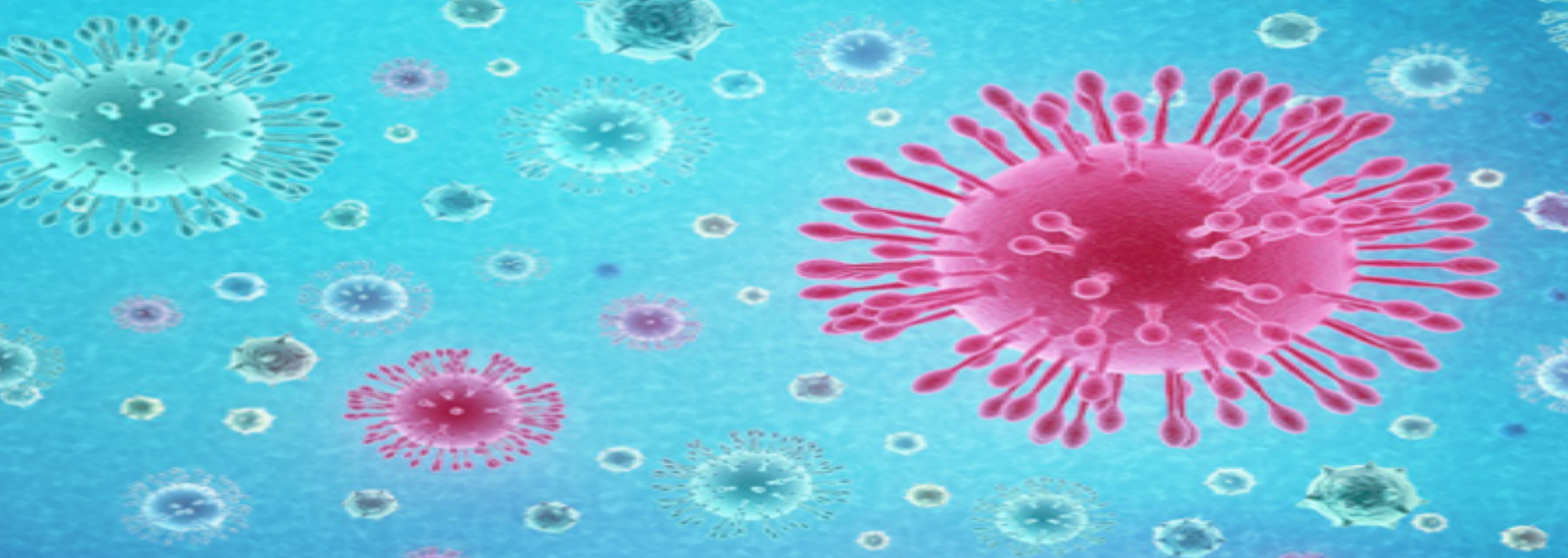




State of Vermont HUD Consolidated Plan

for Housing and Community Development Programs

CARES ACT Amendment 2 to
2019 Action Plan



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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Vermont's 2019 Annual Action Plan will guide the use of approximately \$13 million in funding received by the State through the U.S. Department of Housing and Urban Development's Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grant Program (ESG), and the National Housing Trust Fund (HTF) for the period July 1, 2019 – June 30, 2020. Additionally, Vermont received supplemental funds in order to respond to the COVID-19 pandemic in the following amounts: ESG-CV 1 \$2,334,607; ESG-CV 2 \$4,424,450; CDBG-CV1 \$4,256,840; and CDBG-CV2 \$2,031,600.

These funds are administered by the following agencies: CDBG is administered by the Vermont Community Development Program (VCDP) in the Department of Housing and Community Development (DHCD) of the Agency of Commerce and Community Development (ACCD); the Vermont Housing and Conservation Board (VHCB) administers HOME and HTF; and ESG is administered by the Office of Economic Opportunity in the Department for Children and Families of the Agency of Human Services (OEO).

This plan identifies the State's housing and community development priorities based on an extensive needs assessment, market analysis, and citizen and stakeholder input. It establishes goals for meeting these priority needs over the next program year that reflect anticipated resources and past performance. Each goal is accompanied by an estimate of resources that will be used to meet it as well as outcome indicators that will be used to evaluate the State's performance.

The State will use CDBG, HOME and ESG to provide decent, affordable housing, suitable living environments and expand economic opportunities for low and moderate-income Vermonters, and will use the HTF to provide decent, affordable housing for extremely low-income households. As it has for many years, the State will use these funds according to three guiding principles:

- Achieving the perpetual affordability of housing resources and investments.
- Promoting development in State designated downtowns, village centers, neighborhood development areas and other areas that are consistent with the state's historic settlement pattern and "Smart Growth."
- Linking homeless assistance activities with permanent housing through systems, practices and initiatives that are informed by data and proven approaches.

In addition, the State will support affirmatively furthering fair housing by supporting fair housing education and anti-discrimination activities, and encouraging affordable housing projects which are located in areas of opportunity, with low concentrations of racial or ethnic minorities and low

concentrations of poverty, or if not located in such areas, by contributing to the revitalization of a disinvested community, or helping prevent displacement of residents living in neighborhoods on the verge of or already undergoing gentrification.

Coronavirus Pandemic (Federal CARES Act)

The State on March 6, 2020 had its first confirmed case of the coronavirus and by March 13, 2020 Governor Phil Scott declared a State of Emergency in response to the worldwide COVID 19 pandemic. Days following the Governor having to add addendum after addendum to shut down the state's economy to save Vermonters lives. The Federal Government responded on March 30, 2020 by signing the Federal CARES Act to provide states with some relief to aid during these struggling times.

On April 3, 2020, the State of Vermont received notice from HUD of the expected CDBG and ESG funding to assist with the COVID 19 pandemic, the State will receive \$4,256,840 in CDBG-CV 1 funds and \$2,334,607 in ESG-CV 1 funds. On the State will receive \$2,031,600 in CDBG-CV 2 funds and \$4,424,450 in ESG-CV 2 funds.

VCDP will use CDBG-CV funds to assist:

- Sole Proprietors with no employees or S Corps that issue W-2's to themselves through a Sole Proprietor Stabilization Program administered by Brattleboro Development Credit Corporation and Two Rivers Ottauquechee Regional Planning Commission. The change in businesses served was due to strategic planning with the State Cares Act Funding assistance to businesses, to avoid duplication of benefit with the CDBG-CV funds. Since Vermont's only entitlement community, the City of Burlington did not receive any CDBG-CV2 Burlington's businesses will be eligible to participate in this round of state CDBG-CV2 funding.
- tenants earning 80% and below median income that live in any rental property that have been impacted by COVID19 that have unmet needs, per eligible activity regulation 24 CFR 570.207 (b)(4) Income Repayments. This aid will take the form of rental housing assistance (up to 6 months' rent, per HUD FR-6218-N-01), paid directly to the landlord. The proportion of funds distributed between publicly supported and private rental properties will correlate with the proportion of publicly supported and private housing in Vermont. Tenants will be required to provide a duplication of benefit affidavit to document unmet need.
- communities with public facility and service projects through a Municipal Public Facility and Service Program that have been impacted by the COVID 19 and have unmet needs. Funds requested for activities that construct temporary or permanent solutions to structures for meeting COVID19 code requirements are considered public facilities. Funds requested to assist activities that are for new or expanded services to meet COVID19 requirements are considered public services. Municipalities and non-profits will be required to provide a duplication of benefit affidavit to document unmet need.

OEO will use ESG- CV funds to assist:

- Emergency Shelters to improve facilities in order to more safely provide shelter for Vermonters experiencing homelessness.

Vermonters experiencing homelessness to exit to permanent housing through Rapid Re-housing rental assistance and housing retention support services. **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The State's 2015-2019 Consolidated Plan established four goals to address the identified housing and community development priorities which will be continued in the 2019 Annual Action Plan.

1. Increase the supply and quality of affordable housing.
2. Decrease the number of people experiencing homelessness and support public health strategies, including social distancing and Vermont's "Stay Home, Stay Safe" order (ESG supplemental)
3. Create and retain jobs.
4. Strengthen communities and improve the quality of life of Vermonters.

The CDBG CV will continue to address Vermont's overarching goals and support public health strategies.

Annual Outcomes

Based on the funds to be allocated to Vermont for the next year, Vermont's goals are:

Housing: 278 rental units being constructed or rehabilitated with a goal of making 15% of these rental units available for the homeless, 110 homeowner units being rehabilitated and 10 housing units for the homeless added.

Homelessness: 80 households assisted with rental and rapid rehousing assistance and 3,000 persons provided overnight shelter and essential services.

Jobs: 35 jobs being created or retained, and 2 businesses being assisted.

Communities: 4,000 persons served by improved public facilities or infrastructure, 150 persons assisted by public services, one acre of brownfields being remediated, and one blighted building being demolished.

VCDP has a goal of increasing the number of housing units supported with CDBG funds by five percent. If funds are reduced these outcomes will be adjusted proportionally according to the allocation priorities outlined in this plan.

CDBG-CV and ESG- CV (COVID 19) Annual Outcomes

Housing: 910 households to be assisted with rental assistance

Homelessness: 1000 persons assisted with overnight shelter

Businesses/Jobs Retained: 488 businesses to be assisted

Communities: 3100 households served through public facility and services (Potentially if a public facility or service project located in our entitlement community, City of Burlington that serves beneficiaries outside the City of Burlington, the state would participate with the CDBG-CV funds to the percentage of beneficiaries served.)

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The State's annual housing goals identified in the 2018 Annual Action Plan were to assist 268 units of affordable rental housing and 105 units of affordable homeowner units, and to add 10 units of housing for the homeless.

In the last full program year, from July 1, 2017 to June 30, 2018, a total of 426 units of affordable housing in eleven communities were assisted through the CDBG program. VCDP also funded five public facility grants serving 1,530 people, four economic development grants supporting 148 jobs for LMI persons, and five planning grants.

For the current program year, through March 2019, CDBG funding has been awarded to one economic development projects supporting 40 new jobs and two housing projects supporting a total of 30 affordable rental housing units, one public facility project that will benefit 750 people and four planning grants. In addition, VCDP provided two enhancement awards; one to a housing project that will continue a housing revolving loan fund that helps homeowners with their rehabilitation needs in 5 counties in Vermont, and one to a public facility project to make ADA improvements to a municipal office building including accessible entrances, bathrooms, interior doorways, and parking area. DHCD expects more housing, economic development and public facility grant applications to be submitted throughout the remainder of the program year ending June 30, 2019.

All \$2,700,000 in FFY16 HTF project funds has been awarded to 7 projects. Five of these projects have been completed and two are currently under construction. FFY16 HTF funding supported a total of 142 units and 17 HTF-designated units.

FFY17 HTF funds have been awarded to five projects. These projects will provide 118 affordable housing units, 19 of which will be HTF-designated units. One of these projects will also receive a small amount of FFY18 HTF funds. Two other projects have been conditionally awarded FFY18 HTF funds

All of FFY18 HOME project funds (\$2,556,918) have been committed to 7 projects including 2 projects utilizing CHDO reserve funds. Four of these projects have closed and the rest are moving forward with anticipated closings by the end of the year. These projects will result in 192 units of affordable housing with 40 HOME designated units serving households at or below 60% of AMI.

In addition, \$150,406 in HOME CHDO Operating funds was awarded to 3 certified Community Housing Development Organizations (CHDOs): Cathedral Square Corporation, Housing Trust of Rutland County, and Windham & Windsor Housing Trust.

In the last full program year, from July 1, 2017 to June 30, 2018, ESG funding and State matched funding provided 194,505 shelter bed-nights to 3,872 homeless persons; 2,770 were adults and 1,102 were children under the age of 18. In 2018, the ESG program also provided housing stability for 573 literally homeless households through rapid rehousing tenant-based rental assistance.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

In developing this plan, DHCD, VHCB and OEO followed the State's Citizen Participation Plan and consulted with a broad range of local, regional and state organizations, including units of local government, both Continuums of Care and the Advisory Board. The draft plan was published on DHCD's website on March 27, 2019.

Two public hearings are legally warned and publicized two weeks in advance in all major newspapers across the state and by postings, email, and online. The first hearing was conducted on February 1, 2019, before development of the plan to obtain citizens' views about housing, homelessness, public facilities and services, and non-housing community development needs in the state, and to review past performance.

A second public hearing to receive comments on the draft plan was held on April 11, 2019 in conjunction with a meeting of the Advisory Board.

CDBG-CV and ESG- CV (COVID 19) Participation

The state was in the process of completing their 2020-2024 Consolidated Plan when COVID 19 pandemic impacted the state. On April 13, 2020, the State held a virtual public hearing for regular funding for CDBG, ESG, HOME and HTF as well as for Federal CARES Act CDBG-CV and ESG-CV in conjunction with a meeting of the Advisory Board meeting prior.

ESG Supplemental Funds: OEO participates in virtual meetings with both Continuums of Care, as well as local CoCs. OEO hosts a weekly call with homeless assistance and housing organizations to coordinate Vermont's COVID-19 homeless response effort. These meetings have informed the plan for use of ESG supplemental funds.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Three people testified at the February 1 hearing. One person testified in support of funding day stations during cold weather. One person testified in support of funding recovery housing for people in treatment for substance abuse. One person testified in favor of funding infrastructure repairs for mobile home parks and funding to remove abandoned mobile homes and upgrading lots.

No members of the general public attended or gave testimony at the April 11 hearing. A representative of the state's regional planning commissions who attended the board meeting spoke in favor of public facility funding for water and sewer projects for small communities.

Two written comments were received in support of the draft Plan. The State's Agency of Natural Resources wrote in support of the proposal to increase the allocation of CDBG funds to Strengthen Communities, with a focus on infrastructure. The Vermont Association of Planning and Development Agencies also wrote in support of this increase.

CDBG-CV and ESG- CV (COVID 19) Public Comments

Sixty-three people attended the virtual public hearing meeting on April 13, 2020, 11 people spoke at the meeting and 1 written comment was received regarding the CV funding.

Comments received regarding CDBG-CV and ESG CV funding were toward the need for ways to assist groups to help deliver more meals, rental assistance, and business assistance for communities. One person noted there is potential for the new short-term solutions to house the homeless during COVID 19 pandemic to be considered for transformation to long term solutions.

6. Summary of comments or views not accepted and the reasons for not accepting them

No comments or views were rejected. Testimony at the first hearing was in favor of funding for day stations, recovery residences, and mobile home parks, which are all currently eligible for funding. The other comments received support the increased funding for infrastructure proposed in the draft Plan.

CDBG-CV and ESG-CV (COVID-19)

No comments or views were rejected from the virtual public hearing on April 13, 2020.

7. Summary

May 6, 2020 Federal CARES Act 2019 Annual Action Plan Amendment Comments

Summary of written comments DHCD received from institutions and organizations, as of May 14, 2020:

The State received nine written comments regarding the draft action plan from the following institutions and organizations: Cathedral Square; Vermont Legal Aid; Champlain Housing Trust; Vermont Housing Finance Agency; Housing Vermont; Vermont Office of Economic Opportunity; Shires Housing; Windham & Windsor Housing Trust; and the Vermont Association of Planning and Development Agencies..

The comments generally centered upon the following issues:

(a) Support of the Plan, including the role of Two Rivers Ottaquechee Regional Commission and Brattleboro Development Credit Corporation to manage the Business Assistance Program

(b) Expanding the eligibility to tenants earning below of the 30% of the median income and to those receiving public assistance:

Several institutional commenters expressed interest in expanding eligibility for tenants from what was originally proposed (those earning 30%-80% median income) to those earning 0%-80% median income. The comments expressed that those tenants earning under 30% of the median income should be included and eligible for RHAP funds, regardless of whether this population already receives some housing subsidies and/or public assistance. The comments elaborated that this population is often the most at risk for homelessness. In addition, excluding this population may raise equal protection concerns. Further, the comments stated that tenants receiving public benefits in general should not be excluded for similar reasons.

(c) Eligibility of tenants depending upon their type of housing:

The original draft plan included language that restricted eligibility to tenants renting from “small private landlords.” Comments questioned the definition of “small” and why only “private” landlords were considered. Comments suggested that RHAP funds should be available to all tenants regardless of whether they live in large apartment complexes, or individual houses or units. Further, comments questioned whether funds should be available to tenants in publicly supported housing, rather than only private housing. The overarching ethos of these comments was that funds should be allocated based upon the relative incomes of the tenants, and not based upon the tenant’s housing situation, or the types of housing in which they reside.

(d) Providing more funding to RHAP (and less to the Small Business Assistance Program):

In general, comments called for additional RHAP funding. Some comments suggested that less funds should be allocated to the Small Business Assistance Program, as that program may duplicate other recovery efforts. Overall, the comments emphasized the vital importance of RHAP funding, and the

need to increase that funding if possible. Finally, comments suggested pursuing additional funding where possible.

(e) Developing emergency rules for RHAP:

Vermont Legal Aid commented that DHCD might consider promulgating emergency rules specific to the RHAP.

(f) Suitability of Homeownership Centers (HOCs) as the application administrators:

Comments suggested that other entities, such as Housing Opportunity Program (HOP)-funded agencies or Public Housing Authorities may be better suited or more appropriate than the HOCs to administer the program. Specifically, the comments suggested that these other entities have more experience in the realm of combating homelessness. Other Comments suggested that the HOCs should contract with subject matter experts to ensure the administration of the program is equitable and efficient. Further comments expressed that DHCD should provide technical assistance and guidance to the HOCs as needed. Finally, concerns were raised regarding a potential conflict of interest if tenants residing in HOC housing apply for RHAP funding.

Summary of DHCD's response to comments from institutions and organizations:

In response to issues (b) and (c), DHCD has amended the language of the eligibility criteria as follows:

"All rental properties serving tenants earning at or below 80% area median income are eligible. The distribution of funds between tenants in publicly supported and private rental properties will correlate with the proportion of publicly supported and private rental properties in Vermont."

The intent is to make eligible all tenants earning less than 80% of the median income regardless of where they are being housed or what public support they may or may not be receiving. The amended language seeks to support the original goal of proportionally serving tenants who do not currently receive public assistance and who otherwise are not receiving rental support during the covid-19 emergency and have a demonstrated unmet need.

In response to issue (d), the plan has been amended to allocate 1.7 million dollars in funding to both the RHAP and Small business assistance program, and to allocate the balance of funds to the Municipal Program. It is recognized that RHAP funding is important and should be prioritized. However, the small business assistance funding serves businesses that employ many renters, and can cannot be eliminated altogether as some comments suggested. DHCD does not believe that the Small Business Assistance Program is duplicating efforts or funds, nor can it duplicate. Just as with the RHAP, the Business Assistance Program will be required to demonstrate an unmet need through Duplication of Benefit affidavits.

Summary of comments or views not accepted, and the reasons for not accepting them:

In response to issue (e), DHCD does not intend to promulgate rules via the emergency rulemaking process regarding RHAP. The existing framework is sufficient to allow the HOCs to administer the

program. Technical support and guidance of the Department is available. The goal of RHAP is to expeditiously distribute the emergency funds. The rulemaking process would hinder the rapid release of said funds.

In response to issue (f), the HOCs will remain the sites for fund distribution. The HOCs were chosen as the administering entities in part because they are pre-qualified as subgrantees, and because they are proven in administering and managing funds and distributions. DHCD will be available to provide technical assistance and guidance as needed. To address the conflict of interest concerns, the following language has been added to the plan:

"Applications by tenants residing in units owned or managed by HOC members who are administering RHAP funds will be independently reviewed by DHCD to avoid potential conflicts of interest."

AUGUST 13, 2020 DRAFT FEDERAL CARES ACT 2019 ANNUAL ACTION PLAN AMENDMENT 2 COMMENTS

Summary of written comments received from institutions and organizations, as of August 6, 2020:

The State received three written comments regarding the draft action plan from the following institutions and organizations: Vermont Legal Aid; Vermont Housing Finance Agency; and the Boys and Girls Club of America Regional Office out of Burlington.

The comments generally centered upon the following issues:

(g) Support of the Plan, including the use of the Emergency Solutions Grant funds for emergency shelter renovation and rehabilitation, rental assistance to households experiencing homelessness, housing retention support services for voucher recipients, and assisting sole proprietors that may be left out of other assistance programs;

(h) Expanding the use of the CDBG-CV funds for affordable housing:

The comments were the need for affordable housing as a necessary part of ending homelessness. Looking to work with affordable housing providers who would be required to accept people who are homeless, particularly applicants who have problems that would normally lead to being rejected such as poor tenant history, poor credit, criminal record, or other barriers. Additional comments were to use more CDBG-CV funds for affordable housing to achieve the State's goal of being the first in the nation that ends homelessness.

(i) Expanding the use of the CDBG-CV funds for the Municipal Public Service Program to include public facility projects:

The comments received were to allocate more CDBG-CV funding for the Public Service Program in Round 2 similar to the allocation in Round 1. Further, requesting the maximum award amount be increased from \$25,000 to \$35,000. Additionally, requesting the use of the funds to cover items

that are deemed a public facility activity such as HVAC systems and to provide better internal air systems in public facilities that provide public services, such as food shelves and childcare services for expanded need with the reduced in classroom time for children, or equipment to create more social distancing.

Summary of DHCD's response to comments:

In response to issues in (c), DHCD has amended the Municipal Public Service Program as follows:

The Municipal Public Service Program as outlined in Round 1 will be expanded to include public facility activities and increased the maximum award amount to \$50,000.

Summary of comments or views not accepted, and the reasons for not accepting them:

In response to issue (b), DHCD has determined that the CDBG-CV funds are not permitted to be used to develop affordable housing in general, nor to develop affordable housing as a response to end homelessness. Homelessness is a pre-existing condition that was in existence prior to the COVID-19. Therefore, would be considered to be an activity not addressing an issue as a result of the COVID Pandemic, or that is being carried out to prevent, prepare for, and respond directly to the Coronavirus.

The Emergency Solutions Grants are a source of funding for renovating shelters to alleviate a congregate setting to arrest the potential spread of the Coronavirus.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	VERMONT		Vermont Community Development Program, DHCD/ACCD
HOME Administrator	VERMONT		Vermont Housing and Conservation Board
ESG Administrator	VERMONT		Office of Economic Opportunity, DCF/AHS
	VERMONT		Vermont Housing and Conservation Board

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

Arthur Hamlin, Housing Program Coordinator
Department of Housing and Community Development
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Montpelier, VT 05620-0520

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

In developing the State's 2015-2019 Consolidated Plan, DHCD consulted with more than fifty organizations, including municipal governments, the Advisory Board, and many local and regional organizations. In preparing its annual updates, DHCD through the Advisory Board, distributes information about the consolidated planning process and seeks to engage involvement from a wide constituency of people, including participation from low and moderate-income people, people living in slum and blighted areas and in areas where CDBG, HOME and ESG funds are used.

To consult on ESG, OEO reaches out to the Continuums of Care (CoC), nonprofit homeless shelter and service providers, as well as other State agency and nonprofit partners where homeless policy and service populations overlap.

CDBG-CV and ESG- CV (COVID 19) Consultation

At the start of the COVID 19 pandemic, the Agency of Commerce and Community Development (ACCD) was charged from the Governor's office as the lead to set up a website to provide guidance to assist businesses, individuals, and communities. ACCD staff took intake from 2069 businesses and what their needs were at that point. The Department of Housing and Community Development (DHCD) consulted with divisions within ACCD, the Agency of Human Services (AHS), the Advisory Board, and many local and regional development and planning, and other organizations to seek the public needs.

As part of the ESG supplemental consultation, the Office of Economic Opportunity (OEO) mobilized a statewide homeless response team with regional homeless response teams operating under the Continuums of Care (CoCs), these include representatives from public safety, public health, community action agencies, housing developers and property managers, homeless shelters, supportive housing, health care, housing authorities, United Ways, mental health agencies, and more.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

In the last several years, affordable housing providers and representatives of health, mental health, environmental, labor, and service agencies have substantially strengthened their networking and coordination activities. The State, through DHCD, has led, actively encouraged and participated in these efforts, and will continue to do so.

Similarly, DHCD coordinates economic development activities with the Department of Economic Development (also of ACCD), regional development corporations, local and state chambers of commerce and other State agencies.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Vermont Council on Homelessness develops, monitors and reports on the Vermont Plan to End Homelessness. The Council, chaired by the AHS Secretary's Office, includes representatives from across State government including the Department for Children and Families, Department of Mental Health, Department of Disabilities, Aging & Independent Living, Agency of Education, Department of Corrections, DHCD, as well as persons with lived experience of homelessness and representatives from the Continuums of Care.

Vermont's five-year plan (2018-2022) endorses three key strategies to prevent and end homelessness.

1. Housing Supply, Affordability, Access: Increase the number of homes affordable to Vermonters with extremely low-incomes (less than 30% of area median income), especially those who are homeless.
2. Coordination of Programming: Align programs serving Vermonters who are homeless, or at risk of homelessness, under the clear objective of Housing Stability. Emphasize meeting the housing needs of the Person, not merely the program.
3. Supportive Services: Expand the capacity of programs to provide individualized supportive services once formerly homeless families and individuals move into permanent housing.

These strategies are designed to be implemented through 20 action items. Vermont's plan now contains an appendix, including: an overview of the Ending Family Homelessness framework; a summary of Vermont's Youth Homelessness Prevention Plan; the Blueprint for Ending Veteran's Homelessness in Vermont; technical definitions of "Homelessness" and "At-Risk"; and an overview of Coordinated Entry and Assessment.

Vermont has worked to restructure its homeless assistance funding to better align with state and federal goals to reduce the number of individuals and families experiencing homelessness, shorten the length of time persons are homeless, and to reduce the number of people returning to homelessness.

There is now a statewide Youth Committee working to identify policies and practices to address and prevent homelessness amongst youth and young adults. AHS-DCF co-chairs this committee, which has been working to identify the number of youth needing services, where they are located, and strategy and resource gaps.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Vermont has two HUD Continuums of Care (CoC), the Chittenden County CoC (known as the Chittenden County Homeless Alliance) and the Balance of State CoC (known as the Vermont Coalition to End Homelessness). The Balance of State CoC is a coalition of 13 local or regional CoCs.

The State Office of Economic Opportunity (OEO) coordinates with partners in AHS, the CoCs, and external stakeholders to ensure that the Emergency Solutions Grant program is part of an integrated, statewide strategy to ending homelessness and improving housing and stability outcomes for families and individuals. CoCs have provided input into how Vermont is determining the allocation of funds, the development of performance and evaluation outcomes, and the development of policies and procedures for the administration of HMIS. This input and consultation has been provided through 3 primary methods:

Formal presentations and discussion at CoC Meetings, at least annually

OEO Housing Advisory Group and the Vermont Council on Homelessness

Online Survey for all Stakeholders

OEO and AHS are active participants in the governance of each CoC. OEO also serves on and/or chairs various committees in each, including HMIS, Coordinated Entry, Strategic Planning, and other ad hoc workgroups.

OEO convened a Housing Advisory Group composed of grantee organizations who also serve as leaders in local CoCs; this group provided a deeper review of broad stakeholder input, including program standards, the process for making sub-awards, and performance measures. OEO also participates on the Vermont Council on Homelessness.

OEO issued a public survey distributed to all program grantees and posted to both CoC list-serves to solicit input on funding priorities and a review of performance measurements. This survey is in addition to the public survey and community sessions for the entire Consolidated Plan.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Vermont Legal Aid
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities Service-Fair Housing Legal services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
2	Agency/Group/Organization	CVOEO
	Agency/Group/Organization Type	Services - Housing Regional organization Tenant rights
	What section of the Plan was addressed by Consultation?	Annual Action Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
3	Agency/Group/Organization	Rutland Regional Planning Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
4	Agency/Group/Organization	VERMONT HOUSING FINANCE AGENCY
	Agency/Group/Organization Type	Housing Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
5	Agency/Group/Organization	Greater Burlington Industrial Corporation
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.

6	Agency/Group/Organization	Vermont Agency of Human Services
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Health Agency Child Welfare Agency Grantee Department
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
7	Agency/Group/Organization	Springfield Regional Development Corporation
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.

8	Agency/Group/Organization	WEST RUTLAND
	Agency/Group/Organization Type	Other government - Local Civic Leaders
	What section of the Plan was addressed by Consultation?	Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
9	Agency/Group/Organization	Two-Rivers Ottauquechee Regional Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
11	Agency/Group/Organization	Vermont Center for Independent Living
	Agency/Group/Organization Type	Services - Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.

12	Agency/Group/Organization	CHAMPLAIN HOUSING TRUST
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Regional organization
	What section of the Plan was addressed by Consultation?	Annual Action Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
13	Agency/Group/Organization	Vermont Affordable Housing Coalition
	Agency/Group/Organization Type	Statewide membership organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
14	Agency/Group/Organization	Vermont Interfaith Action
	Agency/Group/Organization Type	Faith-based organization
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Annual Action Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.

15	Agency/Group/Organization	Vermont Economic Development Authority
	Agency/Group/Organization Type	Other government - State Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
16	Agency/Group/Organization	Community Capital of Vermont
	Agency/Group/Organization Type	Small business and microenterprise lender Community Development Financial Institution
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
17	Agency/Group/Organization	CATHEDRAL SQUARE CORPORATION
	Agency/Group/Organization Type	Housing Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
19	Agency/Group/Organization	VERMONT HOUSING AND CONSERVATION BOARD
	Agency/Group/Organization Type	Housing Other government - State Grantee Department

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board. VHCB administers the HOME funds and HTF for Vermont.
20	Agency/Group/Organization	Central Vermont Economic Development Corporation
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
21	Agency/Group/Organization	Homeless Prevention Center
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
22	Agency/Group/Organization	Vermont State Housing Authority
	Agency/Group/Organization Type	Housing PHA Other government - State

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
23	Agency/Group/Organization	Montpelier Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.
24	Agency/Group/Organization	Vermont Soap Company
	Agency/Group/Organization Type	Business Leaders
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Advisory Board.

Identify any Agency Types not consulted and provide rationale for not consulting

N/A - No known agency type was excluded.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Chittenden CoC and Vermont Coalition to End Homelessness (Balance of State CoC)	The existing planning document for both Continuums of Care is their respective responses to the annual HUD CoC notice of funding availability (NOFA). Their responses and the Strategic Plan both seek to decrease the number of individuals and families experiencing homelessness.

Table 3 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The draft plan was developed with public input as per the State of Vermont Citizen Participation Plan, and was published on DHCD's website by March 27, 2019.

Two public hearings were noticed two weeks in advance in all major newspapers across the state and by postings, email, and online. The first hearing was conducted on February 1, 2019, before development of the plan to obtain citizens' views about the needs and interests of the public in the areas of housing, public services, community development and economic development, development of proposed grant activities, and to review past performance related to the HUD Consolidated Plan.

The second public hearing was held on April 11, 2019 to hear comments on the draft Plan.

In conjunction with the public hearings, the Department convened meetings of its Consolidated Plan Advisory Board. The Advisory Board was formed to guide the development and priorities of the State's Consolidated Plan. The Advisory Board encompasses a broad range of constituents including representation from organizations that are faith-based, serve the homeless and persons with disabilities, seniors, public housing tenants, economic development, and other non-housing community development needs.

Advisory Board members were encouraged to distribute information about the consolidated planning process to their constituents and people they serve. Members of this group assisted in stimulating involvement from a wide constituency of people, especially participation from low and moderate-income people, people living in slum and blighted areas, and in areas where CDBG, HOME and ESG funds are used.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	Three people testified at this hearing.	One person testified in support of funding day stations during cold weather. One person testified in support of funding recovery housing for people in treatment for substance abuse. One person testified in favor of funding infrastructure repairs for mobile home parks and	No comments were rejected. All the priorities that were spoken about are already eligible for funding.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
				funding to remove abandoned mobile homes and upgrading lots.		
2	Public Hearing	Non-targeted/broad community	No members of the general public attended or provided comments.	Not applicable as no comments were received.	Not applicable as no comments were received.	http://accd.vermont.gov/content/consolidated-plan-public-hearing
3	Virtual Public Hearing	Non-targeted broad community	Sixty-three virtual attendees	Public services for meal programs, rental assistance, business assistance		Microsoft Teams Meeting - Conference ID: 233 805 509#

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Vermont's allocations for 2019 are approximately \$6.9 million in CDBG funds to be used for housing, economic development, public facilities and services, \$3 million in HOME funds to be used for housing, and \$650,000 in ESG funds to be used for emergency shelter and rapid rehousing for persons experiencing homelessness. The VCDP estimates an additional \$200,000 in CDBG program income.

Vermont's allocation from the National Housing Trust Fund for 2019 is \$3 million. This resource will be used according to Vermont's HTF allocation plan, to meet the housing needs of extremely low-income households.

CDBG, HOME and ESG will be used strategically to address priority needs and leverage other federal, State and local resources. These include federal low-income housing tax credits. The State's LIHTC program is administered by the Vermont Housing Finance Agency in accordance with Vermont's Qualified Allocation Plan. The QAP closely reflects the priorities, goals and strategies of the Consolidated Plan. A significant source for non-housing community development is equity generated by New Market Tax Credits. NMTCs are deployed by Housing Vermont's Vermont Rural Ventures, a qualified community development enterprise. Both VHFA and Housing Vermont sit on the Vermont Housing Council and the Advisory Board ensuring close coordination. Additional resources that may be leveraged to support the goals of the Consolidated Plan include Section 8, McKinney-Vento, Vermont Housing and Conservation Trust and matching funds.

CDBG-CV and ESG- CV (COVID 19) Expected Resources

Vermont's allocation from the Federal CARES Act for CDBG-CV 1 funds is \$4,256,840 in order to respond to the COVID-19 pandemic. CDBG-CV 2 funds allocated is \$2,031,600.

Vermont's allocation for supplemental ESG-CV 1 funds is \$2,334,607 (first round) in order to respond to the COVID-19 pandemic. ESG-CV 2 funds allocated is \$4,424,450.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	6,920,250	200,000	0	7,120,250	0	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,005,732	0	0	3,005,732	0	
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	650,838	0	0	650,838	0	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,000,000	0	0	3,000,000	0	
CDBG-CV	public - federal	Admin Economic Development Public Improvements Public Services	6,288,440			6,288,440	0	
ESG-CV	public - federal	Conversion and rehab for transitional housing Financial Assistance Rapid re-housing (rental assistance) Rental Assistance Services	6,759,057			6,759,057	0	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

For CDBG funds, VCDP's Program Guidelines require applicants to provide a full description of how matching requirements will be met including the name and address of the source and indicate whether it is a loan, grant, cash, cash-in-kind goods or services, etc. Matching requirements are as follows:

- (a) Implementation Grants (IG): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the VCDP funds.
 - a. Economic Development Loans: borrower must provide cash-equity of at least 10% of the total project cost. This cannot be borrowed or otherwise encumbered money. Note: The Agency may waive the 10% equity match required for a VCDP economic development project if justified.
 - b. Slums & Blight: Cash or cash-in-kind goods or services of at least 10% of the VCDP funds. This match must directly fund remediation of the S&B condition.
- (b) Scattered Site Housing Grants (SS): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the VCDP funds.
- (c) Planning Grants (PG): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the VCDP funds.
- (d) Accessibility Modification Grants (AM): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the VCDP funds for Handicapped Accessibility work on municipally owned buildings and community libraries.
- (e) Home Access Grants (HA): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the VCDP funds.

If a community has an in-active VCDP/HUD funded Revolving Loan Fund (RLF) as defined by Agency Procedures, at least 20% of the RLF balance on hand must be committed to the project when applying for VCDP funds.

For HOME funds, priority is given to projects with non-federal funding sources for leveraging HOME Funds to ensure the overall HOME Program meets the 25% match requirement. Projects must demonstrate leverage of resources and cost-effectiveness, which may include but is not limited to density bonuses, energy efficiency, lead paint hazard abatement, and historic preservation. Vermont Housing and Conservation Board (VHCB) State funding for housing is often used as match for the HOME Program.

ESG requires a dollar for dollar match. OEO will use State general funds appropriation for homeless assistance as match for the ESG program.

There is no match requirement for HTF funding, however, applications that include the use of non-federal funding sources will be prioritized. As with HOME, VHCB's State funds will likely serve as a source of non-federal match for HTF assisted projects.

CDBG-CV and ESG- CV (COVID 19) Match Requirement

There will be no match requirement for CDBG-CV projects.

There is no match requirement for ESG-CV funding, however, applications will include private funds leveraged by local applicant organizations.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase supply and quality of affordable housing	2015	2019	Affordable Housing Public Housing Homeless Non-Homeless Special Needs		Safe, Decent, and Affordable Housing	CDBG: \$3,560,125 HOME: \$3,005,732 Housing Trust Fund: \$3,000,000	Rental units constructed: 111 Household Housing Unit Rental units rehabilitated: 167 Household Housing Unit Homeowner Housing Rehabilitated: 110 Household Housing Unit Housing for Homeless added: 10 Household Housing Unit
2	Create and retain jobs	2015	2019	Non-Housing Community Development		Economic Opportunity	CDBG: \$1,780,062 CDBG-CV 1: \$1,700,000 CDBG-CV 2: \$1,889,388	Businesses assisted: 2 Jobs created/retained: 35 Jobs CDBG-CV 1 Businesses Assisted: 224 CDBG-CV 2 Businesses Assisted: 264

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Decrease the number experiencing homelessness and Support public health strategies, (ESG supplemental)	2015	2019	Homeless		Individuals and families experiencing homelessness	ESG: \$650,838 ESG-CV 1: \$2,334,607 ESG-CV 2: \$4,424,450	Tenant-based rental assistance / Rapid Rehousing: 80 Households Assisted Homeless Person Overnight Shelter: 3000 Persons Assisted ESG-CV 1 and ESG-CV 2 Homeless Person Overnight Shelter: 1000 Persons Assisted Tenant-based rental assistance/ Rapid Rehousing;400 Households Assistance

4	Strengthen communities and improve quality of life	2015	2019	Non-Housing Community Development		Strong Communities	CDBG: \$1,780,063 CDBG-CV 1: \$2,429,134.80	CDBG Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 4000 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 50 Households Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted Brownfield acres remediated: 1 Acre Buildings Demolished: 1 Buildings CDBG-CV 1 Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1550 Persons Assisted Public service activities other than Low/Moderate Income
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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
								Housing Benefit: 1550 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 510 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Increase supply and quality of affordable housing
	Goal Description	
2	Goal Name	Create and retain jobs
	Goal Description	
3	Goal Name	Decrease the number experiencing homelessness
	Goal Description	
4	Goal Name	Strengthen communities and improve quality of life
	Goal Description	

AP-25 Allocation Priorities – 91.320(d)

Introduction:

In keeping with the State's long-standing policy, the State does not plan to target assistance to specific geographic regions or activities. State law requires that CDBG funds, dispersed through VCDP are awarded on a competitive basis, based on an evaluation of need, impact and feasibility, and subject to HUD limitations. Likewise, VHCB allocates HOME funds on a competitive basis, except for up to 5% for general operating assistance for Community Housing Development Organizations (CHDOs) to implement HOME projects, and HTF is allocated on a competitive basis in accordance with the HTF Allocation Plan. ESG funds are awarded to eligible municipalities and approved nonprofits, including community and faith-based organizations following the selection process of the Vermont Office of Economic Opportunity. ESG-CV supplemental funds – In some cases these funds may be expended directly by the recipient (AHS-OEO) in order to meet emergent needs during the pandemic.

Funding Allocation Priorities

	Increase supply and quality of affordable housing (%)	Create and retain jobs (%)	Decrease the number experiencing homelessness (%)	Strengthen communities and improve quality of life (%)	Total (%)
CDBG	50	25	0	25	100
HOME	100	0	0	0	100
ESG	0	0	100	0	100
HTF	100	0	0	0	100
CDBG-CV 1 & 2		61	0	39	100
ESG-CV 1 & 2	0	0	100	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

The State's allocation priorities are based on the priority needs identified in the Housing Needs Assessment and further developed through the citizen participation and consultation process to meet the goals identified in the plan.

CDBG-CV and ESG- CV (COVID 19) Reason for Allocation Priorities

The States allocation priorities for the Federal CARES Act CDBG-CV and ESG-CV funds are based on the needs identified through the citizen participation and consultation process for the funding but also data received by ACCD from 2069 businesses with estimated revenue losses of \$323,279,712, non-profit housing portfolios with over \$29 million in rental assistance revenue losses needed and assistance provided to the homeless during the pandemic to date.

CARES Act Funding for ESG are prioritized for emergency shelter renovation and rehabilitation given the immediate need to adjust facilities to support public health social distancing needs in order to prevent the spread of the COVID-19 virus. In some cases, other renovation work (e.g., accessibility or efficiency) may be completed concurrently. The majority of ESG-CV funds will be used to provide rental assistance to households experiencing homelessness; voucher recipients will also receive housing retention support services. Rental assistance will support the rapid exit of households from motels paid for by the Department for Children and Families, as well as those households currently in emergency shelter.

Due to overwhelming response from Sole Proprietors being eliminated from other programs being served with other COVID funds, the state determined to deploy CDBG-CV funds to assist them. The state has also received several inquiries regarding assistance needed for public facility projects due to COVID19 activities, so now have expanded their Municipal Program to include public facilities activities and increased the maximum grant amount.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds addresses the priority needs identified by allocating funding to the most critical needs identified through the Housing Needs Assessment, market analysis, citizen participation process, and consultation with service providers, agencies and organizations. Vermont continues to see the strongest needs as affordable housing, reducing homelessness and job creation. These needs are clearly reflected in the State's allocation of CDBG, HOME, and HTF resources. Specifically, ESG funds will be fully leveraged along with State resources to reduce the number of individuals and households experiencing homelessness. These funds will also focus on shortening the length of time people experience homelessness and reduce the number of individuals returning to homelessness.

This distribution is further informed by past program performance and evaluations of how CDBG, HOME, HTF, and ESG can be used most effectively and efficiently given program rules.

CDBG-CV and ESG- CV (COVID 19) Address Priority Needs

The States allocation from the Federal CARES Act CDBG-CV and ESG-CV funds provided will only start to address the states response needs. The needs are far greater in all areas and additional federal assistance will be needed to assist Vermonters and the state's economy to withstand this pandemic.

ESG-CV funds will be used to support public health strategies such as less dense shelters with longer hours and help re-house households that are homeless.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

This section summarizes the methods of distribution for State programs that administer HUD funds, as well as the National Housing Trust Fund. In each of the State programs described below, the State encourages applications for projects that include more than one goal or objective or which address more than one Priority Need (e.g. an application for a housing project that also consists of a component of commercial space; or a public facility project that also consists of a component of public services).

As required, it also provides information about locally controlled program income / revolving loan funds.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Housing Opportunity Grant Program
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	OEO's Housing Opportunity Grant Program combines ESG funds with state homeless assistance funds to help nonprofit organizations work within their local Continuums of Care to: • Reduce the incidence and duration of homelessness; • Shorten the length of time an individual or household is homeless; and Prevent homelessness.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Selection of applicants for ESG funding under the consolidated Housing Opportunity Grant Program will be made based on the following: • Meeting of criteria as outlined in this document and detailed in the Request for Proposal (RFP). • The applicant's history of providing effective shelter or rapid rehousing services to the homeless, and of successfully operating performance-based grant-funded programs. • The applicant's demonstrated coordination with organizations in their local "continuum of care," to address identified gaps in services for the homeless and improve outcomes for

		participants. All activities undertaken with ESG assistance are consistent with the State's consolidated plan. • If the applicant is requesting Emergency Shelter Operations funding: Assurance that funds will preserve or support existing shelter bed capacity. • If applicant is requesting Essential Services or Rapid Re-Housing funding: The applicant's ability to transition homeless participants or shelter residents to permanent or transitional housing, and/or prevent homelessness for families and individuals who are at risk. The applicant's ability to assist homeless participants in obtaining mainstream supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals. • The applicant's engagement of homeless individuals and families in the governance or operation of programming and services, to the maximum extent practicable. • Previous project performance under the program performance measures. Actual funding will be based on the follow: • Requested amount (total request and spending plan) • Available funds • Strength of application in demonstrating application criteria are met • Local need • Alignment with state and federal strategies • Previous funding and project performance ESG – CV Supplemental Funding will be distributed as follows: • Emergency Shelter Renovation, to agencies that: • Currently operate HOP-funded emergency shelters
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	• Are awarded renovation funds through the Vermont Housing and Conservation Board (VHCB) Summer 2020 application process and require additional funding to complete renovation work. OEO will work in close partnership with VHCB as the primary underwriter, technical assistance provider, and co-funder to these renovation projects. • Rapid Re-housing • Rental Assistance will be administered by a single statewide agency with sufficient financial and administrative capacity and experience administering similar programs • Funding for Housing Retention Services will be awarded through a simplified application process to agencies with demonstrated experience administering a Rapid Re-housing program or providing services for rapid re-housing. Collaborative applications will be encouraged. • In addition to the above selection criteria, projects will be selected to: • Meet a need or gap related to modification of shelter facilities in order to meet public health goals. • Address an identified need or gap within the local COVID-19 response efforts. • Ensure the continued availability of clean and safe emergency shelter. • Reduce perceived and real barriers to emergency shelter access.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A - CDBG only
Describe the process for awarding funds to state recipients and how the state will make its	In April 2019, OEO will release a Request for Proposals for the Housing Opportunity Grant Program (which includes ESG program funds). Awards made for State Fiscal Year 2019 (July 1-June 30, 2019) will be considered for renewal first in SFY 2020, followed by requests for new projects or additional funding. Current awards (SFY 2019) were reviewed and evaluated by AHS OEO based on local need, capacity,

allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	approach and local coordination. Part of the selection process may involve a site visit of the finalists at which time documentation listed in the application will be reviewed. Vermont will make ESG sub-awards with successful applicants for ESG-funded activities under Housing Opportunity Grant Program agreements. One or more grants will be awarded by OEO to Vermont municipalities, or, with municipal approval, Vermont nonprofits whose purpose is to shelter, serve, and re-house the homeless. Like all awards, the second year of funding will be based on anticipated funding and performance. Grantees will report on performance measures quarterly. ESG-CV Supplemental: OEO will issue a simplified HOP Request for Proposals for Rapid Re-housing funds. Applications will be received, reviewed and grants awarded on a rolling basis. This expedited process allowed community providers to fund increased services to rapidly re-house homeless Vermonters and provide services to support the retention of housing. Emergency Shelter Renovation funds will be awarded to applicants of the Vermont Housing and Conservation Board Summer 2020 request for proposals.
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A – HOPWA only
Describe how resources will be allocated among funding categories.	Decisions on how to prioritize funding categories are based on survey and public forum input through the Consolidated Plan process, guidance and national reports released by HUD, the National Alliance to End Homelessness, and the US Interagency Council on Homelessness (USICH); the Vermont Council on Homelessness five-year plan to end homelessness; and an acknowledgement that homelessness is inherently traumatic for families and individuals. In addition, decisions were informed by survey and discussions with CoC stakeholders regarding funding priorities. Survey results revealed strong consensus

	that Vermont prioritize funding for Emergency Shelter, Homelessness Prevention and Rapid Re-housing. Further consultation confirmed that Vermont’s homeless prevention needs and rehousing service needs could be better met outside the requirements of HUD funding. State funds will adequately support these efforts and Vermont will focus ESG Emergency Shelter funds on preserving existing shelter capacity and/or supporting seasonal capacity, as is consistent with the AHS housing policy. The survey also confirmed that promoting permanent housing through rapid re-housing activities are widely supported strategies for reducing homelessness. OEO estimates the following allocation to planned activities: • Emergency Shelter (Operations & Essential Services): 60% • HMIS: 22% • Rapid Rehousing (Financial & Rental Assistance): 10.5% • Administration: 7.5% (maximum allowed) Specific funding within the major categories of Rapid Rehousing and Emergency Shelter may shift based on the applications received and awarded. ESG-CV • Emergency Shelter (Renovation): 7.5% • Administration: 10% (or less) • Rapid Re-housing: 85% ESG-CV funds may also be used for Emergency Shelter Operations and Services, based on need and availability of funds.
Describe threshold factors and grant size limits.	Eligible applicants are municipalities and nonprofits including community and faith-based organizations. New applicants, and applicants who have recently relocated their operations to another municipality, must submit a completed Certification of Local Government Approval with their application. Faith-based organizations are required to have separate 501c3 status established to meet eligibility requirements.

		All grantees must be in compliance with program guidelines and applicable state and federal policies and procedures, including compliance with federal nondiscrimination law. This includes certification from all Emergency Shelter applicants must certify that the assisted property will be maintained as an Emergency Shelter for the period of funded assistance. All Shelters must have passed ESG shelter habitability inspection within the past year. There are no grant size limits per se for ESG funds. Grants to subrecipients of ESG funds typically range from \$8,000 to \$170,000.
	What are the outcome measures expected as a result of the method of distribution?	This method of distribution will support the State's goal of serving 400 households through rapid rehousing services and providing emergency overnight shelter to 3,000 people.
2	State Program Name:	Local Program Income / Revolving Loan Funds
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	N/A - this method describes locally controlled revolving loan funds.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	N/A - each local revolving loan funds sets their own criteria.
	If only summary criteria were described, how can potential applicants access application manuals or	Potential applicants need to contact the respective revolving loan fund municipality for any application materials and loan fund criteria.

other state publications describing the application criteria? (CDBG only)	
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A - ESG only
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A – HOPWA only
Describe how resources will be allocated among funding categories.	For table describing local revolving loan funds - see Table of local program income and revolving funds.
Describe threshold factors and grant size limits.	N/A - each local revolving loan fund sets their own.

	What are the outcome measures expected as a result of the method of distribution?	N/A - the State does not have a revolving loan fund.
3	State Program Name:	Vermont Community Development Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Vermont Community Development Program (VCDP) is funded with Community Development Block Grant (CDBG) funds under Title I of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5301 et seq., herein referred to as the "FEDERAL ACT." All municipalities in Vermont, except Burlington (which receives funds directly from HUD), are eligible to apply for VCDP funds. The VCDP is authorized under the Vermont Community Development Act, Title 10 V.S.A. Chapter 29, referred to in this Consolidated Plan as the "STATE ACT." The lead agency, ACCD, administers the VCDP through the Department of Housing and Community Development (DHCD). All municipalities, unless currently sanctioned, are eligible to apply for VCDP funding through a competitive, needs based application process. Funding levels, maximum and minimum grant requests, selection criteria, State priorities, and application assistance can be found on the next pages and in more detail at the VCDP Website. The VCDP provides eligibility criteria, notices of funding availability, a Program Guide and Application Instructions on its website: http://accd.vermont.gov/community-development/funding-incentives/vcdp The Website is used to provide potential applicants and existing grantees with all the resources needed to apply for funding, receive technical assistance and successfully manage their projects. VCDP Staff are readily available to assist potential applicants, current applicants and existing grantees. Each year, VCDP notifies (Via Email) every eligible municipality in the state of the availability of CDBG funding and the application process. This outreach and communication is critical for VCDP since funding is not directly allocated or targeted to specific communities or regions within the state. VCDP provides an open application process with applications accepted throughout the year and funding availability guaranteed

	throughout the year. Three VCDP Board meetings to make funding recommendations have been established for the FFY 2019 Program Year. Municipalities are encouraged to apply for funding throughout the year. More information on VCDP Board Meeting dates, application instructions and assistance accessing the program can be found at: http://accd.vermont.gov/community-development/funding-incentives/vcdp/applicant-guidance
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The State Act stipulates that the allocation of VCDP funds shall be competitive, ensure that a wide range of community development activities be eligible, and be based on a system that measures the need and impact of the proposed projects (10 VSA Sec.687). The VCDP has established an application process and selection criteria to meet the intent of the State Act. The VCDP uses a Web-based Application System. Applications are completed online and are submitted by municipalities. VCDP staff then review each application for eligibility and completeness, before conducting a thorough analysis of each eligible application. The VCDP Board then reviews each application, interviews and questions the applicants using the below criteria and makes funding recommendations to the ACCD Secretary on behalf of the Governor. Each of the three criteria has equal weight and staff analyses of the applications are written based on these criteria and must meet one of three HUD National Objectives (Low and Moderate Income, Slums and Blight, and Urgent Need). The selection criterion is as follows: 1. Project Need: The project must meet a documented community or regional need. Determinations will be based on evaluation of such factors as: Need documentation; Appropriate solution; Appropriate funding; Meeting Consolidated Plan priorities; Meeting local and regional plan priorities; Health/safety risks to beneficiaries; Impact if project is not funded 2. Project Impact: The project must show how well it meets a national objective and how well it impacts the community. Determinations will be based on evaluation of such factors as: Ability to meet the need Number/percentage of low and moderate-income persons directly benefiting; Longevity of the benefit; Beneficiary involvement in developing the project; Indirect benefit to low and moderate-income persons and the community 3. Project Feasibility: The project must be attainable and the representations and commitments within the application must be believable. This will include such factors as:

	Readiness to start/Proposed time frame is realistic; Proposed benefit is realistic; Costs are appropriate and justified; Prior VCDP performance record Please see the VCDP Program Guide at: https://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Program-Guide.pdf for a detailed description of the program including; selection criteria, funding levels and application instructions.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the VCDP Program Guide at: https://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Program-Guide.pdf for a detailed description of the program including; selection criteria, funding levels and application instructions.
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A - ESG only
Identify the method of selecting project sponsors (including providing full access to grassroots faith-	N/A – HOPWA only

based and other community-based organizations). (HOPWA only)	
Describe how resources will be allocated among funding categories.	The VCDP must expend at least 70% of the HUD Award over a period of three program years to fund activities that principally benefit persons of low and moderate income. Grants for Activities which aid in the prevention or elimination of slums and blight (Slums and Blight) or that are designed to meet urgent community development needs (Urgent Need) do not necessarily provide a direct benefit to persons with low and moderate incomes. Such awards, therefore, must be drawn from the remaining 30% of the CDBG award over a period of three program years. Grants for these activities combined will be limited to 13% of the total HUD Award over a period of three program years. Costs for grant activities known as General Administration may not exceed 12% of a VCDP grant award. This limitation assures compliance with the federally imposed cap of 20% of the total Annual HUD Award and program income that may be used for all VCDP planning and general administrative purposes, including both State and local costs. The federal share of State administration funding is capped at 2% of the annual CDBG award, which must be matched by a minimum of 2% in State funds, plus 1% for technical assistance and an additional \$100,000 of unmatched HUD funding for a total HUD funded State administration of 3% of the CDBG award plus \$100,000. The State does not intend to use any Program Income for State administration. The VCDP will set aside \$200,000 for Accessibility Modification Grants (AM) and \$100,000 for Home Access Grants (HA) until the last funding round during the period July 1, 2019 – June 30, 2020. Any funds remaining may then be awarded to Implementation and Planning Grants (IG, PG). The Federal Act restricts the total funds that may be used to fund activities known as Public Services to 15% of the Annual HUD Award that is allocated for assistance to municipalities. The maximum allowable for public service activities is shown in Table – CDBG FFY2019 Distribution Plan. The State may use up to one percent of the Annual HUD Awards for FFY88 through FFY2019 to the extent funds remain undistributed for these program years to provide technical assistance to local

	governments and nonprofit recipients. The amount established for this Consolidated Plan is shown in Table – CDBG FFY2019 Distribution Plan. New Initiatives (FFY 2019): The VCDP will set aside up to 25% of its annual CDBG allocation for Scattered-Site (SS) Housing Rehab Grants to be distributed at the first funding round during the period July 1, 2019 – June 30, 2020. Any funds remaining may then be awarded to Implementation and Planning Grants (IG, PG) at the last funding round during the same aforementioned period.
Describe threshold factors and grant size limits.	All applications for VCDP funds must meet the following eligibility thresholds to be considered for review. These eligibility thresholds are statutory and cannot be waived by the Agency. Failure to meet all eligibility thresholds will result in rejection of the Application. Eligible Applicant: The only eligible applicants are Vermont towns and cities and incorporated villages chartered to function as general-purpose units of local government. A municipality may apply: as a single applicant, as the lead applicant of a consortium, as a member of a consortium, but not as a single applicant and as lead applicant of a consortium. Eligible Activity: Only those activities eligible under the Federal Act may be funded under this program. Federal Objective: Each proposed VCDP activity must meet at least one national objective. The national objective claim must be fully supported, and in some cases, the AGENCY should pre-approve your approach for meeting the national objective. State Objective: Each proposed VCDP activity must meet at least one State objective. Public Hearing: Each VCDP applicant must conduct at least one (1) public hearing with notice as required by the STATE ACT, prior to application submission. HUD regulations require a minimum of two (2) public hearings, each at a different stage of the program, to obtain citizens' views and responding to proposals and questions. The VCDP complies with this regulation by requiring the first public hearing during the application stage and the second public hearing prior to the completion date of the funded grant program.

		Municipal Plan: Each VCDP applicant, including consortium members, must have a municipal plan adopted in accordance with 24 VSA Ch. 117. The plan must identify the municipality's community development needs including housing and economic development as well as the needs of low and moderate-income persons and the activities to be undertaken to meet such needs. Anti-Displacement Plan: Under the provisions of the Uniform Act, 42 USC §4601 et seq., each successful applicant, including all municipalities in joint applications, but excluding Planning Grant applicants, must submit a Residential Anti-Displacement and Relocation Assistance Plan (ADP) and state whether the proposed activity will result in displacement, relocation, property demolition, or property change of use. Please see the VCDP Program Guide at: https://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Program-Guide.pdf for a detailed description of eligibility criteria and program thresholds. For grant size limits - see CDBG Grant Types, Funding Limits and Match Requirements.
	What are the outcome measures expected as a result of the method of distribution?	VCDP has a goal of increasing the number of housing units supported with CDBG funds by five percent. This method of distribution will support the State's goals in housing, economic development, public facilities and services. With a FFY19 CDBG allocation of approximately \$6.9 million, CDBG will create 84 rental units, rehabilitate 139 rental units and 110 homeowner units, create or retain 35 jobs and assist 2 businesses, and serve approximately 4,150 Vermonters through public facility and service activities.
	4 State Program Name:	Vermont HOME Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	HOME Investment Partnerships Program (HOME) allocation for FFY2019 is \$3,005,732. The Department of Housing and Community Development (DHCD) is the agency responsible for developing the Consolidated Plan, and State statute designates the Vermont Housing and Conservation Board (VHCB) as the agency responsible for administering HOME funds. In FFY 2019, HOME funds will be used for the following programs with investments in the form of grants or long-term deferred loans: 1. Acquisition and Rehabilitation Program. HOME funds will be used for acquisition and rehabilitation of conventional rental properties to make them affordable to low income households and/or to convert them to cooperatives, and to preserve existing affordable rental properties.

	When HOME funds are used for rehabilitation, the work must be performed according to the VHCB's written rehabilitation standards, which describe the methods and materials to be used, and the entire unit must be brought up to applicable property standards as described in 24 CFR 92.251(b). 2. New Construction Program. HOME funds will be used for the production of conventional rental properties that serve an area or market where existing housing stock is limited and/or to provide housing for households/individuals with documented special needs. Units created under this program must be affordable to low income households. 3. Refinancing existing debt. Multi-family rental projects developed by locally based housing organizations that receive HOME funds for rehabilitation may utilize HOME funds to refinance existing debt if there is significant rehabilitation of the property proposed in addition to the refinancing (See the HOME Refinancing Guidelines in AP-90 HOME Program Specific Requirements). Community Housing Development Organizations (CHDOs) At least fifteen percent (15%) or approximately \$450,856 of the FFY2019 HOME allocation will be used for rental projects developed, owned, or sponsored by qualified Community Housing Development Organizations (CHDOs) as defined in 24 CFR 92.2. Up to five percent (5%) or approximately \$150,287 of the State's total HOME allocation may be used for general operating assistance for qualified CHDOs who are expected to receive CHDO project funds within 24 months. CHDO Operating funds will be awarded through VHCB's organizational grant application process. Statewide Allocation The State's allocation including CHDO project funds, but not including Administration or CHDO Operating) will be distributed to projects on a competitive basis throughout the state, excluding the City of Burlington which has its own allocation. Program Administration The State's HOME program will be administered by VHCB pursuant to a contract with DHCD. The State recognizes that its Consolidated Plan cycle is not consistent with the ability of its agent, VHCB, to commit HOME funds. Considering the fact that Vermont's HOME Program is recognized by HUD as a
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	national leader in achieving the goals of the HOME Program, we do not find this inconsistency to be a significant issue in program delivery. Administrative Costs The State intends to use up to 10% of the HOME allocation for administrative and planning costs, distributing funds among the two entities involved with administering Vermont's HOME Program: DHCD and VHCB. The State may use approximately \$300,572 (15%) in FFY 2019 funds for eligible administrative costs.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Eligible Applicants Information about the HOME Program is available on VHCB's website, including links to the HOME Program Handbook, application deadlines and Board meeting dates, and the common housing application. VHCB works closely with a statewide network of non-profit affordable housing developers who are provided this information. In addition, VHCB provides information about the HOME Program application process and requirements to for-profit developers when inquiries are received. General Information for Applicants Seeking VHCB and/or HOME Program Funds for Affordable Housing Development is available here: https://vhcb.org/our-programs/housing/housing-applications. Eligibility to apply for HOME funds will be no more restrictive than required by HOME regulations. Consistent with the regulations, at least 15% of the annual allocation will be used for projects developed, owned, or sponsored by qualified CHDOs, as defined in 24 CFR 92.2. Applications will be accepted on a rolling basis and acted upon at regularly scheduled VHCB Board meetings based on project readiness. VHCB uses the State's Common Housing Application with an additional VHCB/HOME application supplement and checklist. Threshold Criteria The following criteria must exist in any application to be considered for a commitment of HOME funds: 1. The project must be perpetually affordable. 2. At least one of the Consolidated Plan housing related goals must be included. 3. Preference shall be given to projects located in the State's Designated Downtowns, Village Centers, neighborhood development areas and other areas that are consistent with the state's historic settlement pattern and "Smart Growth".

	Consolidated Plan Affordable Housing Goals On a competitive basis, applications that have met the threshold criteria described above will be evaluated and ranked according to how many of the Consolidated Plan Affordable Housing Strategies are addressed by the project. Efficient Use of Resources Consistent with 24 CFR Section 92.250(b), projects seeking HOME funds will require an analysis of whether the amount of HOME funds invested is reasonable to achieve affordable housing. This analysis must confirm that the project can be sustained from rent levels affordable to the targeted population while maintaining adequate levels of maintenance or repair and fully funding reserves required by lenders or grantors. This analysis will be done by VHCB for each application. Additional Analysis In accordance with VHCB's Underwriting Policy and Procedures, additional analysis in the following areas will be performed by VHCB underwriting staff prior to making a HOME funding recommendation to the Board: • Development capacity and fiscal soundness of the applicant • Project location • Market demand • Budget documents • Plans and specifications • HOME requirements • Developer/owner profit standard and evaluation More detailed information about VHCB's underwriting criteria is available in VHCB's Underwriting Policy and Procedures. Applicants are also encouraged to review the information contained in VHCB's HOME Program Handbook, also available on their website. All HOME applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to achieve the goal of making available at least 15% of the units in their portfolio to those who are homeless.
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If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A - CDBG only
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A - ESG only
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A – HOPWA only

	Describe how resources will be allocated among funding categories.	Funding will be allocated by funding category based on the merit of the proposals submitted and the demonstrated market demand.
	Describe threshold factors and grant size limits.	In order to be considered for HOME funding, all applications must meet the threshold requirements stated above. In addition, projects must meet all HOME Program and other applicable federal requirements. There is no set maximum HOME award; however, applicants should be aware that demand for HOME funds is competitive. The HOME maximum per-unit subsidy limits are as follows: \$65,000 for 0 bedrooms, \$75,000 for 1 bedroom, \$90,000 for 2 bedrooms, \$115,000 for 3 bedrooms, and \$125,000 for 4 bedrooms. These limits represent approximately 50% of the HUD maximums. VHCB may, on a case-by-case basis, exceed these limits if there is a compelling reason to do so, as long as HUD's limits are not exceeded.
	What are the outcome measures expected as a result of the method of distribution?	This method of distribution will support the State's 2019 goal in housing to create 111 new rental units and rehabilitate 167 rental units. With the FFY19 HOME allocation of approximately \$3,000,000, it is estimated HOME will assist approximately 6 rental projects, resulting in approximately 40 units affordable to low- and very-low income households.
5	State Program Name:	Vermont National Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by the Method of Distribution.	National Housing Trust Fund (HTF) dollars will be distributed statewide, including the City of Burlington. HTF funds will be awarded on a competitive basis to locally-driven projects that address the criteria outlined in AP-90, the 2019 Vermont HTF Allocation plan as well as the priority housing needs as identified in the State's Consolidated Plan.
	Describe all of the criteria that will be used to select	The following threshold criteria must exist in any application to be considered for a HTF award: 1) the project must include the creation or preservation of permanent rental housing (transitional housing and shelters are not eligible), 2) the housing must remain perpetually affordable after the expiration of the HTF required period via a VHCB Housing Subsidy Covenant, 3) at least one of the State's Consolidated

applications and the relative importance of these criteria.	Plan housing priorities must be addressed, and 4) there must be a reasonable expectation that the project will be ready to proceed within 18 months. Applications will be reviewed by staff according to VHCB's Affordable Housing Policy (https://vhcb.org/sites/default/files/policy/housing/housing.pdf) as well as VHCB's Underwriting Policy and Procedures, (https://vhcb.org/sites/default/files/policy/housing/Project-Underwriting-Policies--Procedures.pdf), which includes analysis in the following areas: • Development capacity and fiscal soundness of the applicant, and experience of the development team • Project location • Market demand • Budget documents • Plans and specifications • HTF and other applicable federal requirements • Developer/owner profit standard and evaluation In addition to VHCB's applicable policies, applications for funding submitted by eligible entities will be reviewed, and funding will be prioritized, according to how the following criteria are met: • the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner; • the extent to which the project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families; • the duration of the units' affordability period; • the merits of the application in meeting the priority housing needs as identified in the State's Consolidated Plan: 1. safe, decent, affordable housing (increase the supply and quality of affordable housing), 2. individuals and families experiencing homelessness (decrease the number experiencing homelessness, increase supply and quality of affordable housing), and
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	3. strong communities (increase supply and quality of affordable housing, strengthen communities and improve quality of life); - the extent to which the application makes use of non-federal funding sources, and - the extent to which the project Affirmatively Furthers Fair Housing: Will the housing be located in an area of opportunity, with low concentrations of racial or ethnic minorities and low concentrations of poverty? If the proposed project is located in an area with a concentration of racial or ethnic minorities and/or poverty, will the housing contribute to the revitalization of a disinvested community, or help prevent displacement of residents living in neighborhoods on the verge of or already undergoing gentrification? Applications must include a description of the eligible activities to be conducted with the HTF funds in accordance with 24 CFR 93.200, and must contain a certification by each eligible recipient that housing units assisted with the HTF will comply with HTF requirements. All HTF applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to achieve the goal of making available at least 15% of the units in their portfolio to those who are homeless.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A - CDBG only
Describe the process for awarding funds to state recipients and how the state will make its	N/A - ESG only

allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A – HOPWA only
Describe how resources will be allocated among funding categories.	The HTF regulations allow up to 10% of HTF funds to be used for homeownership activities; however, given the extremely low income (ELI) targeting requirements of the program and the need for rental housing affordable to ELI households in the state, Vermont will use HTF program funds exclusively for rental housing to meet the priority housing needs as identified by the State’s Consolidated Plan. In accordance with HTF regulations, up to 10% of the State’s HTF allocation will be used for administration. HTF project funds may be used to pay for the following eligible costs: development hard costs, refinancing, acquisition, related soft costs, operating cost assistance and operating cost reserves (not to exceed 1/3 of the state’s annual allocation), relocation, and costs related to payment of loans. Awards of HTF funds will be made in the form of grants or 0%, 30-year deferred loans in order to minimize project debt and maximize affordability to ELI households.
Describe threshold factors and grant size limits.	In order to be considered for HTF funding, all applications must meet the threshold requirements stated above. In addition, projects must meet all HTF and other applicable federal requirements.

	There is no set maximum HTF award; however, applicants should be aware that demand for HTF funds may be competitive. In the early years of this young program, to allow maximum flexibility while VHCB and its partners gain experience using HTF to create rental housing affordable to ELI households, the maximum per-unit subsidy limits for HTF will be set at HUD's applicable limits for the HOME Program. These limits are currently \$147,074 for 0BRs, \$168,600 for 1BRs, \$205,018 for 2BRs, \$265,229 for 3 BRs, and \$291,137 for 4BRs+.
What are the outcome measures expected as a result of the method of distribution?	This method of distribution will support the State's 2019 Action Plan goals to create 111 new rental units and rehabilitate 167 rental units. With the FFY19 HTF allocation of \$3 million, it is estimated that HTF dollars will assist approximately 5 rental projects, resulting in approximately 15 units affordable to ELI households.

State Program Name:	Vermont Community Development Program
Funding Sources:	CDBG-CV
Describe the state program addressed by the Method of Distribution.	The Federal CARES Act CDBG-CV funds will follow Community Development Block Grant (CDBG) funding rules under Title I of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5301 et seq., herein referred to as the "FEDERAL ACT", unless otherwise waived by request to HUD. The VCDP is authorized under the Vermont Community Development Act, Title 10 V.S.A. Chapter 29, referred to in this Consolidated Plan as the "STATE ACT." The lead agency, ACCD, administers the VCDP through the Department of Housing and Community Development (DHCD). All municipalities in Vermont, except Burlington (which receives funds directly from HUD) are eligible to apply for CDBG-CV funds, through a competitive, needs based application process. Funding levels, maximum and minimum grant requests, selection criteria, State priorities, and application assistance can be found on the next pages and in more detail at the VCDP Website. Since the City of Burlington did not receive CDBG-CV2 funding, businesses from the City of Burlington are eligible to apply for state CDBG-CV2 funding through the Sole Proprietor Stabilization Program. The VCDP provides eligibility criteria, notices of funding availability, a Program Guide and Application Instructions on its website: http://accd.vermont.gov/community-development/funding-incentives/vcdp The Website is used to provide potential applicants with all the resources needed to apply for funding, receive technical assistance and successfully manage their projects. VCDP Staff are readily available to assist potential applicants. VCDP will notify (Via Email) every eligible municipality in the state of the availability of CDBG-CV funding and the application process. VCDP will accept applications for one VCDP Board meeting scheduled to make funding recommendations for the CDBG-CV. Note: additional Board Meetings may be added if necessary, to allocate any remaining CDBG-CV funds.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The State Act stipulates that the allocation of VCDP funds shall be competitive to ensure that a wide range of eligible community development activities are funded, and be based on a system that measures the need and impact of the proposed projects (10 VSA Sec.687). The VCDP has established an application process and selection criteria to meet the intent of the State Act. The VCDP uses a Web-based Application System. Applications are completed online and are submitted by municipalities. VCDP staff then review each application for eligibility and completeness, before conducting a thorough analysis of each eligible application. The VCDP Board then reviews each application, interviews and questions the applicants using the below criteria and makes funding recommendations to the ACCD Secretary on behalf of the Governor. Each of the three criteria has equal weight and staff analyses of the applications are written based on these criteria and must meet one of three HUD National Objectives (Low and Moderate Income, Slums and Blight, and Urgent Need). The selection criterion is as follows: 1. Project Need: The project must meet a documented community or regional need. Determinations will be based on evaluation of such factors as: Need documentation; Appropriate solution; Appropriate funding; Meeting Consolidated Plan priorities; Meeting local and regional plan priorities; Health/safety risks to beneficiaries; Impact if project is not funded 2. Project Impact: The project must show how well it meets a national objective and how well it impacts the community. Determinations will be based on evaluation of such factors as: Ability to meet the need Number/percentage of low and moderate-income persons directly benefiting; Longevity of the benefit; Beneficiary involvement in developing the project; Indirect benefit to low and moderate-income persons and the community 3. Project Feasibility: The project must be attainable and the representations and commitments within the application must be believable. This will include such factors as: Readiness to start/Proposed time frame is realistic; Proposed benefit is realistic; Costs are appropriate and justified; Prior VCDP performance record
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	Please see the VCDP Program Guide at: https://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Program-Guide.pdf for a detailed description of the program including; selection criteria, funding levels and application instructions.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the VCDP Program Guide at: https://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Program-Guide.pdf for a detailed description of the program including; selection criteria, funding levels and application instructions.
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A - ESG only
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations).	N/A – HOPWA only

(HOPWA only)	
Describe how resources will be allocated among funding categories.	The VCDP must expend 70% of the HUD Award to fund activities that principally benefit persons of low and moderate income and aid in meeting urgent community development needs (Urgent Need) that do not necessarily provide a direct benefit to persons with low and moderate incomes. Grant activities under Urgent need will be limited to 30% of the total CDBG-CV. Costs for grant activities known as General Administration may not exceed 10% of a VCDP grant award. This limitation assures compliance with the federally imposed cap of 20% of the total CDBG-CV HUD Award that may be used for all general administrative purposes, including both State and local costs. The federal share of State administration funding is capped at 7% of the CDBG-CV award, 5% for general administration and 2% for technical assistance, HUD has waived the states match requirement for CDBG-CV funds. The Federal Act restricts the total funds that may be used to fund activities known as Public Services to 15% of the Annual HUD Award that is allocated for assistance to municipalities. This restriction has been waived by HUD for CDBG-CV. The State may use up to one percent of the Annual HUD Awards for FFY88 through FFY2019 to the extent funds remain undistributed for these program years to provide technical assistance to local governments and nonprofit recipients. The amount established for this Consolidated Plan Amendment is shown in Table – CDBG-CV Distribution Plan.
Describe threshold factors and grant size limits.	All applications for CDBG-CV funds must meet the following eligibility thresholds to be considered for review. These eligibility thresholds are statutory and cannot be waived by the Agency. Failure to meet all eligibility thresholds will result in rejection of the Application. Eligible Applicant: The eligible applicants are Vermont towns and cities and incorporated villages chartered to function as general-purpose units of local government. Only the Sole Proprietor Stabilization Program non-profit organizations are eligible to apply directly. Waiver was approved from HUD Headquarters for Direct Assistance. A municipality may apply as a single applicant.

	Eligible Activity: Only those activities eligible under the Federal Act may be funded under this program. Federal Objective: Each proposed VCDP activity must meet at least one national objective. The national objective claim must be fully supported, and in some cases, the AGENCY should pre-approve your approach for meeting the national objective. State Objective: Each proposed VCDP activity must meet at least one State objective. Public Hearing: Each VCDP applicant must conduct at least one (1) public hearing or virtual public hearing with notice as required by the HUD waiver of noticing no less than 5 days prior to holding the hearing, prior to application submission. HUD regulations require a minimum of two (2) public hearings, each at a different stage of the program, to obtain citizens' views and responding to proposals and questions. The VCDP complies with this regulation by requiring the first public hearing during the application stage and the second public hearing prior to the completion date of the funded grant program. Municipal Plan: Each Municipal VCDP applicant, including consortium members, must have a municipal plan adopted in accordance with 24 VSA Ch. 117. The plan must identify the municipality's community development needs including housing and economic development as well as the needs of low and moderate-income persons and the activities to be undertaken to meet such needs. Anti-Displacement Plan: Under the provisions of the Uniform Act, 42 USC §4601 et seq., each successful applicant, including all municipalities in joint applications, must submit a Residential Anti-Displacement and Relocation Assistance Plan (ADP) and state whether the proposed activity will result in displacement, relocation, property demolition, or property change of use. Please see the VCDP Program Guide at: https://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Program-Guide.pdf for a detailed description of eligibility criteria and program thresholds. For grant size limits - see CDBG-CV Grant Types, Funding Limits and Match Requirements.
What are the outcome measures expected as a result of the method of distribution?	This method of distribution will support the State's goals in economic development and public services. With a CDBG-CV allocation of approximately \$6.2 million, CDBG will assist 488 businesses, assist 510 households with rental assistance, and serve approximately 3100 persons through public facility and service activities.

CDBG-CV Federal CARES Act DISTRIBUTION PLAN

	Anticipated CDBG-CV Allocation
CDBG-CV 1 HUD Award	\$4,256,840.00
CDBG-CV 2 HUD Award	\$2,031,600.00
Total Available	\$6,288,440.00
Allocations Based on FFY 2019 Annual HUD Award and Program Income	
Implementation Grants (IG)	
Sole Proprietor Stabilization Program (Tiered Lottery) CDBG-CV1	\$1,700,000.00
Sole Proprietor Stabilization Program (Tiered Lottery) CDBG-CV2	\$1,889,388.00
Municipal Public Facility and Service Program CDBG-CV 1	\$ 729,134.80
Scattered Site Grants (SS-HRLF) – Housing Revolving Loan Fund	
Rental Assistance Program CDBG-CV1	\$1,529,726.40
Total State Administration	
CDBG-CV1	\$ 297,978.80
• 5% \$212,842	
• 2% \$ 85,136.80	
CDBG-CV2	\$ 142,212.00
• 5% \$101,580.00	
• + 2%TA \$40,632	
Total	\$6,288,440.00

NOTE:

- The Sole Proprietor Stabilization Program will be managed by Brattleboro Development Credit Corporation (BDCC) and Two-Rivers Ottauquechee Regional Commission (TRORC) – both entities have recent considerable experience with the Agency managing disaster recovery program (CDBG-DR) funds totaling over \$12.5 million. If the State of Vermont does not receive the Waiver approval of Direct Assistance, the Business Assistance Program will be subgranted to TRORC and BDCC, respectively through appropriate municipalities as a grant award from the State.
- The Rental Assistance Program (per eligible activity regulation 24 CFR 570.207 (b)(4) Income Repayments) will be managed by the 5 homeownership centers that qualify as Community Based Development Organizations (CBDO) which are the only organizations eligible to provide rental assistance through the CDBG program. To expedite the process, we will be amending existing grant agreements with these CBDO's. To avoid conflict of interest, applications for units affiliated with HOC's will be reviewed by a third-party.
- Allocations are estimated based on the State's CDBG-CV Award.
- The Agency reserves the right to adjust fund categories by up to \$100,000.
- Recaptured funds will be reallocated as soon as feasible.

Program Limitations

Public Service Limitation (15% of total allocation) – Limitation Waived by HUD

Federal 20% Cap for state & local general administration activities \$ 1,257,688.00

Limit on Urgent Need (30% of Total) \$ 1,886,532.00

CDBG-CV Grant Types, Funding Limits, and Match Requirements

	Implementation (IG) Sole Proprietor Stabilization Program	Implementation (IG) Municipal Public Facility and Service Program	Scattered Site (SS-HRLF) Rental Assistance Program	
Annual Allocation				
Amount	\$1,700,000.00 CDBG-CV1 \$1,889,388.00 CDBG-CV2 \$3,589,388.00	\$729,134.80 CDBG-CV1	\$1,529,726.40 CDBG-CV1	
Grant Funding Limits				
Maximum	\$10,000.00	\$50,000.00	\$1,000 a month (up to 6 months' rent) award amount will be reviewed on a case by case basis	
Minimum	\$ 5,000.00	\$ 5,000.00		
	Tiered Lottery			
	Amount	# of Grants to businesses		Total
	\$10,000	80		\$800,000
	\$7,500	128		\$960,000
	\$5,000	308		\$1,540,000
	Totals	156		\$3,300,000
Match Requirements				
	No Match	No Match	No Match	
Please see the CDBG-CV Guidance on https://accd.vermont.gov/community-development/funding-incentives/vcdp/cdbg-cv for a detailed description of the program including; grant types, selection criteria, funding levels and application instructions.				

AP-35 Projects – (Optional)

Introduction:

Not applicable to State Action Plans. This is where the State of Vermont's will add its Projects for the 2019 program year.

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Refer to AP-25 Allocation Priorities and AP-85 Other Actions - Obstacles to addressing underserved needs.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

In keeping with the State’s long-standing policy, the State does not plan to target assistance to specific geographic regions. CDBG, HOME, and HTF funds will be allocated on a competitive basis to locally-driven projects that address priority needs.

ESG funds are awarded as part of the statewide Housing Opportunity Grant Program (HOP). Awards are made on a competitive basis according to local needs.

Geographic Distribution

Target Area	Percentage of Funds

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

N/A - Vermont does not allocate investments geographically.

Discussion

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

Each year, Vermont strives to provide as many affordable housing units as possible through production of new units, rehabilitation of existing units and preservation of subsidized units at risk of loss. However, the reality is the HUD funding provided to Vermont through CDBG, HOME, and HTF (approximately \$13 million annually) is not enough on its own to significantly address the affordable housing need in the state. The number of affordable housing units created or rehabilitated is much more dependent on the investments of Low-Income Housing Tax Credits and access to other affordable housing investments. The State will use CDBG, HOME, and HTF to leverage these resources, and ESG will provide tenant-based rental assistance / rapid rehousing to homeless households.

CDBG-CV funds will provide rental assistance to tenants earning 80% and below median income that live in any rental property that have been impacted by COVID19 that have unmet needs. The rental housing assistance (up to 3 months' rent) will be paid directly to the landlord. The proportion of funds distributed between publicly supported and private rental properties will correlate with the proportion of publicly supported and private housing in Vermont. Tenants will be required to provide a duplication of benefit affidavit to document unmet need.

One Year Goals for the Number of Households to be Supported	
Homeless	410
Non-Homeless	378
Special-Needs	0
Total	788

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	910
The Production of New Units	111
Rehab of Existing Units	277
Acquisition of Existing Units	0
Total	788

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

Note: If funds are reduced these goals will be adjusted proportionally according to the allocation priorities outlines in this plan.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

Vermont's Public Housing Authorities are operating in a changing environment. A once reliable federal funding landscape has seen year to year swings, with the general trend over the past several years being downward. Public Housing Program operating subsidies, Capital Funds, Housing Choice Voucher Program Housing Assistance Payments funding, and Housing Choice Voucher Program Administrative fees have all seen dramatic federal funding reductions. Even in this environment, none of Vermont's PHA's are considered troubled, and many are rated as high-performing.

Actions planned during the next year to address the needs to public housing

The Commissioner of DHCD will continue to review PHA plans that are submitted, to certify the Plans' consistency with the State's Consolidated Plan. Additionally, the executive directors of the Montpelier Housing Authority and the Vermont State Housing Authority are members of the Department's Consolidated Plan Advisory Board and a representative of the public housing authorities serves on the Vermont Housing Council. PHA's are eligible for VCDP funds through their municipalities.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Vermont State Housing Authority administers public housing funds in the form of rental assistance - the Section 8 Housing Choice Voucher program. VSHA does not own or operate traditional Public Housing. In Vermont, this is done exclusively by the eight local housing authorities.

VSHA's Section 8 funding includes a homeownership program for first-time homebuyers, a project-based voucher program and a variety of targeted programs. VSHA has operated its Section 8 Homeownership program since 1999. It has had 157 closings and currently provides 75 households with mortgage assistance.

To facilitate resident input into its Section 8 Housing Choice Voucher Program, VSHA has a Section 8 Resident Advisory Board (RAB), which provides VSHA with a forum for sharing information and obtaining comments about the Agency's Annual Plan. The role of the RAB is to make recommendations in the development of the PHA Plan and to provide input for any significant amendments or modification to the PHA Plan.

Each PHA in Vermont administering a Public Housing Program has at least one public housing resident serving on the PHA Board of Commissioners. This is to ensure residents have a voice on the governance/administration of Vermont's PHAs. In addition, each PHA in Vermont has organized a Resident Advisory Board to assist in the development of each PHA's Annual Agency Plan. This ensures

that residents have an adequate involvement in management.

Winooski Housing Authority has a Homeownership Program whereby Housing Choice Voucher Program clients may utilize their housing assistance to provide debt service on home mortgages. Clients who qualify must undergo Home Ownership Counseling prior to the purchase of a home.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A - None of Vermont's PHA's are designated as troubled.

Discussion:

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

This section of the draft plan lays out Vermont's one-year goals and actions for reducing and ending homelessness in the state.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Vermont provides outreach to homeless persons through a network of local agencies, including shelters, service agencies and housing providers. United Way 2-1-1 provides a one-stop resource and referral point for all persons.

The PATH Program provides assistance to several Vermont organizations to conduct outreach efforts to people experiencing a serious mental illness or a co-occurring substance use disorder. PATH is funded by the U.S. Department of Health & Human Services and administered in Vermont by the AHS Department of Mental Health.

The Vermont Coalition of Runaway and Homeless Youth Programs include a Street Outreach Program, provided by several organizations, to reach out to homeless and at-risk youth. These programs are funded by the U.S. Dept. of Health & Human Services.

One Year Action:

Full implementation of coordinated entry this year will streamline access to homeless assistance, assess needs using a standard CoC-wide tool, and make referrals to service providers and shelter based on well-established protocols. At this time, Coordinated Entry and Assessment has been implemented in all 13 local Continuums.

Addressing the emergency shelter and transitional housing needs of homeless persons

The State of Vermont leverages resources to address the needs of homeless individuals and families. These resources include those for prevention, rapid re-housing, transitional housing, and shelter operations. The statewide network of local emergency shelters, including shelters for victims of domestic and sexual violence, are often full in winter months and many have developed “overflow” capacity. Additional shelter beds are available seasonally through warming shelters in communities with increased need. When shelters are full, AHS’s Department for Children and Families pays for emergency motel stays for homeless persons who are in a vulnerable population, including elders, people with

disabilities, families with children, and victims of domestic violence.

Member agencies of Vermont's Coalition of Runaway and Homeless Youth Programs provide emergency and transitional housing services to youth through the Runaway and Family Stabilization and Transitional Living Programs with funding from the US Department of Health & Human Services, and with support from AHS.

One Year Action:

Vermont continues to invest in expanded community capacity as an alternative to motel stays as they are not an effective long-term solution to homelessness and often lack the appropriate supports to address underlying issues which may be contributing to homelessness.

ESG-CV Supplemental Action: Enhance the use of motel vouchers as a short-term temporary emergency shelter option to provide noncongregate emergency shelter options. Ensure adequate essential services to households staying in motels to support basic needs, connections to mainstream supports and coordinated entry participation. Rapidly exit households from homelessness into safe housing. Provide rental assistance and retention services, as available, in permanent housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Through AHS, the Vermont Council on Homelessness, and local Continuums of Care, Vermont is actively engaged in developing multiple programs and strategies to shorten the duration of homelessness, ensure that people are stable after receiving assistance, and support homeless persons moving into permanent housing as rapidly as possible. ESG funds are specifically targeted to support Rapid Re-housing programs. In addition to ESG, state-funded resources include:

- The Vermont Rental Subsidy program, providing 12 months of rental assistance to formerly homeless families and individuals. Administered by AHS Department for Children and Families;
- AHS OEO administers Family Supportive Housing Program linking intensive supportive services and affordable housing to families with children experiencing homelessness, especially families with multiple episodes of homelessness.
- AHS OEO administers the consolidated Housing Opportunity Grant Program (HOP), which includes state funded short-term supported housing, rapid rehousing services, transitional

housing for youth, victims of Domestic Violence and Veterans.

Vermont has a strong relationship with the Veterans Administration's grant per diem program to provide emergency shelter to veterans. Funding through the VA Supportive Services for Veterans Families supports various initiatives statewide to provide prevention and re-housing assistance. These projects are coordinated with local Continuums of Care.

Additionally, Vermont has established, through an Executive Order entitled "Publicly Funded Housing for the Homeless", a goal that at least 15% of all housing portfolios that have received publicly controlled development funds be available and serving households exiting homelessness. After enacting the so-called "15% Goal", the Department of Housing and Community Development led a group of stakeholders in the creation of the Housing Access Reporting Tool (HART) for the use of housing developers and managers to report on their progress towards this goal. In addition to the quantification of the number of units that are serving households experiencing homelessness at the time of application to the unit, the HART also includes information about collaborations between housing providers and the local Continua of Care organizations. This annual report is to be reviewed by funders at the time of grant application and is intended to increase collaboration between housing providers and homeless service providers. Since implementation in 2016, the HART reports have demonstrated success in encouraging communication between shelter providers and permanent housing providers about the needs of households experiencing homelessness.

One Year Actions:

Support CoC HMIS implementation to provide systems-level performance data.

Reinforce local implementation of Coordinated Entry through new Continuum of Care McKinney-Vento funding available from the U.S. Department of Housing and Urban Development.

Continue to receive and review HART reports on progress towards the "15% Goal" and enhancing collaborations between permanent housing providers and shelter service providers. Share annual progress on increased access with the Vermont Council on Homelessness and Vermont Housing Council.

Helping low-income individuals and families avoid becoming homeless,, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Vermont leverages state resources to divert low-income individuals and families from homelessness. In

addition to homelessness prevention activities funded under the OEO Housing Opportunity Grant Program, the following initiatives address discharge from publicly funded institutions and systems of care:

- The Vermont Coalition of Runaway and Homeless Youth Programs with AHS Department for Children & Families funding and partnerships ensure persons being discharged from the foster care system are not routinely discharged into homelessness and are accessing mainstream resources, including the Housing Choice Voucher Program and Family Unification Vouchers for youth in transition.
- State-funded Mental Health Subsidy & Care program, modeled on HUD Shelter plus Care targets assistance towards homeless persons in emergency settings such as hospitals to ensure a successful discharge into housing, without utilizing McKinney-Vento funded programs.
- The AHS Department of Corrections (DOC) ensures persons being discharged from the corrections system of care are not routinely discharged into homelessness. If suitable permanent housing in the community cannot be located for a person exiting Corrections, DOC utilizes a comprehensive statewide system of transitional housing to ensure that persons are not routinely discharged into homelessness.

One Year Actions:

AHS will continue to review data on persons experiencing homelessness to target additional discharge planning and oversight where resources, policies or protocols fail to prevent homelessness.

Discussion

These are the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs:

In general, Vermont promotes supported housing integrated into non-specialized residential buildings or settings. This strategy is aided by promotion of universal design through the State qualified allocation plan, as well as mixed-income housing achieved through project and tenant-based rental assistance and on-site supportive services customized to a client's needs.

The Support and Services at Home (SASH) program provides on-site supportive and coordination services to the elderly and frail elderly through a statewide network of designated regional housing organizations (DRHOs). SASH services are funded primarily through Vermont's Blueprint for Health and State grant funds from the Department of Disabilities Aging and Independent Living.

Persons with disabilities have access to an array of housing and housing supports, with an emphasis on the least restrictive community setting and maximum consumer choice. In Vermont, Housing Choice (Section 8) rental assistance has been effectively targeted to persons with mental, physical or

developmental disabilities. Unfortunately, Vermont had not been awarded Section 811 Project-Based Rental Assistance to make rental housing affordable to more non-elderly persons with disabilities.

Beyond accessing the appropriate level of residential or outpatient treatment, persons with alcohol or other drug addictions can access a limited number of transitional beds supported through grants from the AHS, Department of Health, Division of Alcohol and Drug Abuse Prevention.

In addition to the federal HOPWA program, persons with HIV/AIDS can access new, targeted state-funded rental subsidies and emergency financial assistance to prevent eviction or secure stable housing. This funding comes from the AHS Department of Health and is delivered through one of three local AIDS Service Organizations (ASOs).

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

DHCD, AHS, and VHCB and its housing partners, will continue efforts to lower the barriers to affordable housing identified in the strategic plan and below. Specific actions to be taken in the 2019 program year include:

- In coordination with VHFA, VHCB and housing developers, examine operating costs of projects with and without services and create benchmarks for use in development and funding decisions.
- Advocate for continued and expanded energy efficiency and housing development and services through resources at the State and federal levels.
- Provide technical assistance to developers and communities about neighborhood development areas and work with regulatory agencies on the treatment of priority housing projects under Act 250.
- DHCD will respond to complaints and concerns about conditions in mobile home parks using the authority granted by the legislature in 2015 and the rules promulgated in 2016.
- Promote fair housing by conducting trainings to promote affirmatively furthering fair housing and supporting efforts to provide landlord-tenant education programming.
- Participate and ensure housing, particularly in vulnerable populations, is included in resilience and disaster preparedness efforts.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In the 2019 program year, the State will undertake the following actions to address barriers to affordable housing.

Limited public resources, particularly decreasing funding for development, preservation, services and subsidies that support affordable housing.

1. Retain the State's commitment to perpetual affordability.
2. Maximize leveraging and seek ways to reduce operating and development costs.
3. Support the continuation and expansion of the State affordable housing, downtown and historic tax credits.
4. Support State resources for affordable housing such as rental subsidy programs, homelessness assistance and the Vermont Housing and Conservation Trust Fund.

Increasing standards for energy efficiency.

1. While supporting the State's energy goals, ensure a robust analysis of costs is considered in the development of any new State energy-efficiency standards and building codes.
2. Seek expanded and new sources of funding for energy improvements in both publicly supported and private single and multi-family housing.

State and local land use controls.

1. Continue to review State and local land use programs and policies for ways to strengthen environmental protection while reducing unnecessary barriers to residential development, particularly affordable housing.
2. Encourage and promote development and growth in Designated Downtowns and Village Centers, Growth Centers, Neighborhood Development Areas and New Town Centers.
3. Support increased State tax credits supporting first time home buyers and rehabilitation of aging housing stock.

Permitting processes and community development standards.

1. Provide technical assistance to communities, developers and property owners seeking to provide affordable housing.
2. Provide technical assistance and funding to municipalities around zoning and land use planning.

Limited funding to promote Fair Housing and address discrimination in rental and sales market housing markets.

1. Continue collaboration through the Fair Housing Committee of the Vermont Housing Council to undertake the actions recommended in the 2017 update to the State's Analysis of Impediments.
2. Support efforts of the Vermont Human Rights Commission, the Fair Housing Project, Vermont Legal Aid, and others to secure additional funding for fair housing activities.
3. Work with landlord and tenant organizations to increase awareness of State and federal housing law and ensure the rights and responsibilities of both are appropriately balanced in changes to State statutes.

Complexity and inconsistent enforcement of health and habitability standards.

1. Simplify State housing and habitability rules and provide for cost effective enforcement that expands the availability of safe and decent housing.
2. DHCD will respond to complaints and concerns to ensure that Vermont's mobile home parks provide safe and habitable housing to their residents.

Federal funding regulatory requirements such as the National Environmental Policy Act, Davis-Bacon and procurement standards.

1. Continue to provide technical assistance and update guidance to grantees as requirements expand and change.
2. Access and seek additional training opportunities for State administrators and grantees.
3. Provide federal funding and regulatory agencies with information on the benefits and challenges of statutory and regulatory requirements and recommendations for improvements.

Discussion:

AP-85 Other Actions – 91.320(j)

Introduction:

This section describes actions that will be pursued in addition to the actions described elsewhere in this plan.

Actions planned to address obstacles to meeting underserved needs

Underserved needs as identified at the Community Outreach meetings conducted in 2014 and 2015, were a lack of resources for workforce development, including education and job training opportunities, in particular for underemployed persons. Other underserved needs mentioned include lack of available commercial space and financing for new construction that is often difficult to obtain, and a need for better public transportation connecting housing and jobs.

In addition, municipal employees stated the need for funding for infrastructure improvements to create opportunities for economic development projects, and funding to assist property owners in connecting to municipal water and sewer. Telecommunications (e.g. high-speed Internet and cell service) for housing and business was rated as a high priority in the Department's online survey.

Ongoing activities that address the workforce training and education needs of Vermonters include several programs offered through ACCD and the State Department of Labor and their partners, the Vermont Manufacturing Extension Center, Vermont Apprenticeship Program, and Vermont Businesses for Social Responsibility.

ACCD's Vermont Training Program (VTP) serves Vermonters in a broader spectrum of industry sectors and has improved its processes to remain flexible and increase collaboration. Per Act 199 of 2014, at the completion of the training the employer must pay the employee a wage equal to or exceeding the livable wage established by the Joint Fiscal Committee of the Vermont Legislature (currently set at \$13.16/hr.). VTP will also align its training resources with the State's Comprehensive Economic Development Strategy (CEDS). VTP will be a flexible, nimble, and strategic workforce development program to enhance the skills of the Vermont workforce and increase productivity of Vermont employers.

In housing, there is a long-standing need for low-cost capital to improve privately owned rental housing without driving up rents. As shown in the Market Analysis of the 2015-2019 Vermont HUD Consolidated Plan, using HUD's definition, 2.4% of Vermont's rental housing units are considered substandard. The counties with the highest share of substandard housing include Windsor, Addison, Orleans, and Windham. The Vermont Housing Needs Assessment conducted by the firm Bowen National Research

rated a disproportionate share of surveyed multi-family rental housing in “fair” or worse condition.

One Year Actions

The VCDP continuing to encourage the scattered site housing loan programs to incentivize private, for-profit landlords to make improvements to distressed rental housing to bring substandard and vacant rental housing up to code, to increase the supply of decent rental housing affordable to low-income residents and those Vermonters at risk of homelessness.

Governor Scott’s Housing Revenue Bond received support from the Vermont General Assembly in 2017 and has generated \$37 million to create affordable housing. Proceeds will create net new housing units, increase single family ownership opportunities and multifamily housing properties. Multiple projects have been awarded HRB funding through the Vermont Housing and Conservation Board with three projects already under construction. At least 25% of the housing will be affordable to middle income (80%-120% AMI) Vermonters. At least 25% of the housing will be affordable to households at or below 50% AMI. The targeting of the bond proceeds is consistent with the largest gaps in the availability of affordable housing identified by the most recent statewide housing needs assessment.

Actions planned to foster and maintain affordable housing

The Vermont Housing Finance Agency (VHFA) maintains a detailed list of all assisted housing projects in the state, including those without perpetual affordability covenants. VHFA works proactively, in conjunction with other State agencies and organizations as needed, to ensure that affordability contracts are renewed, and housing assistance is maintained. The Vermont Housing and Conservation Board also host the Preservation Council, a group of housing agency representatives, which strategizes and prioritizes efforts throughout the state to preserve existing affordable housing. These efforts will continue over the next year and into the foreseeable future to preserve housing affordability.

Actions planned to reduce lead-based paint hazards

Vermont's ongoing activities to reduce lead-based paint hazards in housing, eliminate childhood lead poisoning, and integrate lead poisoning prevention and home health and safety efforts into affordable housing programs include:

1. Continue to implement activities of the state-wide Lead-Based Paint Hazard Reduction Grant Program (U.S. Department of Housing & Urban Development) in the private housing stock, administered by the Vermont Housing & Conservation Board.
2. Continue activities of the Burlington Lead Program, funded by a HUD Lead Hazard Control Grant.
3. Continue to implement activities of the State and Community-based Healthy Homes Lead Poisoning Prevention Program, administered by the Vermont Department of Health through a cooperative agreement with the U.S. Centers for Disease Control (CDC).

4. Continue to implement activities of VHCB's state-wide Healthy Homes Vermont Program and raise awareness of the strong connections between home environments and resident health.
5. Implement the recommendations of the 2006 Get the Lead Out of Vermont Task Force.
6. Continue to implement provisions of Act 94 (an Act Relating to Childhood Lead Poisoning Screening and Lead Hazard Abatement), passed by the Vermont General Assembly in 1993.
7. Continue to develop and implement appropriate recommendations of Act 94 (passed in 1993) and Act 165 (passed 1996), including the development of financial strategies for lead hazard reduction in future years; and pursue further legislative action to reduce lead paint hazards. The Vermont Legislature is currently considering a bill that will have the State take over administration of the Renovation, Repair and Painting (RRP) Rule and integrate it into Vermont's lead paint laws.
8. Continue to seek additional HUD funds to address the on-going need for lead-based paint hazard reduction in thousands of Vermont housing units.
9. Maintain regular contact with staff at the National Center for Healthy Housing (formerly the National Center for Lead Safe Housing) in Columbia, Maryland.
10. Continue participation on the New England Lead Coordinating Committee, convened by the Tufts University School of Medicine and the University of Connecticut.
11. Evaluate and amend policies of the Vermont Housing Finance Agency and the Vermont Housing & Conservation Board regarding lead-based paint, health, safety, or toxic and hazardous materials, as appropriate.
12. Coordinate procedures with the Department of Health, the Vermont State Housing Authority and local Public Housing Authorities regarding childhood poisoning in owned and assisted units, as needed.
13. Continue to build a database in the Department of Health regarding incidences of childhood lead poisoning and presence of lead hazards in housing stock.
14. Coordinate lead hazard reduction efforts with activities of the State Office of Economic Opportunity Weatherization Assistance Program in low-income housing units.
15. Continue public information, education, and outreach efforts.
16. Continue to develop public and private financial resources for lead-based paint hazard control activities in Vermont's housing stock.
17. Coordinate with the Department of Health and affordable housing funders and developers in implementing the Healthy Homes strategic plan promoted by HUD and promote the incorporation of healthy homes principles into ongoing practices and programs.
18. Coordinate efforts with all housing groups, agencies, and stake-holders to create sustainable delivery of healthy homes services to reduce health and safety hazards in housing in a comprehensive and cost-effective manner, with a focus on protecting the health of children and other sensitive populations in low-income households.
19. Continue coordination and collaboration among health, housing, and historic preservation agencies and interest groups.

Actions planned to reduce the number of poverty-level families

Ongoing activities to reduce the number of poverty-level families rest primarily with the Agency of

Human Services (AHS) Department of Children and Families (DCF) which will continue administering its anti-poverty and benefit programs, as detailed in the Anti-Poverty Strategy section of this Plan.

Actions planned to develop institutional structure

1. Continue to encourage closer coordination between housing and human service providers, particularly with the Agency of Human Services, to better serve our lowest income population; and continue coordination with the Department of Labor to ensure that unemployed or under-employed Vermonters are connected to progressive employment programs.
2. Continue to require Economic Development Projects with job creation elements to enter into a hiring agreement with the Department of Labor career resource center.
3. Continue to encourage closer communication with the Agency of Transportation to encourage integrated transportation systems that link housing with jobs and services.
4. The Public Transit Administrator in the Agency of Transportation will continue to review CDBG applications and provide comment when there are elements that relate to the use of or access to public transportation.
5. Continue efforts to simplify and to coordinate application requirements for various funding sources.
6. Streamline service delivery and enhance local effectiveness by continuing to build and enhance the capacity of community-based homeless assistance providers and nonprofit housing providers.

Actions planned to enhance coordination between public and private housing and social service agencies

Continue, through the Department's leadership of the Housing Council, formation of State policy, to assist housing providers, State agencies, such as the Vermont Housing and Conservation Board, (VHCB), Vermont State Housing Authority (VSHA), and others to ensure the availability of safe and affordable housing for all Vermonters.

Discussion:

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

As reported throughout this plan the State will strive to; increase the supply and quality of affordable housing, decrease the number of persons experiencing homelessness, create and retain jobs, strengthen communities and improve the quality of life for all Vermonters. CDBG, HOME, HTF, and ESG funding will be leveraged and partnerships will be strengthened to maximize the available resources.

Specific priorities and goals for CDBG, HOME, HTF, and ESG funding are identified in the annual goals and objectives contained in this plan.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	899,632
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A - No other forms of investment will be used.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

N/A - Vermont will not be using HOME funds for homebuyer assistance programs.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

N/A - Vermont will not be using HOME funds for homebuyer assistance programs.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Multi-family projects developed by locally based housing organizations that receive HOME funds for rehabilitation may utilize HOME funds to refinance existing debt consistent with 24 CFR 92.206(b)(2), if they meet the following guidelines:

1. Refinancing is necessary to permit or to continue affordability under section 92.252;
2. Rehabilitation is the primary eligible activity. A minimum of \$7,500 of rehabilitation per unit is required;
3. The grantee must demonstrate that disinvestment in the property has not occurred;
4. The grantee must demonstrate management capacity and practices that ensure that the long term needs of the project can be met and the targeted population can be served over an extended affordability period;
5. The grantee must demonstrate that the new investment is being made to maintain current affordable units, to create greater affordability in current affordable units, or to create additional affordable units;
6. Refinancing will be limited to projects that have previously received an investment of public funds;
7. The minimum HOME affordability period shall be 15 years and all HOME assisted projects are required to be perpetually affordable via a VHCB Housing Subsidy Covenant;

8. HOME funds may be used for refinancing anywhere in the State of Vermont with the exception of the City of Burlington;
9. HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

**Emergency Solutions Grant (ESG) and ESG-CV (will use the same standards)
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

Please see attached State ESG written standards. The State requires that all ESG grantees submit to the Office of Economic Opportunity (OEO) written standards (policies and procedures) for providing ESG assistance. OEO approves only those standards that are in compliance with ESG regulations and are consistent with state and federal goals.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Both the Chittenden County CoC and the Balance of State CoC adopted coordinated entry policies and procedures in January 2018. OEO participates in the Chittenden County CoC coordinated entry committee and chairs the Balance of State CoC coordinated entry committee. OEO is also the recipient of HUD CoC Coordinated Entry project funds, which it pairs with state funding to support implementation in the Balance of State. All ESG grantees are required to participate in the coordinated entry system in their region.

Both coordinated entry systems incorporate a screening form to assist a range of partners with making a referral for homeless assistance and a uniform housing assessment tool, which evaluates severity of service need and/or vulnerability in order to support prioritization of scarce resources. In Chittenden County, the assessment form is varied for subpopulations of single adults, families, youth and victims of domestic violence. Both CoCs use a hybrid model which includes partner agencies serving as a hub or an assessment partner, and both use HMIS and a master list review process. 2-1-1 provides access to coordinated entry across the geographic area.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

OEO administers the Emergency Solutions Grants program (ESG) as part of the Housing Opportunity Grant Program (HOP). The Housing Opportunity Grant Program blends federal and state funding to help nonprofit organizations, including community and faith-based organizations; provide emergency overnight and day shelter; provide transitional housing where appropriate; offer supportive services for homeless families and individuals; and implement effective homeless

prevention and rapid re-housing initiatives within the local continua of care. Vermont has chosen to allocate ESG resources towards Emergency Shelter (Operations and Essential Services), HMIS and Rapid Re-housing (Client Financial Assistance and Rental Assistance, short- and medium-term). Other activities, such as Street Outreach, Shelter Renovation, Homelessness Prevention and Rapid Rehousing Services will be funded through other funding sources and coordinated locally and/or as part of the consolidated Housing Opportunity Grant Program.

In April 2019, OEO will release a Request for Proposals for the Housing Opportunity Grant Program (which includes ESG program funds). Awards made for State Fiscal Year 2019 (July 1 – June 30, 2019) will be considered for renewal first in SFY 2020, followed by requests for new projects or additional funding. Current awards (SFY 2019) were reviewed and evaluated by AHS OEO based on local need, capacity, approach and local coordination. Eligible applicants are municipalities and nonprofits including community and faith-based organizations. Faith-based organizations are required to have separate 501c3 status established to meet eligibility requirements. Part of the selection process can involve a site visit of the finalists at which time documentation listed in the application will be reviewed. All Emergency Shelter applicants must certify that the assisted property will be maintained as an Emergency Shelter for the period of funded assistance. New applicants, and applicants who have recently relocated their operations to another municipality, must submit a completed Certification of Local Government Approval with their application. Vermont makes ESG sub awards under the Housing Opportunity Grant Program. One or more grants will be awarded by OEO to Vermont municipalities, or, with municipal approval, Vermont nonprofits whose purpose is to shelter, serve, and re-house the homeless. All sub awards are made on the State Fiscal Year calendar (July 1 – June 30). Please see the Methods of Distribution for selection criteria.

Spending plans will be negotiated based on ineligible activities, where activities are not in alignment with state and federal goals, when there are inadequate funds to meet all requests, and/or where proposed grantees are either ineligible or lack the capacity to carry out proposed activities. Additional guidance on eligible and ineligible uses of ESG funds are contained in the Department of Housing and Urban Development's ESG program guidelines, the Request for Proposal and in grant agreements between the state of Vermont and its subrecipients. This includes the ESG requirements for faith-based organizations.

OEO will monitor grantees and measure the performance at the grantee and statewide level.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

N/A. The Grantee is a State and not subject to § 576.405(a).

5. Describe performance standards for evaluating ESG.

Performance measures will be evaluated on both the grantee and statewide level. In addition to measuring the number of persons and families in emergency shelter, the number of shelter bed nights provided, the number of households receiving rapid rehousing assistance – Vermont uses performance-based contracting, outcome measures, indicators and targets, consistent with the goal of decreasing the incidence and duration of homelessness. Current performance standards for ESG include:

Emergency Shelter, Operations

Maintain shelter facilities that are staffed, insured, and clear of safety violations.

At least 90% of homeless households entering the shelter meet with a case manager or program equivalent within 3 days of shelter entry.

Emergency Shelter, Essential Services - Case Management

At least 90% of homeless households referred for case management meet with a case manager or program equivalent for intake and assessment within 3 days of referral.

Of those homeless households receiving case management:

- at least 70% subsequently attain employment OR are enrolled in an educational or training program, OR qualify for TANF, SSI or General Assistance within 90 days of referral;
- at least 70% subsequently are stabilized in transitional or permanent housing within 90 days AND of those housed, at least 70% continue to be stably housed for at least 90 days.

Rapid Re-Housing for Homeless Families & Individuals

Homeless households assisted have their housing stabilized.

To establish baseline data, Grantee will report on the average length of time from program entry until housing was stabilized for these households.

- At least 70% of households who are homeless have their housing stabilized within 28 days
- At least 70% of households stabilized remain stably housed for at least 90 days following the intervention. OEO tracks performance measures for grantees quarterly. If a grantee's performance falls below 75% of a stated target, OEO in conjunction with the grantee may require a performance improvement plan. Continued failure to meet performance measures may result in loss of funding or cancellation of the grant agreement. An ability to meet or exceed performance targets will be consideration for renewal of the grant agreement.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligibility to apply for HTF funds will be no more restrictive than required by HTF regulations. Eligible applicants/recipients of HTF funds include nonprofit and for-profit developers, public housing agencies, and municipalities. In accordance with the definition at 24 CFR 93.2, recipients must:

- Make acceptable assurances to the grantee (VHCB) that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and,
- Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Entities seeking HTF dollars for eligible projects may submit applications for funding to VHCB using the Common Housing Application. A HTF application supplement, available on VHCB's website, must also be completed and submitted to VHCB.

Applications will be accepted on a rolling basis, however funding decisions shall be made by the VHCB Board at regularly scheduled meetings. VHCB board meeting and application due dates are published at www.vhcb.org.

The following threshold criteria must be met by an application to be considered for a HTF award: 1) the project must include the creation or preservation of permanent rental housing (transitional housing and shelters are not eligible), 2) the housing must remain affordable in perpetuity after the expiration of the HTF required period via a VHCB Housing Subsidy Covenant, 3) at least one of the State's Consolidated Plan housing priorities must be addressed, and 4) there must be a reasonable expectation that the project will be ready to proceed within 18 months.

Applications must include a description of the eligible activities to be conducted with the HTF funds in accordance with 24 CFR 93.200 (Eligible activities), and must contain a certification (included in the HTF application supplement) by each eligible recipient that housing units assisted with the HTF will comply with HTF requirements.

All HTF applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to achieve the goal of making available at least 15% of the units in their portfolio to those who are experiencing homeless.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection Criteria

On a competitive basis, applications that have met the threshold criteria described above will be evaluated according to how and the extent to which they meet the HTF criteria listed below. These criteria will carry equal importance and weight. The HTF criteria, together with the criteria and considerations in the VHCB Affordable Housing Funding Policy and the Underwriting Policy and Procedures will be used to determine "Need," "Impact," and "Quality" scores (up to 10 points each) for a project's funding recommendation to the VHCB Board of Directors.

HTF Criteria

1. The applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner

- Applicants will be evaluated on their development capacity (do they have experienced

development staff, are they using a development consultant, are they partnering with another development entity?); their experience with federal affordable housing programs (what other federally-funded affordable housing projects have they developed?); and their track record for developing projects within a reasonable timeframe (were those projects successfully completed in a timely manner?)

2.The extent to which the project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families

- While project-based rental assistance is not a HTF requirement, applications will be evaluated based on whether any of the units in the project, including the HTF units, will have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities. The type of project-based rental assistance and the length of commitment for the assistance will also be considered.
- Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating assistance reserves, will be considered.

3.The duration of the units' affordability period

- All HTF funded projects will be subject to a minimum 30-year affordability period. Consideration will be given to projects that propose a HTF affordability period greater than the minimum 30 years.
- After the expiration of the HTF period, all projects will be subject to perpetual VHCB affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement. The proposed number of VHCB restricted units and the level of the VHCB restrictions will be considered.

4.The merits of the application in meeting the priority housing needs as identified in the State's Consolidated Plan; i.e.

safe, decent, affordable housing (increase the supply and quality of affordable housing)

- Does the project increase the supply and quality of affordable housing?
- How many of the following Consolidated Plan Affordable Housing strategies are addressed by the application?

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

N/A - there will be no geographic priority

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The following threshold criteria must be met by an application to be considered for a HTF award:

1. The project must include the creation or preservation of permanent rental housing (transitional housing and shelters are not eligible),
2. The housing must remain affordable in perpetuity after the expiration of the HTF required period via a VHCB Housing Subsidy Covenant,
3. At least one of the State's Consolidated Plan housing priorities must be addressed, and
4. There must be a reasonable expectation that the project will be ready to proceed within 18 months.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The extent to which the project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families

- While project-based rental assistance is not a HTF requirement, applications will be evaluated based on whether any of the units in the project, including the HTF units, will have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities. The type of project-based rental assistance and the length of commitment for the assistance will also be considered.
- Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating assistance reserves, will be considered.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The duration of the units' affordability period

- All HTF funded projects will be subject to a minimum 30-year affordability period. Consideration

will be given to projects that propose a HTF affordability period greater than the minimum 30 years.

- After the expiration of the HTF period, all projects will be subject to perpetual VHCB affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement. The proposed number of VHCB restricted units and the level of the VHCB restrictions will be considered.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The merits of the application in meeting the priority housing needs as identified in the State's Consolidated Plan

Safe, decent, affordable housing (increase the supply and quality of affordable housing)

- Does the project increase the supply and quality of affordable housing?
 - How many of the following Consolidated Plan Affordable Housing strategies are addressed by the application?
1. House lower income families and individuals, with special preference to projects housing extremely-low income families and individuals at or below 30% of area median income.
 2. Increase the supply of affordable rental housing through the acquisition and/or rehabilitation of existing units especially in communities where there are tight housing markets, very low vacancy rates or there is a high incidence of distressed housing.
 3. Increase the supply of affordable rental housing through the construction of new units especially in communities where there are tight housing markets, very low vacancy rates or there is a high incidence of distressed housing.
 4. Promote mixed income developments to create integrated communities.
 5. Promote the development of new rental housing designed and built to a level of energy efficiency that meets or exceeds the levels required to qualify for the Energy Star label.
 6. Preserve existing affordable housing projects in a manner consistent with prudent investment criteria.
 7. Redevelop existing properties with consideration given for projects that leverage other resources specific to the preservation of historic structures.
 8. Redevelop foreclosed properties for affordable rental housing.
 9. Provide accessible or adaptable housing for persons with disabilities.
 10. Provide service enriched housing serving persons with disabilities.

11. Produce affordable senior rental units in regions where a market analysis identifies a shortage of elderly housing affordable to lower income seniors.
12. Provide service enriched housing that allows seniors the opportunity to age in place.
13. Locate affordable rental housing in close proximity to public transportation services with access to employment centers, services, recreational opportunities, and schools.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The extent to which the application makes use of non-federal funding sources

- Does the applicant plan to apply for and/or anticipate a commitment of non-federal sources of funding?
- How much, and from what source(s)?
- What percentage of the total development cost do the non-federal funding sources represent?

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

For FFY18, the third year of the program, while VHCB and its development partners gain more experience using HTF to create rental housing affordable to ELI households, the maximum per-unit subsidy limits for HTF will again be set at HUD's applicable limits for the HOME Program. They will be applied statewide and are adjusted by the number of bedrooms per unit.

These limits are currently \$141,089 for 0BRs, \$161,738 for 1BRs, \$196,673 for 2BRs, \$254,431 for 3 BRs, and \$279,286 for 4BRs+.

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs of affordable multifamily rental housing properties in Vermont. While there is significant difference in individual project costs, there is relatively little variation in the averages across the State's counties. The averages for the counties with the highest and lowest total development cost per unit both differ by less than 20% compared with the statewide average. The data do not support consistently higher development costs in some geographic areas over others

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

Rehabilitation Standards

VHCB's HTF Rehabilitation Standards shall apply to HTF assisted projects. The standards provide details on what work is required, how that work should be performed (methods), and what materials should be used. The standards refer to applicable codes and in some circumstances establish requirements that exceed the minimum requirements of codes. Methods and materials are specified in some of the incorporated applicable codes referenced on pages 1-2, including International Building Code (IBC). In addition, VHCB's HTF Rehabilitation Standards include language that provides detail on methods and materials.

The rehabilitation standards address the following categories: health and safety; major systems; lead-based paint; accessibility; disaster mitigation; State and local codes, ordinances, and zoning requirements; and inspectable areas and observable deficiencies from HUD's Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing.

Applicants must be able to demonstrate compliance with these standards. If any particular element of the project does not meet the standards, applicants must bring this to the attention of VHCB staff. Waivers may be requested in accordance with VHCB procedures.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

While Vermont's HTF Program is not limiting beneficiaries to a particular segment of the extremely low-income population, VHCB will give funding preference to projects that include the creation of permanent supportive housing (PSH) with rental assistance and support services for persons who are

homeless or at risk for homelessness. VHCB is establishing this preference in accordance with its long term commitment to creating housing for the most vulnerable, the priorities of the State's Consolidated Plan, results of the most recent Point in Time Count, and HUD's emphasis on permanent (over transitional) housing. It is also consistent with Vermont's 2016 Executive Order (No. 03-16) which establishes the following goal: "owners of publically-funded housing [shall] make available at least 15% of their affordable housing portfolio to homeless families and individuals, including those with special needs who require service support and rental assistance to secure and maintain their housing."

In accordance with the State's Consolidated Plan guiding principle of "promoting development in State designated downtowns, village centers, neighborhood development areas and other areas that are consistent with the State's historic settlement pattern and 'Smart Growth'," VHCB shall give funding preference to projects located in these areas.

Preference shall also be given to projects that 1) create new units or 2) preserve affordable, subsidized units in properties acquired from private owners.

Owners of housing funded with HTF dollars may (but are not required to) limit occupancy or provide preference to the following populations:

- Homeless families or individuals
- People with disabilities (including people with mental illness)
- Victims of domestic violence
- Frail elders
- Veterans

However, any limitation or preference must not violate the nondiscrimination requirements in the HTF interim rule at 24 CFR 93.350, and the applicant must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. Preferences and/or limitations may not be given to students.

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Multi-family projects developed by locally based housing organizations that receive HTF funds for rehabilitation may utilize HTF funds to refinance existing debt consistent with 24 CFR 93.201(b) if they meet the following guidelines:

1. Refinancing is necessary to reduce the overall housing costs and to make the housing more affordable and proportional to the number of HTF-assisted units in the rental project.
2. Rehabilitation is the primary eligible activity. A minimum of \$7,500 of rehabilitation per unit is required. The proportional rehabilitation cost must be greater than the proportional amount of debt that is refinanced;
3. The grantee must demonstrate management capacity and practices that ensure that the long term needs of the project can be met and the targeted population can be served over an extended affordability period;
4. The grantee must demonstrate that the new investment is being made to maintain current affordable units, to create greater affordability in current affordable units, to create additional affordable units, or to continue the affordability of units that could be lost;
5. Refinancing will be limited to projects that have previously received an investment of public funds;
6. The minimum HTF affordability period shall be 30 years. All HTF assisted projects are required to remain affordable in perpetuity after the expiration of the HTF required period via a VHCB Housing Subsidy Convent;
7. HTF funds may be used for refinancing anywhere in the State of Vermont including the City of Burlington;
8. HTF funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.