

Information Sheet Re: Rural Edge Purchase and Sale Agreement

The Greensboro Selectboard has received several questions from voters about the Purchase and Sale Agreement (PSA) with Rural Edge. This document contains some answers to those questions. This is not intended to take the place of the PSA. To have a complete understanding of what we will be voting on, please read the PSA, including the addendums. This is also not intended to be comprehensive. For more information on the Rural Edge affordable housing project please refer to the abundance of [material on the town website](#).

What is the timing of the property sale to Rural Edge?

The town will vote on whether to sell the Town Hall building to Rural Edge (RE) on April 29. If the voters are in favor of the transaction, RE will spend the next year going through the permitting process and arranging for financing which will include state and federal grants and private investments in tax credits. They will also engage engineers and architects to develop detailed plans for the project. During that time, the Town and RE will negotiate a lease agreement for the Town Offices. In one year, the intent is to close on the sale and transfer the property to RE. At that point RE will begin construction which is anticipated to take one year.

What will become of the town offices?

The P&S provides for the town offices to stay in their current location. The town would pay rent for their space equal to Rural Edge's operating costs currently estimated to be \$1,800 per month. Operating costs include heat, electricity, insurance, grounds maintenance, etc., but do not include any profit. The lease will be for a minimum term of 10 years, and the rent will increase by 3% annually. After that the lease could be extended at terms to be negotiated. If the town wishes to make improvements to the space, we may do so at our expense. Largely offsetting the rent will be property taxes paid by RE.

The plan is to separate the Town Office from the residential space to provide security and privacy to both the tenants and the town office. This means that to comply with fire code, a new second exit from the office will need to be created. RE will be responsible for designing and funding the new emergency exit.

During construction, the town offices will need to be relocated. Note that during that period, it is not anticipated that the town would not pay rent nor would it bear the costs of operating the building, currently approximately \$20,000 - \$25,000/year. This does not include the cost of major repairs or addressing electrical and plumbing issues typical for a building over 100 years old.

The particulars of the office arrangement will be described in a mutually agreed lease agreement which will be negotiated before closing.

What will become of the Giving Closet?

The P&S agreement provides for free space for the Giving Closet in perpetuity as long as the Giving Closet continues its current services. The P&S provides for a minimum of 400 square feet which is less than the approximately 750 square feet that it occupies now. (This is more space than the Giving Closet had in its old location on the first level near the town offices.) Consideration for additional space will be given as design and construction proceed. Where the Giving Closet would be housed during construction has not been determined.

Is the Grange included in this plan?

RE has agreed to tie the Grange into their wastewater system. But no further improvements to the Grange are part of the plan.

What will happen to the Green?

The Green will continue to be owned by the Town and will be available for all of the current activities conducted there, with the possible exception of the construction period.

What is meant by affordable housing?

Affordable housing means that housing costs, including rent and utilities, are below 30% of a family's gross income. Potential tenants must demonstrate that they have the ability to pay the rent. The tenants' rents will not be subsidized by the project manager, Rural Edge. Rural Edge explains, "These units are not subsidized, meaning that while the rents meet affordability levels, households are responsible for paying the full rent, rather than in subsidized housing where households pay 30% of their income for rent."

Who will be living in these apartments?

Rents will be set to be affordable for individuals and families who have incomes that are between 50% and 80% of the median income for our county. Generally, these will be individuals, couples, families, and retirees who live and work in our community. RE conducts a rigorous vetting process to select the residents who must demonstrate their ability to afford the rent. For more detail, see the [application form](#) on the town website. RE's agreement with the Vermont Housing and Conservation Board (posted on the [Town Hall Redevelopment page](#) of the website) requires specific numbers of units be leased to tenants at different income levels. These are specified in the [VHCB Affordability and Conveyance Restrictions](#). Consistent with the Governor's Executive order, 3 of the units (15%) need to be for people moving from homelessness.

Are there permitting challenges?

Yes, RE will have to obtain a wastewater permit from the state and comply with their rigorous requirements. The town has no role in permitting septic systems. RE is responsible for hiring engineers to design a wastewater system that can meet state standards. This may involve more advanced technologies that have not been considered so far. RE will be responsible for these costs. If no wastewater solution can be found, the P&S is void and the project does not go forward. There are many other permits that are required before construction can commence. Only when all of them have been obtained by RE will the sale be completed.

Does Act 250 apply to this project?

Yes, RE will have to comply with all provisions of Act 250.

Will this project require the approval of the Greensboro Development Review Board?

Yes. Before construction can begin RE will have to show that the project is consistent with the town zoning by-law.

Could RE change the use of the building? Perhaps to luxury condos or even a Dollar Store?

No. The project is being funded in part by the Vermont Housing and Conservation Board (VHCB) which requires the developer to agree to Housing Subsidy Covenant. This requires that the apartments remain affordable **in perpetuity**. Furthermore, VHCB has a rigorous ongoing oversight function whereby the developer is required to submit detailed reports regularly demonstrating that the apartments remain affordable, and that the development is well maintained. In addition, RE may not transfer ownership of the apartments without approval of VHCB.

What happens if RE does not deliver on its promise to build 16 to 20 affordable housing units?

The property would revert to the town (see ¶3 of the PSA).

What kind of company/organization is Rural Edge?

Some have referred to Rural Edge as a “private developer.” This is not strictly accurate. Rural Edge is a nonprofit organization incorporated in the state of Vermont. As such, it is organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors, or officers. In addition, RE is recognized by the Internal Revenue Service as a charity under section 501(c)3 of the IRS Code. This means that it is organized and operated exclusively for charitable purposes, and

none of its earnings may benefit any private shareholder or individual. Their mission is as follows: “RuralEdge envisions Northeast Kingdom communities where every individual can live in stable, affordable housing with access to the services they need to live a healthy and prosperous life.”

Is there a shortage of affordable housing in Vermont and specifically in Greensboro?

Yes and yes. According to the Vermont Housing Finance Agency, Vermont needs 36,000 new homes by 2029, but the state is only creating about 3,500 per year. The Housing Needs Assessment conducted for Greensboro in 2019 identified an acute need for housing. It says, “The community has few year-round rental units and almost no multi-family housing. Nor is there much in the way of housing aimed at young families with low to moderate incomes.” The study has not been updated, but statewide data shows that the situation has only gotten worse since the onset of the pandemic. The need for affordable housing was recognized in the [Town Plan adopted in 2019](#). It specifically pointed out the acute need by young families for better housing and that more housing for seniors will be needed. (See p. 78 of the town plan.)