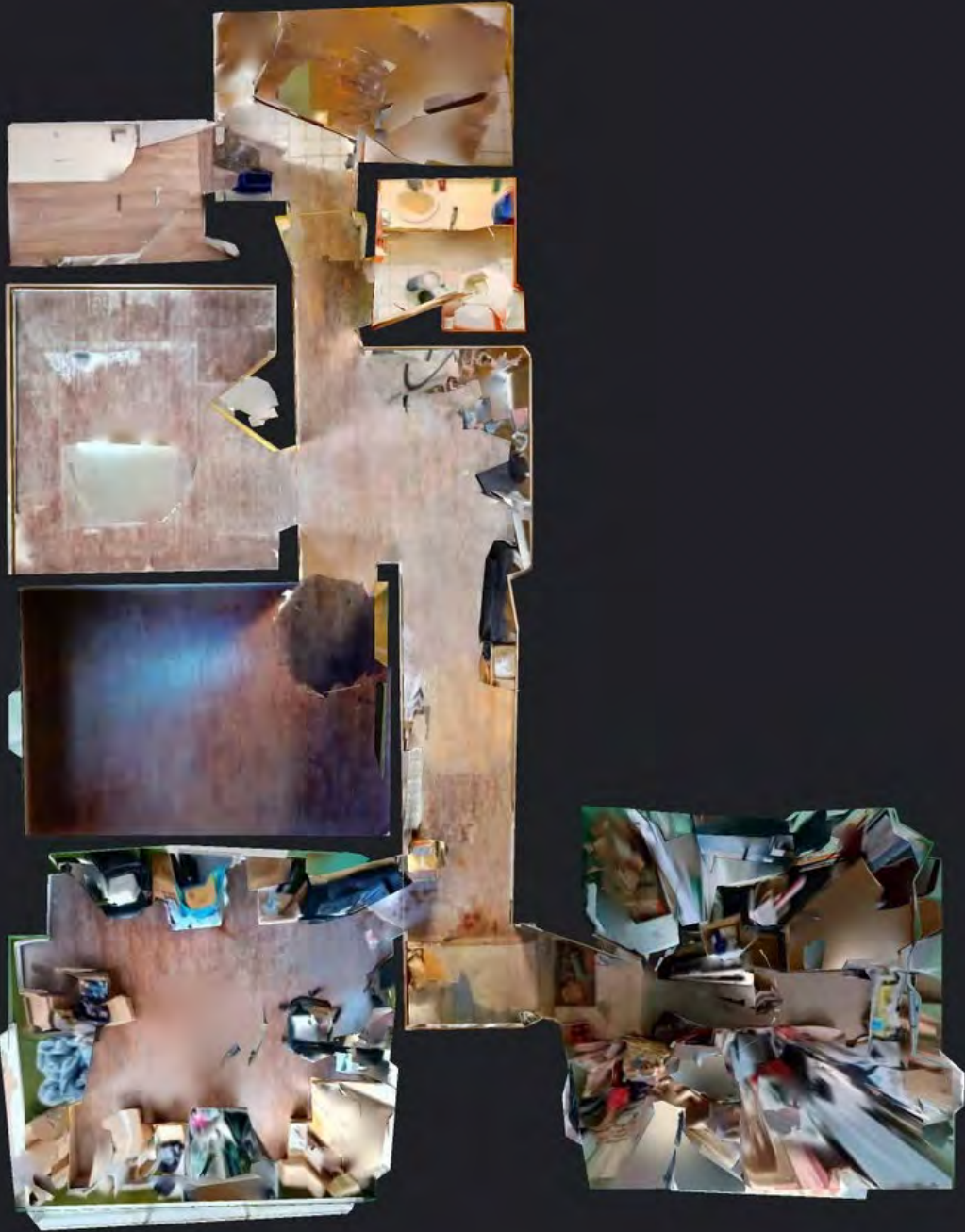
323 Pleasant











SCOPE OF WORK - 809 Main St

Renovation of a 1000 sq ft comercail space into two 1 bedroom apartments. This will not be a full gut renovation. We will be retaining the rooms in the front of the unit. Demo of the rear of the unit including the bathroom will be accomplished. We will be adding two full bathrooms and two kitchens. A new service will be added to the units and the heating system that supplys the entire building will be replaced. We will also be accomplishing exterior repairs that includes adding new windows to the front of the building and install a new enterence to the rear apartment.

1	CLEANING - Cleaning throughout the project. Romoval/disposal of any debris. - Portable toilet retal on site while project is going on.	\$ 9,195.55
2	DEMO - Demo of back walls in commercial unit including the bathroom. Pull down all drop ceilings.	\$ 8,580.00
3	ELECTRICAL - Install two new sevicees and move one. One service will be a house panal.	\$ 25,000.00
4	EXTERIOR/SIDING - Rebuilding front walls to install windows, Residing the new walls and install new enterence way for rear apartment. Repair back stairway.	\$ 15,400.00
5	FLOORING - Vynel plank flooring and quarter round throughout the unit and in the hallway outside the unit.	\$ 9,500.00
6	FRAMING - Repairing floors, building closets and bathrooms and boxes to hide vents.	\$ 10,200.00
7	HEATING/PLUMBING - Install two kitchens bathrooms // new baseboards in apartment	\$ 38,502.45
8	INSULATION - Spray foam basement walls, install insulation between units and insulate where possible.	\$ 5,120.00
9	INTERIOR PAINTING - Painting the entire apartments. One coat Primer and two coats finish.	\$ 7,040.00
10	KITCHEN - Two new kitchens with stove and fridge. Includes installation of cabinets.	\$ 11,480.00
11	PARKING/SIDEWALK - Regrade driveway.	\$ 1,712.50
12	PUNCHLIST - BATHROOM: 2 bath hardware sets, 2 faucet, 1 toilet, 2 vanity light fixtures, 2 vents, GENERAL: doorknobs, door stops, smoke detectors etc.	\$ 4,080.00
13	ROOFING - Repairs of slate on roof.	\$ 4,000.00
14	SHEETROCK - Sheetrock of new partitions and ceilings where drop ceilings were removed.	\$ 9,000.00
15	TRIM/DOOR - Installation of doors and trim.	\$ 7,200.00
16	WINDOW - Purchase and install 3 new windows on the front of the building.	\$ 3,096.00
17	SUPERVISING - Checking work progress; Giving instruction to keep project moving forward; Gathering materials and bringing to site.	\$ 13,528.52
17	SUBTOTAL	\$ 182,635.02
	Contingency 10%	\$ 18,263.50
	Total	\$ 200,898.52

VHIP Grant (Two new Units at \$50,000 per Unit) \$ 100,000.00

Other Sources \$ 100,898.52

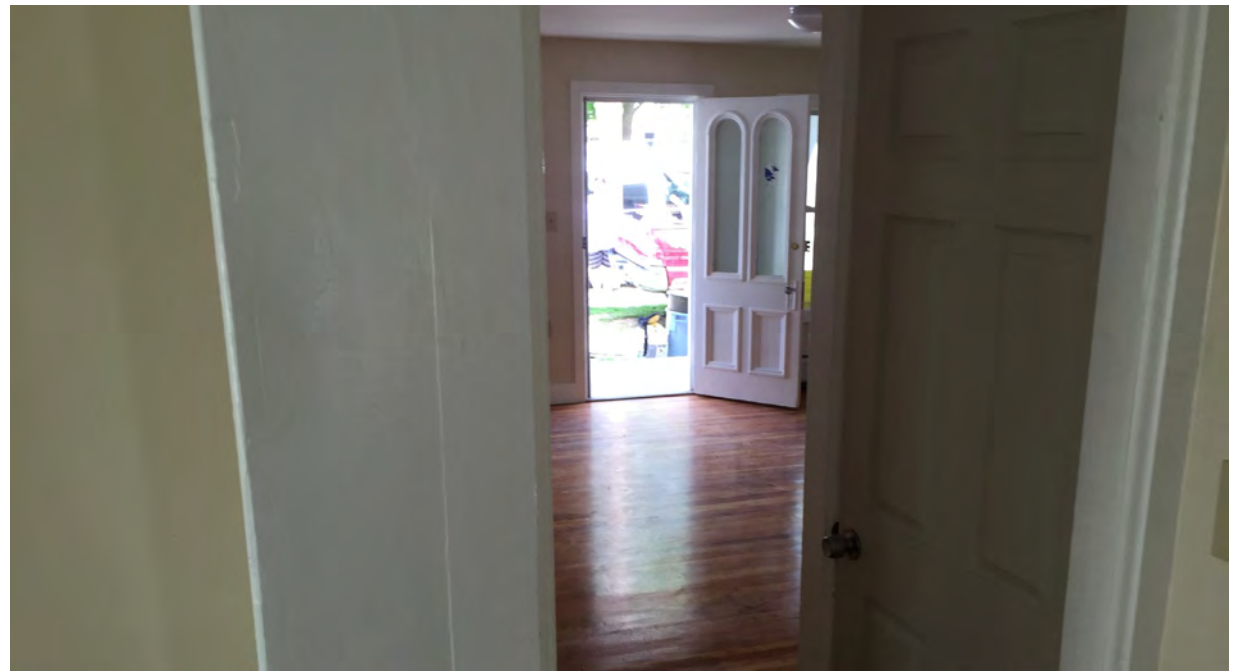


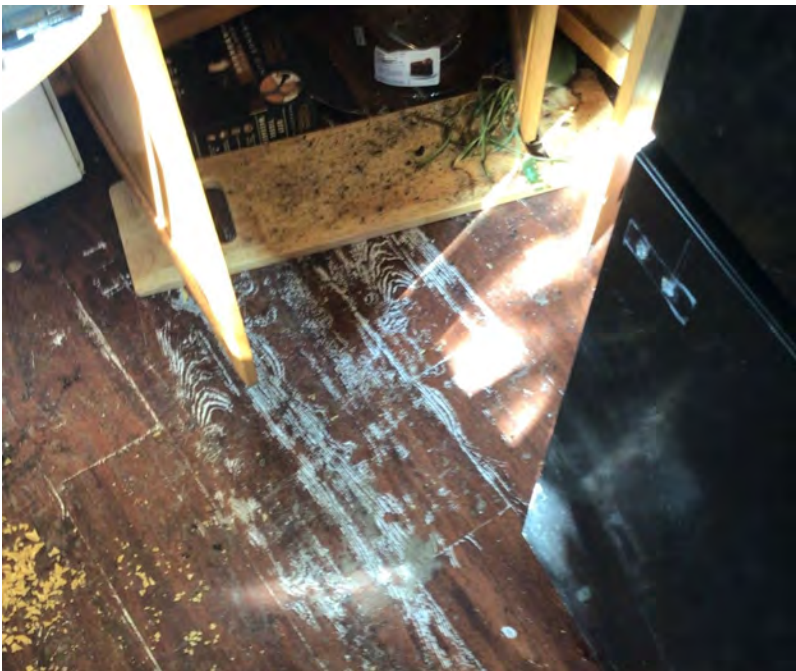
319 Pleasant





321 Pleasant

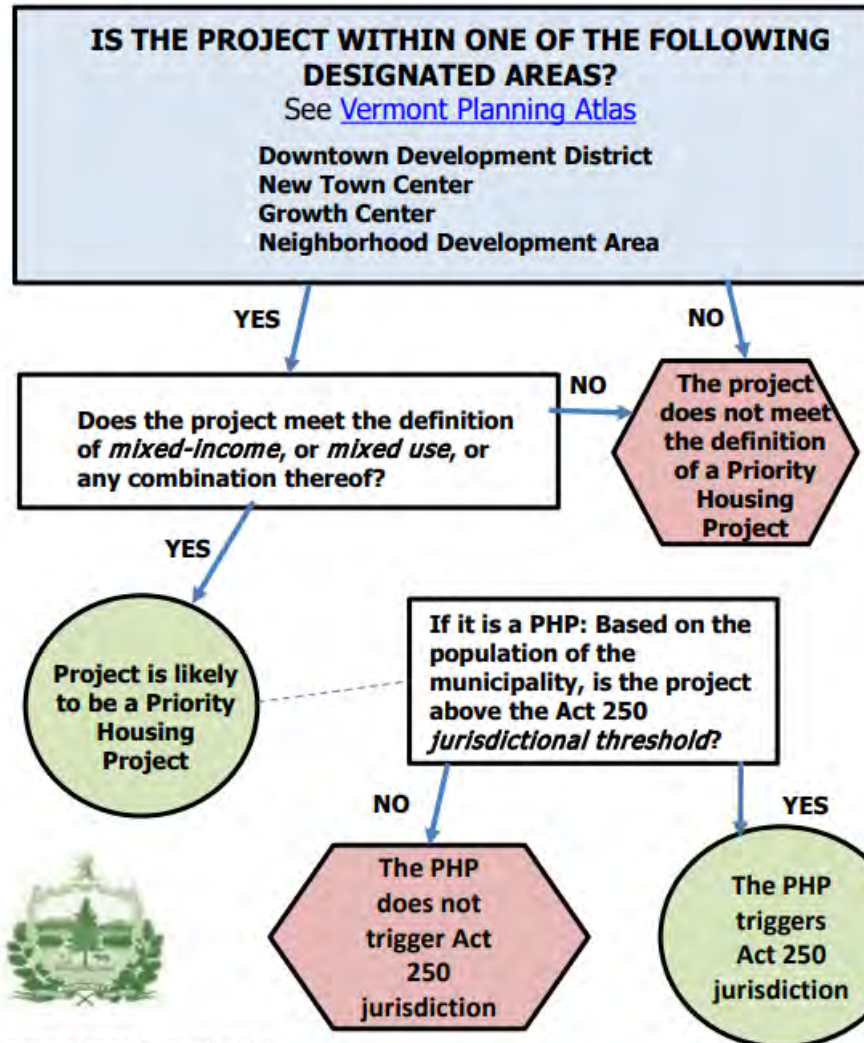






650 Main

Priority Housing Project (PHP) Flowchart



Last updated August 2022
(per Act 182)

This flowchart is intended for informational purposes only and does not constitute a jurisdictional opinion from a district coordinator or supersede existing law and regulations.

Definition of Mixed Income Housing

Rental	Owner-Occupied
For at least 15 years after being placed into service, at least 20% of the units have total annual cost of renting (rent, utilities, and condominium association fees) that does not exceed 30% of the gross annual income of a household at 80% of affordable housing standard	At least 20% of housing units have annual ownership costs (principal, interest, taxes, insurance, and condominium association fees) that do not exceed 30% of the gross annual income of a household at 120% of affordable housing standard
The affordable housing standard is highest of the following income amounts, per HUD standards: (i) the county median income; (ii) the standard metropolitan statistical area median income or; (iii) the statewide median income adjusted for the number of bedrooms -- as established and published annually by VHFA.	

Definition of Mixed Use

Mixed use means construction of both <i>mixed income housing</i> and construction of space for any combination of retail, office, services, artisan and recreational and community facilities.	<i>Mixed use</i> does not include industrial use. At least 40% of the gross floor area must be housing that meets the definition of <i>mixed income housing</i>
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Act 250 Jurisdictional Thresholds

Priority Housing Projects only trigger Act 250 jurisdiction as "development" if they exceed the following number of units based on municipal population. See annual [population estimates](#).

- 10,000 or more – UNLIMITED NUMBER OF UNITS*
- 6,000 to 9,999 – 74 UNITS
- 5,999 or fewer – 49 UNITS

* Municipalities that qualify for no cap as of 2020 estimates: Burlington, Essex, South Burlington, Rutland City, Bennington, Brattleboro, Hartford, and Williston.



1. (3) 701/705 Main Street - 7 Unit complete - 2021
2. (1) 219 Pleasant Street - 11 Unit complete - 2021
3. (1) 323 Pleasant Street - 5 Unit complete - 2023
4. (2) 809 Pleasant Street - 6 Unit once complete - 2023
5. (2) 319 Pleasant Street - 4 Unit once complete - 2023

- $3 + 1 + 1 + 2 + 2 = 9$




Updated February 16, 2023

APPLICATION GUIDE

HOW TO APPLY FOR AN ACT 250 LAND USE PERMIT

[10 VSA Chapter 151](#)



 **VERMONT**
Natural Resources Board
 10 Baldwin Street
 Montpelier, VT 056533-3201
<https://nrb.vermont.gov>

 **VERMONT**
 DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

VCDP Program Guide



What Are the 10 Criteria?

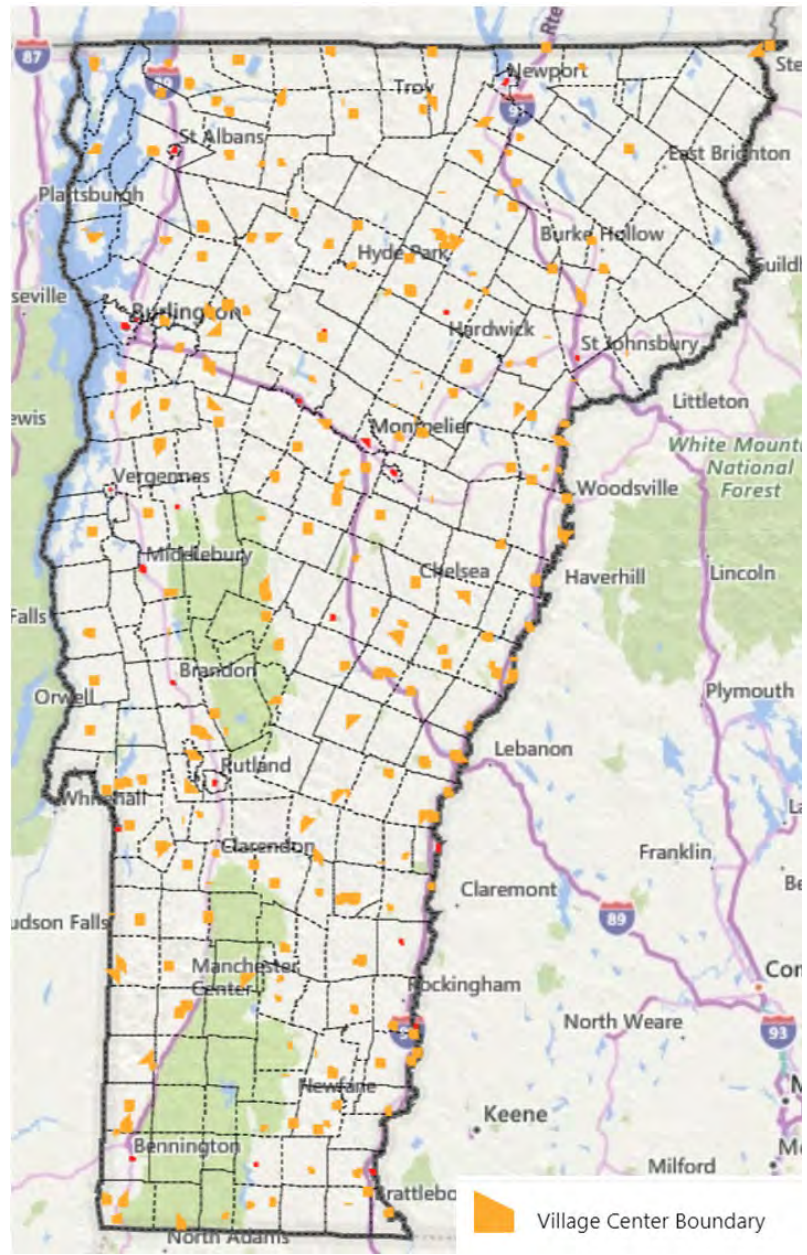



The 10 Criteria are the specific standards that District Environmental Commissions must use to evaluate every development and subdivision application that falls under Act 250.

The 10 Criteria focus on projected impacts on:

1. air and water quality,
2. water supplies,
3. traffic,
4. local schools and services,
5. municipal costs,
6. historic and natural resources,
7. including scenic beauty,
8. impacts of growth, and
9. municipal and regional plans.

"WHAT ARE THE 10 CRITERIA?"	
	Criterion 1: Air and water pollution
1	1(A): Headwaters
2	1(B): Waste disposal
3	1(C): Water conservation
4	1(D): Floodways
5	1(E): Streams
6	1(F): Shorelines
7	1(G): Wetlands
8	Criterion 2: Water supply
9	Criterion 3: Impact on water supply
10	Criterion 4: Erosion and capacity of soil to hold water
	Criterion 5: Transportation
11	5(A): Traffic
12	5(B): Transportation
13	Criterion 6: Educational services
14	Criterion 7: Municipal services
	Criterion 8: Aesthetics, scenic and natural beauty
15	Historic sites
16	Historic sites - archeology
17	Rare and irreplaceable natural areas
18	8(A): Necessary wildlife habitat
	Criterion 9
19	9(A): Impact of growth
20	9(B): Primary agricultural soils
21	9(C): Productive forest soils
22	9(D): Earth resources
23	9(E): Extraction of earth resources
24	9(F): Energy conservation
25	9(G): Private utility services
26	9(H): Costs of scattered development
27	9(J): Public utility services
28	9(K): Public investments
29	9(L): Settlement patterns (<i>formerly "Rural growth areas"</i>)
30	Criterion 10: Local and regional plans



 Village Center Boundary





FUNDING SOURCES AND USES - 120 MAPLE STREET, RUTLAND

PROJECT COST	
HARD COSTS	\$ 958,870
SOFT COSTS	\$ 259,100
TOTAL PROJECT COST	\$ 1,217,970

VCDP FUNDING ALLOCATION/ASK	
VCDP FUNDING FOR HARD COSTS	
Hard Cost Budget	\$ 958,870
LESS: VHIP Funding	\$ (130,000)
LESS: Private Capital	\$ (244,000)
LESS: VHCB Lead Hazard Reduction Program (Pending)	\$ (15,070)
LESS: Weatherization Assistance Program (Pending)	\$ (20,000)
LESS: Efficiency Vermont & GMP Heating System Rebates (Pending)	\$ (15,000)
TOTAL VCDP FUNDING FOR HARD COSTS	\$ 534,800

VCDP FUNDING FOR SOFT COSTS	
VCDP FUNDING FOR GENERAL ADMINISTRATION	
RRA Administration Fee	\$ 6,500
Hale Resources, LLC Administration Fee	\$ 65,000
LESS: Hale Resources, LLC In-Kind Contribution	\$ (65,000)
TOTAL VCDP FUNDING FOR (GA)	\$ 6,500

VCDP FUNDING FOR PROGRAM MANAGEMENT	
Plowing and Sanding	\$ 900
Grass Cutting	\$ 1,200
Electric	\$ 3,500
Heating Fuel - Propane	\$ 6,000
Water and Sewer	\$ 1,500
Internet	\$ 1,500
Construction Planning	\$ 40,000
Legal and Professional	\$ 20,000
Insurance	\$ 20,000
Bridge Interest	\$ 15,000
Hale Resources, LLC - Clerk of the Works	\$ 78,000
LESS: Hale Resources, LLC In-Kind Contribution	\$ (78,000)
TOTAL VCDP FUNDING FOR (PM)	\$ 109,600

TOTAL VCDP FUNDING FOR SOFT COSTS \$ 116,100

TOTAL VCDP FUNDING FOR HARD COSTS \$ 534,800

TOTAL VCDP FUNDING FOR SOFT COSTS \$ 116,100

TOTAL VCDP FUNDING FOR HARD & SOFT COSTS \$ 650,900

Rutland City Revolving Loan Fund (20%) \$ 19,359

VCDP AMOUNT IF REV. LOAN IS REQUIRED \$ 631,541

TOTAL OTHER SOURCES	
VHIP Funding	\$ 130,000
Private Capital	\$ 244,000
Hale Resources, LLC In-Kind Contribution (GA) & (PM)	\$ 143,000
VHCB Lead Hazard Reduction Program	\$ 15,070
Weatherization Assistance Program	\$ 20,000
Efficiency Vermont & GMP Heating System Rebates	\$ 15,000
TOTAL OTHER SOURCES	\$ 567,070

OPERATING PRO FORMA
120 MAPLE STREET RUTLAND VT, 05701
10 YEAR PROJECTION

Rent Roll				
Unit	Property	Bedrooms	Income/Month	Income/Year
1	Unit 1 (< 30%)	2	\$ 694	\$ 8,325
2	Unit 2 (< 50%)	2	\$ 758	\$ 9,096
3	Unit 3 (< 80%)	2	\$ 758	\$ 9,096
4	Unit 4	2	\$ 1,100	\$ 13,200
5	Unit 5	1	\$ 950	\$ 11,400
	Total		\$ 4,260	\$ 51,117

Operating Pro Forma

10 Year Projection

Rental Rates		Monthly	Annually																			
Rent Roll	\$	4,260	\$	51,117																		
Year	1	2	3	4	5	6	7	8	9	10	Total											
Income*	\$	51,117	\$	51,884	\$	52,662	\$	53,452	\$	54,254	\$	55,068	\$	55,894	\$	56,732	\$	57,583	\$	58,447	\$	584,091
Expense**																						
Management Fees																						
Advertising	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Lease Renewal Fee***	\$	200	\$	204	\$	208	\$	212	\$	216	\$	221	\$	225	\$	230	\$	234	\$	239	\$	2,190
Leasing Fee****	\$	500	\$	510	\$	520	\$	531	\$	541	\$	552	\$	563	\$	574	\$	586	\$	598	\$	5,475
Landlord Certificate	\$	125	\$	127	\$	129	\$	131	\$	133	\$	135	\$	137	\$	139	\$	141	\$	143	\$	1,338
Management Fee*****	\$	4,089	\$	4,151	\$	4,213	\$	4,276	\$	4,340	\$	4,405	\$	4,471	\$	4,539	\$	4,607	\$	4,676	\$	43,767
Screening Fee	\$	20	\$	20	\$	21	\$	21	\$	22	\$	22	\$	23	\$	23	\$	23	\$	24	\$	219
Total Management Fees	\$	4,934	\$	5,012	\$	5,091	\$	5,171	\$	5,252	\$	5,335	\$	5,419	\$	5,504	\$	5,591	\$	5,679	\$	52,989
Contractor Services																						
Apartment Turn Over Service	\$	1,000	\$	1,020	\$	1,040	\$	1,061	\$	1,082	\$	1,104	\$	1,126	\$	1,149	\$	1,172	\$	1,195	\$	10,950
Boiler Cleaning and Tune Up Service	\$	200	\$	204	\$	208	\$	212	\$	216	\$	221	\$	225	\$	230	\$	234	\$	239	\$	2,190
EMP Inspection Service	\$	350	\$	357	\$	364	\$	371	\$	379	\$	386	\$	394	\$	402	\$	410	\$	418	\$	3,832
Repair and Maintenance Service	\$	2,500	\$	2,550	\$	2,601	\$	2,653	\$	2,706	\$	2,760	\$	2,815	\$	2,872	\$	2,929	\$	2,988	\$	27,374
Total Contractor Services	\$	4,050	\$	4,131	\$	4,214	\$	4,298	\$	4,384	\$	4,472	\$	4,561	\$	4,652	\$	4,745	\$	4,840	\$	44,346
Utilities																						
Electric	\$	500	\$	510	\$	520	\$	531	\$	541	\$	552	\$	563	\$	574	\$	586	\$	598	\$	5,475
Grass Cutting Service	\$	1,200	\$	1,224	\$	1,248	\$	1,273	\$	1,299	\$	1,325	\$	1,351	\$	1,378	\$	1,406	\$	1,434	\$	13,140
Heating Fuel	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Plowing Service	\$	900	\$	918	\$	936	\$	955	\$	974	\$	994	\$	1,014	\$	1,034	\$	1,054	\$	1,076	\$	9,855
Trash Removal	\$	900	\$	918	\$	936	\$	955	\$	974	\$	994	\$	1,014	\$	1,034	\$	1,054	\$	1,076	\$	9,855
Water and Sewer	\$	3,000	\$	3,060	\$	3,121	\$	3,184	\$	3,247	\$	3,312	\$	3,378	\$	3,446	\$	3,515	\$	3,585	\$	32,849
Total Utilities	\$	6,500	\$	6,630	\$	6,763	\$	6,898	\$	7,036	\$	7,177	\$	7,320	\$	7,466	\$	7,616	\$	7,768	\$	71,173
Insurance																						
Liability	\$	3,000	\$	3,060	\$	3,121	\$	3,184	\$	3,247	\$	3,312	\$	3,378	\$	3,446	\$	3,515	\$	3,585	\$	32,849
Flood	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Insurance	\$	3,000	\$	3,060	\$	3,121	\$	3,184	\$	3,247	\$	3,312	\$	3,378	\$	3,446	\$	3,515	\$	3,585	\$	32,849
Legal and Professional Fees																						
Property Tax	\$	5,985	\$	6,104	\$	6,227	\$	6,351	\$	6,478	\$	6,608	\$	6,740	\$	6,875	\$	7,012	\$	7,152	\$	65,532
LLC Fee	\$	35	\$	36	\$	36	\$	37	\$	38	\$	39	\$	39	\$	40	\$	41	\$	42	\$	383
Accounting (Filing Fee)	\$	1,000	\$	1,020	\$	1,040	\$	1,061	\$	1,082	\$	1,104	\$	1,126	\$	1,149	\$	1,172	\$	1,195	\$	10,950
Total Legal and Professional Fees	\$	7,020	\$	7,160	\$	7,303	\$	7,449	\$	7,598	\$	7,750	\$	7,905	\$	8,064	\$	8,225	\$	8,389	\$	76,865
Vacancy Factor	\$	1,022	\$	1,038	\$	1,053	\$	1,069	\$	1,085	\$	1,101	\$	1,118	\$	1,135	\$	1,152	\$	1,169	\$	10,942
Total Expense	\$	(26,526.50)	\$	(27,031)	\$	(27,545)	\$	(28,069)	\$	(28,603)	\$	(29,147)	\$	(29,702)	\$	(30,267)	\$	(30,843)	\$	(31,431)	\$	(289,164)
Net Operating Income	\$	24,591	\$	24,853	\$	25,117	\$	25,383	\$	25,651	\$	25,920	\$	26,192	\$	26,465	\$	26,739	\$	27,016	\$	257,927
Mortgage Interest*****	\$	14,433	\$	14,026	\$	13,598	\$	13,143	\$	12,659	\$	12,146	\$	11,602	\$	11,023	\$	10,410	\$	9,758	\$	122,798
Depreciation	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	72,727
Net Income	\$	2,885	\$	3,554	\$	4,247	\$	4,968	\$	5,719	\$	6,501	\$	7,317	\$	8,169	\$	9,057	\$	9,985	\$	62,402
LESS: Principle on Mortgage*****	\$	(6,514)	\$	(6,916)	\$	(7,343)	\$	(7,796)	\$	(8,276)	\$	(8,787)	\$	(9,329)	\$	(9,904)	\$	(10,515)	\$	(11,164)	\$	(86,543)
ADD: Depreciation	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	7,273	\$	72,727
Net Increase (Decrease) in Cash	\$	3,643	\$	3,910	\$	4,177	\$	4,445	\$	4,715	\$	4,987	\$	5,261	\$	5,537	\$	5,815	\$	6,095	\$	48,586

Currently

- Using state funds
- Renovating Existing structures
- Tight margins
- Bill trying to encourage dense development
- Our old housing stock needs the most attention and the state pushing resources to.

ACT 250

- Time,
- cost,
- uncertainty

Solutions

- 4 or less units do not trigger ACT 250
- 25/5/5 for all designations as well as Village Centers
- Make Existing structures exempt