TOWN OF CHESTER
CHESTER HOUSING COMMISSION MEETING
August 18, 2026 Minutes

Present: Joe Karl, Hugh Quinn, Caroline Morgan, Sharon Baker, Jason Rasmussen, Courtlandt Pennell, Julie Hance, and Preston Bristow at Town Hall.

Absent: Bryan Santiago and Jerry Ucci.

Visitors: Peter Hudkins at Town Hall.

Call to Order

Chair Joe Karl called the meeting to order at 6:00 p.m.

Agenda Item 1, Approve Minutes from the Previous Meeting

Hugh Quinn moved to approve the minutes from the previous meeting of June 16, 2026, and Sharon Baker seconded the motion.

Agenda Item 2, Citizen Comments

There were no citizen comments.

Agenda Item 3, Strategy Discussion

Preston Bristow, as Chester's Town Planner, expressed a growing sense of frustration that, despite three years of work, the town does not yet have a clear housing project in its pipeline. Preston expressed particular frustration with the State's expectation that municipalities create more housing while providing relatively limited financial assistance. The State's general approach has been to encourage towns to modify zoning and remove regulatory barriers, but simply removing barriers does not cause housing to be built.

The Commission reviewed the traditional model of financing affordable housing with federal tax credits. Although federal tax credits are still available, Vermont's current priorities are making this approach difficult for a smaller community like Chester. The State favors larger projects, larger communities, and housing targeted toward low- and very-low-income households. It was noted that Windham & Windsor Housing Trust has expressed similar concerns about the competitiveness of Chester in this funding market. As a result, the Commission increasingly sees the need for a different strategy rather than continuing indefinitely to pursue a funding model that may not fit the town.

One alternative discussed was to pursue smaller, more flexible sources of financing rather than relying entirely on traditional affordable-housing subsidies. The Commission discussed programs such as CHIP (Community Housing & Infrastructure Program), the State Treasurer's Invest in Vermont low-interest loans, and the Grafton-based Holt Fund as potential resources. The general

idea is to combine several smaller sources of assistance and to work with smaller local contractors focused on available smaller parcels within the village center. This could allow the Commission to develop something relatively modest while maintaining more local control over the design, ownership, affordability, and eventual sale of the homes.

Courtlandt Pennell argued that a small four-unit project could be preferable to continuing to pursue a much larger development that might take years to assemble and may never receive sufficient funding. The proposed model would involve identifying a suitable property, determining exactly what could be built there, obtaining preliminary design and engineering information, finding financing, and potentially arranging sales before construction begins. The goal would be to create a project that is small enough to manage but large enough to demonstrate that the town can successfully produce housing. The hope was that a successful first project would provide experience, credibility, and momentum for subsequent projects.

Courtlandt's financing concept for a small project was relatively entrepreneurial. The town could potentially identify a banking partner willing to provide construction financing for a limited period such as an eight-month construction loan. If the units could be presold, buyers could have their permanent financing lined up before construction was complete, while the construction loan would carry the project through the building period. The discussion suggested that, under an ideal scenario, the town might not need to put a large amount of cash directly into construction, although there would still need to be money available for design, predevelopment, and getting the project started. Any profit generated by the eventual sale of the units could first be used to cover interest and other project expenses.

The Commission recognized that this model depends heavily on the town's willingness to accept financial responsibility. A key unresolved question was whether the Select Board and taxpayers would be comfortable having the town borrow money, potentially serve as the developer, and assume the risks associated with construction. If the town is unwilling to provide the initial capital, obtain financing, or take responsibility for getting the project built, then the town-led development model may not be viable. Conversely, if the town is willing to make a limited investment and take on the initial risk, the participants believed a small project could potentially move much faster than a conventional subsidized affordable-housing development.

This led to a broader discussion about the tradeoff between control and simplicity. If the town wants to make a meaningful public investment in housing, participants felt that it should retain some control over what ultimately gets built. This could include design standards, deed restrictions, limitations on short-term rentals, residency requirements, or other conditions intended to ensure that the housing continues to serve a community purpose. Carolyn Morgan expressed the view that publicly supported housing should ideally provide residents with an opportunity to own rather than simply creating additional rental units. The underlying objective was to create homes that local residents could actually purchase and build equity in, while preventing the public investment from simply becoming a subsidy to the next market-rate buyer.

A small-scale project also raises complicated questions about deed restrictions and resale controls. The Commission discussed several possible approaches, including limiting the amount by which an owner could increase the resale price. An example from another community

involved allowing owners to sell their homes for a limited annual increase, while providing some recognition for legitimate capital improvements. The purpose would be to let homeowners benefit from owning and improving the property without allowing the initial affordability benefit to disappear after the first resale. One example discussed allowed an owner to receive some credit for improvements such as a kitchen renovation or garage work, while still keeping the overall resale price within the affordability framework.

Participants recognized that these restrictions create an ongoing administrative responsibility. Someone has to determine the permitted resale price, verify improvements, interpret the deed restrictions, and answer questions when an owner wants to sell. The Commission questioned who would perform that function in Chester. An HOA (Home-Owners Association) could be created to perform some of the responsibilities, particularly if the development were structured as condominiums, but that would require a level of organization and expertise that a small project could not support. Chester could contract similar services rather than expecting the Housing Commission or municipal staff to administer everything themselves, but that too would be an added expense.

Another important issue was what type of affordability the town actually wants to create. The discussion suggested that conventional income-restricted affordable housing may not be the only—or even the best—target for Chester. There was interest in housing for working people who may earn too much to qualify for traditional subsidized housing but still cannot afford the local housing market. This led to discussion of "workforce housing" and whether the town could design a program that allows residents to purchase homes at attainable prices while preserving those homes for future local workers. The group seemed interested in creating housing that serves people who are working and contributing to the community rather than relying exclusively on conventional income-based programs.

The next stage is to turn the concept into a concrete proposal. That would require determining exactly what can be built on the preferred property, obtaining preliminary site and engineering information, developing realistic construction and infrastructure costs, determining the likely sale prices, exploring deed restrictions and resale formulas, identifying a banking or financing partner, determining whether the town is willing to provide initial funding or assume development responsibility, and deciding whether the units should be individual homes or a condominium/HOA structure. The Commission also needs to determine how any long-term affordability or resale restrictions would be administered and whether that responsibility should be handled internally or contracted to a professional management organization.

Agenda Item 4, Commission/Staff task updates

Joe Karl shared a Chat GPT generated analysis of ways to keep subsidized housing properties affordable over time.

Agenda Item 5, New Business/Next Agenda

It was agreed that the next meeting will be on Thursday, September 22, 2026, and that the focus will be on what could be built on the Village Center properties at 35 Depot Street and 427 Depot Street using the Vermont Homes for All Toolkit and ROOT Zones framework model.

Commission assignments for the next meeting are:

- Joe Karl will talk with the owner of 35 Depot Street
- Preston Bristow will talk with the owner of 427 Depot Street
- Courtlandt Pennell will talk with Art Randolph, M&T Bank Vice President, Ludlow
- Julie Hance will talk with St. Albans city manager Dominic Cloud and/or Miro Weinberger of the Let's Build Homes coalition
- Preston Bristow will begin a construction flow chart / Gantt chart

Agenda Item 6, Adjourn

Sharon Baker moved and Hugh Quinn seconded a motion to adjourn. The meeting was adjourned at 7:08 p.m.