

HUD Consolidated Plan Advisory Board

Montpelier, Vermont

February 1, 2019

Members Present: Jo Ann Troiano, Angus Chaney, Maura Collins, Robert Leuchs, Richard Williams, Cindy Reid, Rachel Batterson, Sandrine Kibuey, Erhard Mahnke; Others: Ron Rupp, Sarah Phillips, Emily Higgins, Tom Porter; Staff: Patrick Scheld, Quinn Mann, Josh Hanford, Arthur Hamlin, Julia Connell

Advisory Board 101

Arthur and Josh gave an overview of the role or purpose of the Advisory Board and briefly explained why DHCD changed the name of the Board from Citizen Advisory Group to an Advisory Board.

Arthur noted that this is the last annual update of the 5-year 2015-2019 plan. DHCD will start the process for developing the next 5-year plan this summer which includes the housing needs assessment and extensive public outreach.

Plan Overview and Goals

Josh gave a brief overview of the Consolidated Plan. Key areas of the plan are the method of distribution, which explains how the funding programs distribute the funds and includes grant sizes, limits, and match requirements, and the goals and outcomes which show what the State hopes to accomplish.

Josh and Arthur reviewed the goals and objectives from the 2018 annual action plan. Detailed lists of the kinds of projects and activities that are eligible for funding are included in the 5-year plan on DHCD's website.

Josh commented that we don't have results for 2018 since we're only half way through the program year, but we have been able to support more housing with roughly the same funds for the past three years. Even though the goals we set for this year were similar to last year's, we need to base the goals for next year on what we realistically expect to accomplish.

Josh added that the State is expecting about the same amount of funds as last year, however, Congress hasn't passed a budget and another lengthy government shut down could impact DHCD's ability to submit the plan.

DHCD Proposals

Josh said a proposal is expected from regional planning commissions and ANR that there should be a bigger priority for critical rural infrastructure. The problem is that small communities can't grow without public water and sewer but borrowing the funds makes the cost to the end user unaffordable. Josh used Jamaica, Vermont as an example where businesses have closed due to lack of sewer because they can't provide a bathroom.

DHCD staff is considering a proposal to reduce the planning grant match from 25% to 10%. This will solve a problem of towns being unable to use their "in kind" contribution as the match because it can't

be counted until the town has an environmental release. It's really a timing issue since planning grants are exempt from environmental review.

DHCD is also thinking about setting aside a small amount of money to encourage smaller, innovative housing proposals that don't compete against large housing development applications and is looking for feedback on the idea. Possible uses could be ADU's, code enforcement. The concern is that people don't think of CDBG as a resource for these kinds of projects. It could be a new category rather than a set-aside.

Erhard – asked what has come in in the past that wasn't funded

Josh - VCDP hasn't had applications because people weren't aware/didn't think of CDBG for these kinds of projects

Jo Ann - has had idea about creating a small development of tiny houses, since this is last year of the plan, suggested making this a category this year and put off decision about set-aside for the new plan
Cindy - initial reaction, concerned about creating a set-aside for special projects when there's already so much competition for already limited funds, more resources are needed

Maura – wondered if same result could be achieved through marketing and education rather than putting it into the plan, concerned how HUD would “score”/react, and how different special projects would be weighed against each other

Erhard – concurred with Maura

Rachel – communities that are not funded might be opposed, but that doesn't mean we need to limit funding to the same projects we currently do, a set aside for special / different projects might be a good thing

Robert – asked for clarification that ADU's would be under housing, but others like code enforcement would fall under another goal (i.e. public facility), concerned whether they would be eligible

Josh stated the problem is there are two main goals, housing and job creation. DHCD is not aware of anyone who funded ADU's. By nature, don't compete at same level, and are not likely to get funded under the present criteria because they would be competing against the very things the plan says are the high priority projects.

Maura – if priorities were different, other projects would be funded, for example if housing quality was priority vs. creating housing, code enforcement would win, funds are oversubscribed, would be hard to fund special projects if haven't met the first priority

Rachel – agreed, might be things that would not compete against brick and mortar, but are worthwhile and would meet goals like preventing homelessness, creating jobs.

Sarah clarified that SG is very small part of the HOP program which funds homelessness prevention and eviction prevention, but they choose not to use ESG for that activity due to HUD's restrictions on using it for that purpose. OEO generally doesn't fund services with federal funds except in shelters.

Scattered Site Homeownership Set Aside

DHCD provided a handout summarizing a proposal to establish a scattered-site rehab Homeownership Centers set-aside with 25% of its CDBG funds annually.

Josh described that CDBG funded a total of 426 housing units last year using about 65% of the State's allocation and most of those units were through the homeownership centers home repair programs for low income homeowners providing counseling, grants, code improvements, and weatherization. In the past, the homeownership centers have applied for the funds through competitive applications at different times of the year. Last year, a SS-RLF Set-aside Steering Committee was established to work with VCDP to develop a proposal to improve how SS works.

Patrick reviewed the handout highlighting the major aspects of the proposal:

- Applications considered together at same board meeting in the fall
- Annual awards based on performance, can be amended/enhanced up to 3 years
- Award up to \$15,000 per proposed unit
- Caps on percent of funds to be used for administration and counseling, based on HUD's limits
- 10% of units rehabilitated to be rental units
- Quarterly progress reports, future awards adjusted based on performance
- Application that exceeds the 25% set-aside amount would be subject to competitive decision

Rachel suggested adding a description of what scattered-site means

Erhard asked for clarification about difference between AM and HA on the distribution plan:

Josh - The HA set-aside is available for VCIL but has not been accessed and gets put back into the last round of CDBG funding. The homeownership centers do accessibility grants as part of their regular homeownership rehab work already, with various funding sources.

Maura asked for clarification about AM grants:

Josh - The AM are grants for public buildings and are only grant that directly benefits a municipality.

Robert commented that they appreciate the VCDP staff. He feels that the proposal will make the programs run more uniformly and streamline the application and requisition process. If the homeownership centers are successful at helping homeowners they'll do well. Josh added that the set-aside is the same amount the homeownership centers have been getting already.

Cindy asked if at VCIL where would you refer someone who needs an accessibility project if can't access HA?

Patrick – he would refer them to the homeownership centers

Erhard asked if the DHCD could try again to find a way to get the HA funds used for that purpose for example could they get swept to the homeownership centers?

Patrick – took existing language from Consolidated Plan. Any unused funds are swept back into the last round for implementation grants.

Josh – homeownership centers have enough funds for the accessibility projects that they have. VCIL has the demand but hasn't been able to access the funds.

Rachel wondered if part of the problem is that that VCIL works with renters rather than homeowners
Josh - VCDP required them to do 10% for renters including access. Rob agreed however they do help mostly homeowners.

Advisory Group Input

Tom supports additional funding for rural infrastructure but thinks the amount proposed for job creation and retention is way too small.

Schedule

Josh and Arthur reviewed the process going forward which is briefly; publishing a draft plan for comment in mid-March and holding a public hearing and another Advisory Board meeting in early April
Normally the plan is due to HUD in mid-May, but another government shutdown could mean a delay.

Meeting adjourned at 3:30 PM.