

State of Vermont
Department of Housing and Community Development
Deane C. Davis Building – 6th Floor [phone] 802-828-3211
One National Life Drive
Montpelier, VT 05620-0501

*Agency of Commerce and
Community Development*

To: All Interested Parties

From: Ann Karlene Kroll, Director of Grants Management

Date: October 30, 2014

RE: First Amendment to CDBG-Disaster Recovery 2 Action Plan

DHCD is proposing to move \$1,000,000 from Competitive Grants-Community Infrastructure to Competitive Grants-Housing Recovery - for the new construction of South Main Street Apartments, formerly known as Ladd Hall located in the Waterbury State Complex.

This reallocation has no impact to the CDBG-DR2 Partial Action Plan Allocation, nor the executed Grant Agreement with HUD.

This project was originally funded under the CDBG-DR1 allocation through a competitive application. As the construction has proceeded at a brisk pace, with a completion date of September 30, 2015, the decision to move the project to the DR2 allocation has been made to work within the statutorily compressed timeframe of PL-113-2 (78FR14329; 23578; and 32262).

The structure of the funding is a 30 year deferred loan between the Agency and Ladd Hall Limited Partnership.

Responsible Entity: Ladd Hall Limited Partnership, which is comprised of a partnership between Housing Vermont and Central Vermont Community Land Trust.

National Objective: The project consists of creating 27 units of housing of which 25 units will be filled by low and moderate income households. There will be 14 (1) bedroom units, 11 (2) bedroom units, and 2 (3) bedroom units. 21 units will be restricted to LIHTC units serving 60% and 80% AMI and 2 units will be available to households above 80% AMI.

DHCD will be posting an Amendment shortly for the CDBG-DR1 Action Plan that will incorporate the reallocation of the South Main Street Apartments Project, along with recent awards.

cc: Jennifer Hollar, Deputy Commissioner
Josh Hanford, CD Director
Tamera Pariseau, Disaster Recovery Grants Management Specialist
Samantha Graves, HUD CPD Representative



Section 3: Method of Distribution

Activities

The State of Vermont has been allocated \$17,932,000 in CDBG-DR funds to address the unmet and long term recovery needs of areas most impacted and distressed as the result of declared major disasters in Vermont in 2011 and 2012. The Federal Register Notice requires the state to target at least 80 percent of this funding (\$14,345,600) to Washington, Windsor and Windham Counties. The state, through the following Method of Distribution, will ensure that CDBG-DR funds are available to help communities with the necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas receiving major disaster declarations. In addition, the following Method of Distribution ensures compliance with the CDBG-Disaster Recovery requirement that at least 50% or \$8,966,000 of the allocation directly benefit Low & Moderate Income (LMI) persons. The state will use 5% of the allocation (\$896,600) for administration to ensure the appropriate management and compliance of the program.

Total Allocation:	\$17,932,000
ACCD Administration - 5%:	- \$896,600
Available for Grants:	<u>\$17,035,400</u>

State Direct Grants

- | | | |
|----|--|--------------------|
| 1) | Buyouts - HMGP Match and Non-eligible FEMA | \$4,000,000 |
| | *\$1M **\$2.8M (70%) | |
| | Administrator- Two Rivers Ottauquechee Regional Planning Commission | |
| 2) | Replacement Housing for Brattleboro Housing Authority | \$5,000,000 |
| | *\$5M, **\$5M (100%) | |
| | Administrator-Brattleboro Housing Authority & Housing VT | |
| 3) | Economic Recovery | \$3,000,000 |
| | *\$2M, **\$2.4M (80%) | |
| | Administrator-Brattleboro Dev. Credit Corp. & Central VT Com. Action Council | |

Total State Direct Grants \$12,000,000

Competitive Grants

Community Infrastructure- Recovery & Repair ~~\$4,035,400~~*\$2M, **\$4.28M (85%)

Municipalities & Non-profit Organizations

Housing Recovery - New Construction ~~\$1,000,000~~

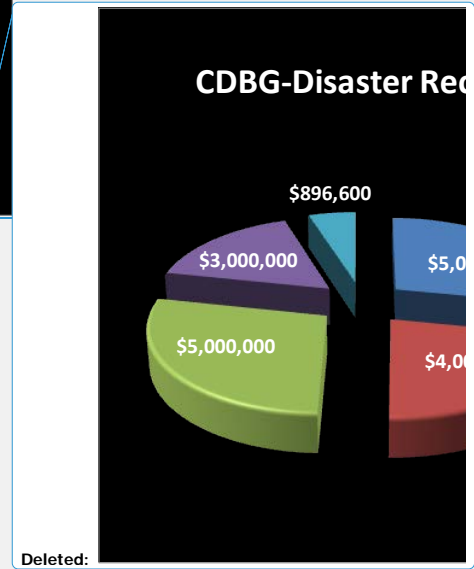
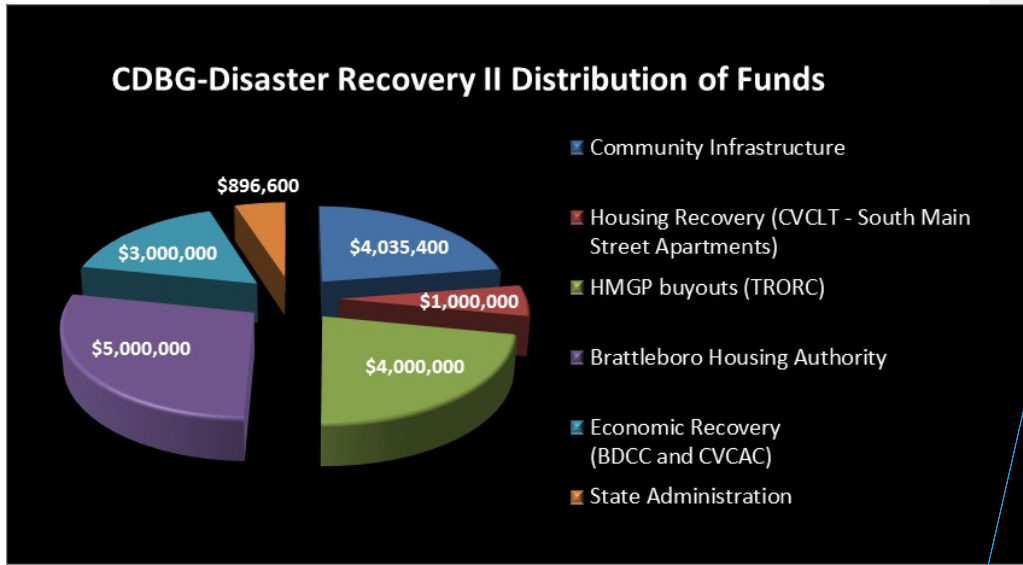
Total Competitive Grants ~~\$5,035,400~~

Total Grant Awards ~~\$17,035,400~~

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*This amount of the total for this activity helps meet the threshold of at least 50% or \$8,966,000 of the Disaster allocation directly benefit LMI persons. LMI projects totaling \$10,000,000 have been identified.

** This amount of the total for this activity helps meet 80% or \$14,345,600, of the allocation expended in Washington, Windsor and Windham counties. Projects in targeted counties totaling \$14,479,000 have been identified.



First Amendment - CDBG-Disaster Recovery II Distribution of Funds

Grants and Administration	Amount	Proposed Percentage Allocation	Targeted Counties Washington, Windham and Windsor	All other Counties	Low-Moderate Income
Competitive Grants: Community Infrastructure, etc	\$4,035,400	85%	\$2,980,090	\$1,055,310	\$2,000,000
Competitive Grants: Housing Recovery - Central Vermont Community Land Trust (CVCLT) South Main Street Apartments (formerly Ladd Hall)	\$1,000,000	100%	\$1,000,000		\$1,000,000
Total Competitive Grants	\$5,035,400		\$3,980,090	\$1,055,310	\$3,000,000
State Direct Grants: HMGP buyouts (TRORC)	\$4,000,000	70%-30%	\$2,800,000	\$1,200,000	\$1,000,000
State Direct Grants: Brattleboro Housing Authority (BHA)	\$5,000,000	100%	\$5,000,000		\$5,000,000
State Direct Grants: Economic Recovery (BDCC and CVCAC)	\$3,000,000	80% - 20%	\$2,400,000	\$300,000	\$2,000,000
Total State Direct Grants	\$12,000,000		\$10,200,000	\$1,500,000	\$8,000,000
Total Grant Allocation	\$17,035,400	85%-15%	\$14,180,090	\$2,555,310	\$11,000,000
State Administration	\$896,600				
Total Allocation	\$17,932,000				

First Amendment to Partial Action Plan CDBG-Disaster Recovery II Distribution of Funds

Grants and Administration	Amount	Proposed Percentage Allocation	Targeted Counties Washington, Windham and Windsor	All other Counties	Low-Moderate Income
Competitive Grants: Community Infrastructure	\$1,635,400	100%	\$1,635,400		\$1,000,000
Competitive Grants: Housing Recovery - Central Vermont Community Land Trust (CVCLT) South Main Street Apartments (formerly Ladd Hall)	\$1,000,000	100%	\$1,000,000		\$1,000,000
Total Competitive Grants	\$2,635,400		\$2,635,400	\$0	\$2,000,000
State Direct Grants: HMGP buyouts (TRORC)	\$2,000,000	70%-30%	\$1,400,000	\$600,000	\$500,000
State Direct Grants: Brattleboro Housing Authority (BHA)	\$5,000,000	100%	\$5,000,000		\$5,000,000
State Direct Grants: Economic Recovery (BDCC and CVCAC)	\$3,000,000	80% - 20%	\$2,400,000	\$600,000	\$2,000,000
Total State Direct Grants	\$10,000,000		\$8,800,000	\$1,200,000	\$7,500,000
Total Grant Allocation	\$12,635,400	85%-15%	\$11,435,400	\$1,200,000	\$9,500,000
State Administration	\$596,600				
Total Allocation	\$13,232,000				

First Amendment to Remaining Action Plan CDBG-Disaster Recovery II Distribution of Funds

Grants and Administration	Amount	Proposed Percentage Allocation	Targeted Counties Washington, Windham and Windsor	All other Counties	Low-Moderate Income
Competitive Grants: Community Infrastructure	\$2,400,000	68.5%-31.5%	\$1,644,690	\$1,055,310	\$1,000,000
Total Competitive Grants	\$2,400,000		\$1,644,690	\$1,055,310	\$1,000,000
State Direct Grants: HMGP buyouts (TRORC)	\$2,000,000	85%-15%	\$1,700,000	\$300,000	\$500,000
Total State Direct Grants	\$2,000,000		\$1,700,000	\$300,000	\$500,000
Total Grant Allocation	\$4,400,000	76%-24%	\$3,344,690	\$1,355,310	\$1,500,000
State Administration	\$300,000				
Total Allocation	\$4,700,000				

CDBG-Disaster Recovery II Distribution of Funds

Grants and Administration
Competitive Grants: Community Infrastructure, etc
Total Competitive Grants
State Direct Grants: HMGP buyouts (TRORC)
State Direct Grants: Brattleboro Housing Authority (BHA)
State Direct Grants: Economic Recovery (BDCC and CVCAC)
Total State Direct Grants
Total Grant Allocation
State Administration
Total Allocation

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Partial Action Plan CDBG-Disaster Recovery II Distribution of Funds

Grants and Administration
Competitive Grants: Community Infrastructure
Total Competitive Grants
State Direct Grants: HMGP buyouts (TRORC)
State Direct Grants: Brattleboro Housing Authority (BHA)
State Direct Grants: Economic Recovery (BDCC and CVCAC)
Total State Direct Grants
Total Grant Allocation
State Administration
Total Allocation

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Remaining Action Plan CDBG-Disaster Recovery II Distribution of Funds

Grants and Administration
Competitive Grants: Community Infrastructure
Total Competitive Grants
State Direct Grants: HMGP buyouts (TRORC)
Total State Direct Grants
Total Grant Allocation
State Administration
Total Allocation

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DHCD asks HUD to obligate only \$13,232,000 or approximately 74% of the total \$17,932,000 in CDBG-DR funds allocated to Vermont at this time. As projects get underway, DHCD will amend this Partial Action Plan and request that HUD obligate the additional funds, thus starting a new two year expenditure timeline for the additional funds requested.

State Direct Grants

(\$12,000,000)

In order to best address the remaining unmet needs, maximize benefits, ensure efficient and timely project completion and leverage other resources DHCD will direct \$12,000,000 of the CDBG-DR allocation for the following purposes:

1) Buyouts – HMGP Local Match and FEMA Non-eligible

(\$4,000,000)

Assisting Vermonters who have lost their homes and businesses, reducing future risks, and mitigating hazards are among the state’s top disaster recovery goals. The state has pursued and has been very successful in receiving all possible assistance through FEMA’s Hazard Mitigation Grant Program for buyouts. However, unmet needs remain and more funding for “buyouts” of substantially damaged and destroyed homes and businesses is needed. To-date 134 properties have applied for FEMA buy-outs and FEMA has approved 94, with 27 properties still awaiting FEMA decisions. Thirteen substantially damaged and destroyed homes have been officially denied, after state appeal, by FEMA due to their location outside of a FEMA mapped flood hazard area. Unfortunately, FEMA flood hazard maps do not reflect flood hazards caused by erosion frequently experienced in Vermont and other mountainous areas. An additional \$4,000,000 in CDBG-DR funding combined with the previous CDBG-DR allocation and state general funds through the Vermont Housing and Conservation Board will largely satisfy the remaining unmet needs for “buy-outs”. By making this commitment, the state will maximize participation in the FEMA “buyouts” and at the same time assist those unable to access FEMA funding. This gives those most affected by flooding a better chance at full recovery and removes properties from danger and reduces future impacts from flooding, thus fostering responsible flood plain management.

Activity

CDBG-DR funding will be used to assist communities and property owners meet the FEMA required 25% match and support FEMA-denied property “buy-outs” at 75% of the pre-flood assed property value statewide. In addition, a small portion of these funds will support Brownfield clean-up on “buy-out” properties and land restoration once the demo and clearance of the parcels has been completed to provide community green space and/or limited recreational facilities in accordance with the deed restrictions to maintain in perpetuity any “buyout” property for a use that is compatible with open space, recreational, or wetlands management practices.

Responsible Entity

This effort includes significant technical assistance to municipalities, property owners and coordination with the Vermont Division of Emergency Management & Homeland Security (DEMHS), which administers the FEMA -HMGP. To maximize time, efficiency and build upon the capacity gained to date in regards to “buyout” assistance, DHCD will subgrant CDBG-DR funds to the Two Rivers Ottauquechee Regional Commission (TROC). This will build on existing expertise and ensure consistent assistance to municipalities and property owners.

As there is no structured county government in Vermont, the regional planning commissions (RPC's) have been working with the municipalities in their regions since the early days following the disasters to help identify the level of damage incurred, sources of funding to be sought, unmet needs assessments, providing guidance in completing the FEMA applications for the residential and commercial buyouts, and infrastructure assistance.

TROC serves 31 municipalities primarily in Windsor and Orange counties and its region contains the greatest number of homes with severe damage as determined by FEMA. TRORC is governed by a Board of Representatives appointed by each of our member towns. Our primary goals are to advocate for the needs of our member towns, and to articulate a vision for building a thriving regional economy while enhancing the region's quality of life. The Commission's staff provides technical services to local, state and federal levels of government and to the Region's non-profits and businesses.

Staff working on the buyouts:

Executive Director

Peter G. Gregory, AICP - pgregory@trorc.org

Peter is appointed by the TRORC Board of Directors and manages professional and support staff in their implementation of Board policy. In addition, Peter is the primary contact with local, state and federal officials on issues affecting the 30 towns in the TRORC region. Peter also interfaces regularly with the Vermont Legislature and the staffs of Vermont's Congressional delegation to ensure that the needs of our communities are known and that they match state and federal programs. In addition to advocacy, Board service and organizational management, Peter works on transportation, economic development, and local land use.

Senior Planner

Kevin W. Geiger, AICP CFM - kgeiger@trorc.org

Kevin is responsible for TRORC's local and regional emergency management planning efforts, assisting towns with regulating floodplain development, regional water quality policy and also assists on planning and zoning projects. Kevin is also involved in brownfields revitalization and housing, and Act 250 development review.

Grant Administrator

Bob Ennis - bennis@trorc.org

Bob administers the grant for the buyout of properties damaged by Tropical Storm Irene. The funding for these buyouts comes from a grant provided to the Vermont Agency of Commerce and Community Development from the Department of Housing and Urban Development's Community Development Block Grant-Disaster Relief program (CDBG). Additional funding also comes from the Vermont Housing and Conservation Board. Statewide, Bob is assisting approximately 135 buyouts in 41 towns.

CDBG eligibility category

For these “buyouts” it will be **Housing** for residential properties and **Economic Recovery** for the commercial buyouts. TROC will apply for CDBG-DR funding enhancement through DHCD’s IntelliGrants Management System to secure funding for the HMGP 25% match and 75% of the pre-flood assessed property value for FEMA ineligible properties, along with the funds necessary to clear the properties and land restoration, and the associated project delivery costs. These commercial buyouts will allow the affected business to focus on new efforts, thus enhancing Economic Recovery.

National Objective

Approximately 50% of all the homeowners involved in the “buyouts” are at or below 80% area median income (LMI). Under this second allocation of CDBG-DR funding we are targeting 25% of the \$4,000,000 or \$1,000,000 to benefit LMI persons and meet the LMI National Objective. Therefore, the balance of this allocation or \$3,000,000 will be categorized as meeting the Urgent Need National Objective.

Meeting 80% targeting requirement

Under this second allocation of CDBG-DR funding we are targeting 70% or \$2,800,000 of the \$4,000,000 allocated for the “buyouts” activity for use in Washington, Windsor and Windham counties.

Long-term recovery to impacted areas

Buying out severely damaged and completely destroyed properties, demolition and land clearance, and permanent deed restriction against any future development serves a dual purpose of removing blighted structures and debris, and allows the natural course of rivers over time to flow and flood without repeated loss and destruction to property and the need for future public investment. Further, it provides opportunities to move households out of harm’s way to secure a safer, stronger living environment into the future. Finally, by providing the local match, DHCD will leverage and maximize benefits to the most severely impacted Vermonters.

2) Replacement Housing for Brattleboro Housing Authority (\$5,000,000)

In accordance with the May 29, 2013 Federal Register, section V paragraph 1) c. on page 32265, the state will assist the Brattleboro Housing Authority (BHA) relocate the public housing apartment complex known as Melrose Terrace in West Brattleboro. This 80 unit elderly and disabled affordable housing complex was severely damaged by flooding from Tropical Storm Irene. The property sits entirely in the 100 year floodplain with almost half of the units located in the floodway of the adjacent Whetstone Brook. With its precarious location, Melrose Terrace requires frequent evacuation due to flooding. With the population being served this is a very dangerous situation and this property must be relocated to a safer location.

Activity

\$5,000,000 in CDBG-DR funding will be used to assist the Brattleboro Housing Authority relocate 55 units of the Melrose Terrace affordable housing complex to a new community supported location out of the floodplain. A planning grant, funded from the previous

CDBG-DR allocation, has determined the feasibility of constructing a new mixed financing affordable housing complex to serve the residents of Melrose Terrace. This planning grant has determined that a phased approach to the relocation of all 80 units of Melrose Terrace is required. The 50 units, most impacted by flooding, will be replaced first at a new location determined to be the most feasible and desirable for the residents as a result of the planning study.

Responsible Entity

This effort requires significant knowledge and experience in developing affordable housing in Vermont. DHCD will subgrant \$5,000,000 of CDBG-DR funding to a partnership formed by the Brattleboro Housing Authority and Housing Vermont (HV). Housing Vermont is the largest and most experienced affordable housing developer in the state. They bring capacity and development expertise to this project, which will ensure an on-time and within budget project. Specifically, **Housing Vermont** is a not-for-profit syndication and development company founded in 1988 and headquartered in Burlington, Vermont. This highly successful partnership has produced 4,695 affordable apartments in 156 developments. Housing Vermont has raised and deployed more than \$267 million in private equity which has leveraged an additional \$361 million in private financing and public investment. Housing Vermont's New Markets Tax Credit program has created favorable financing in excess of \$62 million for eight economic development projects in low income areas.

Brattleboro Housing Authority has over 50 years of experience managing public housing and serving the needs of low and moderate income families. BHA has been working with the Melrose Terrace residents since the flood waters began to rise. They are uniquely positioned to understand the complex and varied needs of the residents who must be re-located. BHA has also secured experienced consultants with knowledge of HUD requirements for the demolition and disposition of public housing authority units. The state direct allocation to this partnership and development team, which started researching options and development planning many months ago maximizes time, efficiency and builds upon the capacity gained to-date. To be successful this complex effort will also require timely support and review by HUD.

CDBG eligibility category

This funded activity will be **Replacement Housing** and CDBG-DR funding is available for all reasonable and expected costs associated with relocating the residents, including but not limited to: soft costs-(program delivery, engineering/design), property acquisition, new construction/rehabilitation and clearance of flood damaged units. BHA and HV will apply for CDBG-DR funding through DHCD's IntelliGrants Management System to secure the state direct \$5,000,000 in CDBG-DR funding.

National Objective

All Melrose Terrace replacement units will be targeted to households at or below 80% area median income (LMI). All \$5,000,000 in CDBG-DR funding for this state direct activity will benefit LMI persons and meet the LMI National Objective.

Meeting 80% targeting requirement

All \$5,000,000 in CDBG-DR funding allocated to this activity will be used in Windham County, one of the three targeted counties.

Long-term recovery to impacted areas

This project will permanently remove public housing from the floodplain and replace it in a safe and convenient location for residents to access services, transportation and jobs. This project will also allow additional floodplain access for Whetstone Brook, thus restoring natural flows and providing some additional flood benefits to adjacent property owners still in the 100 year floodplain.

3) Economic Recovery for Flood Impacted Businesses (\$3,000,000)

Economic Recovery for flood impacted businesses remains a top priority for the state. Surveys conducted continue to show that flood impacted businesses have remaining unmet needs and further disaster recovery assistance is needed. To ensure a full recovery for the most impacted businesses and to support the economic health of the most impacted communities, DHCD will continue to partner with regional economic service providers to assist those businesses with remaining unmet needs.

Activity

\$3,000,000 CDBG-DR funding will be subgranted to Central Vermont Community Action Council (CVCAC) and the Brattleboro Development Credit Corporation (BDCC) to provide direct assistance to flood impacted business including farms by providing technical assistance, grants and loans to businesses with remaining unmet needs as a result of declared disasters. This business assistance program will be administered by the existing partnership of regional economic development organizations formed after Tropical Storm Irene.

Responsible Entity

The state will contract with Central Vermont Community Action Council and the Brattleboro Development Credit Corporation as the lead organizations for carrying-out this State Direct Business Recovery Program. Each of these organizations is part of a larger group. Green Mountain Economic Development Corporation and Central Vermont Economic Development Corporation are partnering with CVCAC. Springfield Regional Development Corporation is partnering with BDCC. These regional partnerships formed to assist businesses after Tropical Storm Irene. These groups applied for and received competitive funding under the first allocation CDBG-DR funding. They have established a funding criteria and process for awarding CDBG-DR assistance to businesses with remaining unmet needs. They have allocated all CDBG-DR funding received to-date and continue to receive requests for assistance and from businesses. They have the track record and the extensive experience administering federal funds to continue this effort. To maximize time, efficiency and build upon the capacity gained to date, DHCD will subgrant CDBG-DR funds to CVCAC and BDCC.

BDCC is affiliated with the State of Vermont as the certified Regional Development Corporation (RDC) serving the greater Windham County area. BDCC is one of the 12 RDCs throughout Vermont. **SRDC** is a certified Regional Development Corporation (RDC) serving 10 towns in Southern Windsor County.

Founded in 1965, **CVCAC** helps people achieve economic sufficiency with dignity through individual and family development. CVCAC's senior management team represents a diversity of experiences, backgrounds, and agency tenure. They are part of a nationwide network of community action agencies (CAA) established by the Economic Opportunity Act of 1964 in order to fight America's War on Poverty. Today, there are nearly 1,000 CAAs across the United States located in 98% of our cities and counties. CAAs are a primary source of support for the more than 40 million Americans who are living in poverty in both rural and urban areas. **CVEDC** is one of twelve non-profit regional development corporations in the State of Vermont that serves twenty-three municipalities in the Central Vermont region, which includes Washington County and parts of Orange County. They were organized in 1976 to provide the impetus for the region's economic development. They are structured with an Executive Director, Sam Andersen and a Director of Development, Jennifer Surat with a 35 member volunteer Board of Directors comprised of local business owners, State representatives, lenders and municipal officials. Their funding primarily comes from the State of Vermont, municipalities and business members that pay annual dues. They provide advisory services, education and information to the business community through informational workshops, seminars and confidential one-on-one meetings. **GMEDC** is one of twelve non-profit regional development corporations in the State of Vermont. GMEDC's region encompasses thirty townships in east central Vermont. The eastern border of the region includes the "Upper Valley" of the Connecticut River with its fertile bottom lands. To the west, rolling hills and pristine mountain streams extend to the foot of the Green Mountains. The region offers diverse recreational, cultural and educational opportunities.

CDBG eligibility category

This funded activity will be **Economic Recovery** and specifically **Business Assistance**. CDBG-DR funding will be available for program delivery costs, technical assistance, low interest loans and small grant awards to businesses still recovering from the effects of a declared disaster. CVCAC and BDCC will apply for a CDBG-DR funding enhancement through DHCD's IntelliGrants Management System.

Meeting 80% targeting requirement

The majority of businesses impacted by disasters with remaining unmet needs are in the targeted counties of Washington, Windsor and Windham counties. Therefore we will target \$2,400,000 or 80% of the \$3,000,000 allocated to this activity for business assistance in Washington, Windsor and Windham counties. The remaining \$600,000 under this activity will be available to assist disaster impacted business statewide.

Long-term recovery to impacted areas

Communities experiencing severe disasters often see a decline in economic activity for several years after the disaster. To arrest this economic decline it is important to support

the existing businesses in the region. Many businesses that experienced flooding have a long history in the community and their success is vital to the communities' long term recovery. This activity will ensure that the most impacted business receive the technical and financial assistance needed to be successful. Successful businesses can provide jobs to area residents and this is critical to the long-term recovery of impacted areas.

National Objective

It is anticipated that at least two thirds of the business receiving CDBG-DR assistance under this activity will create or retain Low and Moderate Income Jobs. Based on the experience of CVCAC and BDCC from the existing CDBG-DR funding it is reasonable to target \$2,000,000 or 67% of this \$3,000,000 second allocation of CDBG-DR funding to benefit LMI persons and meet the LMI (Jobs) National Objective. Therefore, the balance of this allocation or \$1,000,000 will be categorized as meeting the Urgent Need National Objective assisting businesses that do not have a majority of their employees at or below 80% area median income.

Competitive Grants

(\$5,035,400)

DHCD will make ~~\$4,035,400~~ available for Community Infrastructure Recovery and Repair projects, of which \$350,000 will be available for project delivery costs. This funding will be available to Vermont municipalities and non-profit organizations through a competitive grant application process. The unmet needs in this category are broad and varied and far exceed the funding available as was identified in the solicitation of Letters of Interest we requested in preparation for writing this Action Plan. Twenty-six different municipalities submitted LOI's seeking CDBG-DR assistance with their remaining municipal recovery and repair projects. Combined, they requested more than \$20 million in funding, showing significantly more need than any other group represented in a summary of the LOI's. DHCD recognizes that all recovery is local and it is important to provide direct funding to help address the long term recovery needs identified at the local level.

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Applicants will use DHCD's IntelliGrants Management System to apply for, secure and manage their CDBG-DR project. Grant applications will be reviewed for eligibility, evaluated and scored on a monthly basis.

Activity

CDBG-DR funding will be available to assist communities and nonprofit entities address remaining disaster recovery needs. Projects selected for funding must demonstrate that unmet need remains and were caused by an eligible disaster event. Typical projects include infrastructure repair and up-grade, relocation of critical public facilities and other eligible CDBG-DR projects which are a direct result of a declared disaster.

Responsible Entity

The responsible entity for carrying-out this activity will be the legal entity or municipality which applies for and receives a CDBG-DR grant from DHCD. However, the Windham Regional Commission (WRC) will be supporting each applicant and providing project delivery. Vermont does not have a county government system and comprises many small

independently governed municipalities. This will build on existing expertise and ensure that municipalities have the capacity to apply for and carry-out CDBG-DR projects in full compliance. WRC provided outreach and assisted communities in its region to submit the Letter of Interest (LOI's). Windham County had the highest percentage of LOI's submitted from municipalities and has been playing a lead role in assisting communities recovering from disaster and plan for resilience, including helping to secure funding from the FEMA's public assistance and Hazard Mitigation Grant programs.

CDBG eligibility category

This activity will be funded under **Public Facilities**. DHCD will consider all eligible activities for CDBG-DR competitive funding. Typical activities would include program delivery costs, project management services, design and engineering, clearance, relocation, rehabilitation, new construction and acquisition. Examples of typical projects funded under this activity would include grants for repair and/or replacement of infrastructure that has not been covered by FEMA or other state and federal funding, repair of municipal or other critical public buildings, land restoration, clearance of flood-damaged and abandoned properties. In addition, projects restoring and enhancing facilities in the hardest hit communities will be eligible under this competitive funding and would include streetscapes, lighting, facades, sidewalks, wayfinding and other physical improvements to downtown commercial areas.

Long-term recovery to impacted areas

To fully realize the benefits of disaster assistance, infrastructure systems must be made more resilient. Proper sizing for increased precipitation, planning for and reducing erosion and making smarter decisions on how and where to place infrastructure must happen in a systematic way or the efforts to reduce the impacts of flooding, in other areas, such as housing will be ineffective. The existing approach, supported by the available federal and state funding, to only fix what is broken is counterproductive in some areas. A watershed approach, supported by technical and planning support will make infrastructure more resilient and will be more effective. By providing increased RPC support to municipalities for disaster recovery and repair of infrastructure the state will begin to address this larger issue. With RPC support, communities can implement better disaster recovery projects and ensure they are improving flood resiliency. Communities will experience more flooding, as evidenced by this summer's high water. This effort along with a number of new approaches must make improvements and reduce the cost of flood damage to our communities.

National Objective

The National Objective for this activity will be met by assisting Low and Moderate Income communities on an area wide basis or assisting communities under the Urgent Need National Objective. \$2,200,000 of the ~~\$4,035,400~~ allocated for direct project costs has been targeted to serve LMI communities and meet the LMI National Objective serving those at or below 80% of area median income. The remaining \$1,835,400 will meet the Urgent Need National Objective. Projects demonstrating that they can meet the LMI National Objective will be given priority.

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Meeting 80% targeting requirement

Under this activity, DHCD is targeting 85% or \$3,430,090 of the \$4,035,400 allocated for competitive applications to Washington, Windsor and Windham counties. The remaining 15% or \$605,310 will be available for statewide use.

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Long-term recovery to impacted areas

Many flood impacted communities have not yet fully recovered. They have roads, bridges, culverts and municipal buildings with remaining unmet needs. These communities have been working with FEMA, Vermont Division of Emergency Management & Homeland Security, the Federal Highway Administration and the Vermont Agency of Transportation for nearly two years. They have largely secured all eligible funding from these sources and made many repairs with their assistance. However, long term recovery for a number of these communities is not yet at hand and additional support is needed. Many of the hardest hit communities are in mountainous and hilly terrain and will continue to be very susceptible to flooding, especially with the increased precipitation predicted with climate change. To ensure long term recovery to these regions, steps must be taken now to improve their infrastructure systems and make them more resilient. Long-term recovery must include making the necessary repairs now in a systematic way, which prepares communities for the infrastructure needs of the future. Proper sizing for increased precipitation, planning for and reducing erosion and making smarter decisions on how and where to place our infrastructure must happen now before for long term recovery goals are realized. This activity supports Vermont communities and helps them meet this challenge. In addition, projects that rehabilitate downtown districts and the associated public assets, help restore vibrancy and economic vitality. Having strong downtowns, ensures long term recovery and future resiliency for the most impacted areas.

The State will ensure compliance for use of CDBG-DR II funds with the requirement that elevating or flood proofing new construction and substantially improved structures will be to one foot above the latest FEMA issued base flood elevation, in accordance with Executive Order 11988 and 24CFR Part 55. DHCD will make available \$1,000,000 for Housing Recovery, new construction, specifically for South Main Street Apartments, formerly known as Ladd Hall in the State Waterbury Complex.

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This project was originally funded under the CDBG-DR1 allocation through a competitive application. As the construction has proceeded at a brisk pace, with a completion date of September 30, 2015, the decision to move the project to the DR2 allocation has been made to work within the statutorily compressed timeframe of PL-113-2 (78FR14329; 23578; and 32262).

The structure of the funding is a 30 year deferred loan between the Agency and Ladd Hall Limited Partnership.

Responsible Entity: Ladd Hall Limited Partnership, which is comprised of a partnership between Housing Vermont and Central Vermont Community Land Trust.

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National Objective: The project consists of creating 27 units of housing of which 25 units will be filled by low and moderate income households. There will be 14 (1) bedroom units, 11 (2) bedroom units, and 2 (3) bedroom units. 21 units will be restricted to LIHTC units serving 60% and 80% AMI and 2 units will be available to households above 80% AMI.

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