

Consolidated Plan Advisory Board
April 11, 2019
Bethel, Vermont

Present: Beth Ann Maier, Richard Williams, Emily Higgins, Rachel Batterson, Ron Rupp, Arthur Hamlin, Ann Karlene Kroll, Julia Connell, Maura Collins, Tom Kennedy, Robert Leuchs, Erhard Mahnke, Cindy Reid

The meeting was called to order at 5:45 p.m. DHCD distributed a handout summarizing the goals for this year.

Ann Kroll summarized the VCDP's proposed changes:

- Establishing a scattered-site homeownership center RLF set-aside.
- Reducing the match requirement to 10% across the board. Impacts Planning Grants and Access Modification grants making it fairer and easier access for small communities where it's harder to come up with a 25% match
- Increasing the maximum Access Modification grant to \$100,000 which will better meet the need for ADA work in communities without over burdening small communities.
- Looking for suggestions for innovative housing projects for next program year. Renovation or new housing units with less public expenditure. Based on suggestions may look at doing a set aside.

Ann – don't know our allocations yet but are hoping for level funding

Ron Rupp - VHCB expecting HOME funds of about \$3 million small state minimum. Priorities haven't changed. Will use funds for rental housing development. Housing Trust Fund amounts released are also \$3 million. Funds have two-year commitment deadline with five-year expenditure.

Emily Higgins - OEO is expecting about \$638,000 of ESG funds. ESG is small compared to the State homeless service program (HOP grant) which is about \$7 million. Use HUD funds for rapid re-housing homeless people, emergency shelters, HMIS. OEO not proposing significant changes.

Ann – If level funded total is about \$10.5 million from HUD plus the \$3 million from the HTF. Once get final numbers will finalize plan and submit to HUD. FFY 2019. DHCD program year starts July 1, 2019. Start funding grants in September.

Introductions

Tom Kennedy from Southern Windsor County RPC attended to represent the state regional planning commissions.

Maura Collins commented that today is VHFA's 45th anniversary.

Advisory Board comments / questions

Maura Collins asked if the set-aside for RLF's would be level-funded based on what they have been getting and how is currently used.

Ann – Yes based on what have received and capacity. Would still have to apply and perform but are not competing against every other application.

Rob Leuchs – the RLF's historically do homeownership rehab. Maximum of \$25,000 with an average of \$11,000. Last couple years have targeted 10% for small rentals. Set-aside will be performance based to be more uniform and consist among RLFs. Room for growth, have to increase 10-12% to get same funds. Ann – if exceed performance the set-aside could increase.

Rachel Batterson asked if the grants are for general rehab or also accessibility and what are income limits.

Rob – Usually rehab but accessibility is eligible. Majority are loans to homeowners. If project needs access, they usually partner with VCIL. Limit is 80% AMI, last two year 60% were below 50% AMI. CHT has not done any landlord loans because market rents are high. CHT is not representative due to Chittenden County rent levels. Rutland has had more success.

Ann – other homeownership centers are struggling with it for various reasons. Landlords don't want the rent restrictions even if weren't going to lose any money. Needs to be an education process with landlords especially in the NEK. Have a pilot in Bennington that has been successful. Not tied to owner occupied rehab. Successful with a few landlords who had empty buildings to bring them back online.

Tom - three years ago were charged by Legislature to develop energy plans to meet the 2020 State Comprehensive Energy Goals. In his area are talking about building energy codes. Housing conditions are a real problem. High housing pricing, the rental market is strong landlords are not incentivized to improve their buildings.

Erhard Mahnke asked if Tom was familiar with the Rental Housing Advisory Board. \$1 million fund proposed by Governor. Advisory Board recommended Health Dept. provide more assistance to THO for enforcement. Rental housing registry to know where units are. Money was stripped out. Policy recommendations in House General at Legislature.

Ron asked if there's a new limitation on how much homeownership centers can spend on counseling.

Ann – DHCD put 15% cap on counseling in budget. DHCD found that counseling can be counted under rehab for LMI otherwise comes under the 15% public service cap. Some RLF's were over but the State will stick with the 15% cap from now on.

Rachel asked for clarification about AM grants.

Ann – public facility is separate from AM. AM grants go to municipalities for owned buildings for ADA work.

Tom – wants to advocate for public facilities money for water and sewer. Trying to do community systems but are struggling in small villages. Need a minimum of 2-acre lot for domestic water and septic. Programs of DEC doing traditional systems. They're trying to do community systems. If can go from 2 acres to quarter acre can get more units, walkability etc. Has letter from RPC's to submit as written comment. Send to Arthur.

Erhard asked if they use USDA programs. Tom, less money and match requirements are high. Cindy asked if they use Northern Border Regional Commission. Tom – just became eligible. Were told there are \$20 million letters of intent just in Vermont which only has \$3.4 million to allocate. \$33 million available in all states.

Erhard is going to DC with NEHN and Jen Hollar later in April and usually meets with Senate USDA subcommittee staff. Mostly focus on preservation. Asked Tom if there's a policy change for water, sewer funded is needed let him know. Tom – change to census block. Will put something in writing. If could make geographic area smaller can target income groups.

February 1, 2019 meeting notes

No changes.

Discussion and comments on draft plan

Erhard asked if DHCD could give a reminder of what Laura and Alison's comments were at the first hearing.

Arthur – John Syder-White talked about emergency shelter funding in rural areas. Alison Friedkin testified on behalf of network of affordable and public housing providers in support of recovery residences. Laura Mistretta talked about need for funding for infrastructure for mobile home parks when being sold to cooperative or nonprofits, and resources for replacing old or abandoned mobile homes and upgrading lots for new homes.

Discussion: Recovery residence and infrastructure are eligible for IGs. MHPs have not always been funded in past. Programs for abandoned homes, vacant lots, accessory dwelling units could be ideas for innovative projects.

Maura commented that if the idea for innovative housing projects is maximizing private capital that it should be called that instead. Calling it innovation implies "out of the box" when really, it's about maximizing private capital. What we're doing now is innovative.

Rachel agreed with calling it something else, would be good to include information explaining that what DHCD looking for is maximizing private capital.

Cindy Reid said it's important to guard against prioritizing "niche" projects and fragmenting the funds. We need everything. Other needs that people didn't come testify in favor of, for example there's a huge need for affordable memory care .

Maura commented that we don't usually change much in the annual updates and suggested waiting until the next 5-year Plan to introduce new initiatives. RLF set-aside already a big change in final year of Plan. HNA and public comments at start of new Plan help identify where greatest needs are, help set priorities.

Rachel added that we usually get more comments at the beginning of the 5-year plan. People who are familiar with the plan wait to comment then. Are not going to comment on something that's not in the plan.

Discussion of attendance at public hearings. Last year Josh Hanford reached out directly to businesses in Randolph when hearing was there. 5- year plan involves much more public outreach, focus groups, regional meetings etc.

Erhard wanted to follow up on difficulty funding for MHP's to get funding. DHCD funded Windy Hollow in Castleton and Armstrong in Randolph a few years ago. CD has funded several planning grants recently. Arthur – most sales have been to cooperatives and were financed by ROC-USA. Co-ops seem to be focusing on acquisition over infrastructure funding at beginning.

Erhard reviewed memo VSHA submitted five years ago about MHP funding.

Maura, most projects require multiple sources of funding but once in a while a project comes up that only needs a little public money. Example, NOAH – naturally occurring affordable housing. Maybe only need a little CDBG money or just VHFA 9% credits. Don't use the word innovative if the idea is smaller amounts of public funds.

Discussion: general agreement with Maura's comment.

Schedule

Written comments due by end of business May 10 to DHCD. Can mail or email to Arthur.

Meeting adjourned at 7:00 PM