



Updates on New Funding for Housing

VERMONT HOUSING & CONSERVATION BOARD

OCTOBER 12, 2021



Agenda

- Background – Vermont’s Housing Response and Recovery
- Sources and Priorities for New Funding
- Information & Resources
- ARPA-SFR and Supplemental State Funding – Eligibility and Guidelines
- Application Process
- Questions and Comments



Background - VHCB and Vermont's Housing Response and Recovery

- Coronavirus Relief Funds and Results
- Housing Creation Part of a Broader Housing Response
- Housing Recovery Working Group

New Housing Funding – FY22

- HRF: State Homelessness Relief Funds
 - \$10 M for housing and shelter facilities that can proceed in 2021
- ARPA SFR: Federal American Rescue Plan Act State Fiscal Relief Funds
 - \$64 M for housing and shelter capacity with priority on those displaced from motels including permanent housing and in consultation with AHS.
- One-time: State General Fund
 - \$70 M for housing initiatives
- HOME-ARP: supplemental federal HOME funds from ARPA
 - \$9.5 M to address homelessness – housing, shelter, services or RA

Targets:

	ARPA SFR	HRF	One Time	HOME-ARP	Total
	\$ 64,000,000.00	\$ 10,000,000.00	\$ 70,000,000.00	9,500,000	153,500,000
<u>Housing Activity</u>					
Multi Family New Units - Awarded to Projects	\$ 25,371,632.00	\$ 4,318,980.00	\$ 18,668,711.19		\$ 48,359,323.19
Expanded Shelter Capacity - Awarded to Projects		\$ 5,310,000.00	\$ 45,000.00		\$ 5,355,000.00
Mobile Home Parks - Awarded to Projects			\$ 1,300,000.00		\$ 1,300,000.00
Multi Family New Units & Shelter Capacity - Available	\$ 36,708,368.00		\$ 29,212,308.81	\$ 9,500,000.00	\$ 75,420,676.81
VCIL Accessibility Modifications			\$ 845,000.00		\$ 845,000.00
Homeownership New Units			\$ 3,400,000.00		\$ 3,400,000.00
<u>Set Asides</u>					
Farm Worker Housing			\$ 1,200,000.00		\$ 1,200,000.00
Mobile Home Parks - Available			\$ 4,700,000.00		\$ 4,700,000.00
Innovation Investments - Available			\$ 7,000,000.00		\$ 7,000,000.00
Program Management	\$ 1,920,000.00				\$ 1,920,000.00
Planning and Implementation Capacity Support			\$ 1,000,000.00		\$ 1,000,000.00
Contingency		\$ 371,020.00	\$ 2,628,980.00		\$ 3,000,000.00

VHCB-Funded Housing Coming Online 2020-2023

VHCB-Funded Housing Units Completed 2020-2023	1158
Number of these designated for the homeless – 45%	523
Total New Units completed since January 2020	475
Number of these for the homeless	269
Additional Units to be completed by the end of 2022	386
Number of these for the homeless	190
Additional Units to be completed by end of 2023	297
Number of these for the homeless	64

In addition to the above rental units, 50 new shelter beds will be online by June 2022, and health and safety improvements were made to 13 shelters with 250 beds, allowing them to safely operate during the pandemic

The number of homes coming online in 2022 and 2023 will grow as additional projects are funded.

The annual average of new affordable housing units coming on line from 2012 to 2019 was 152.

Information & Resources

VHCB Website:

- www.vhcb.org/our-programs/housing/arpa-sfr

Treasury Website:

- <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

Information & Resources

The screenshot shows the website header with social media icons (Facebook, Twitter, Instagram) and the tagline "Building and conserving Vermont's future." Navigation links include "Our Programs", "News", "Vermont Housing & Conservation Board" (with a house icon), "Resources", and "About Us". A search bar and "Get Updates" button are also present. Below the header is a banner image of a house at night with interior lights glowing. A green breadcrumb trail reads "Home > Our Programs > Housing > ARPA-SFR".

ARPA-SFR

State, Federal and American Rescue Plan Act Funding for Investments in Housing, Conservation, Working Lands Businesses, and Rural Economic Development

The Governor and General Assembly agreed on a total appropriation of \$168.8 million in state and federal funds to VHCB as a result of the 2021 Legislative Session — \$14.8 million in base funding and \$164 million in supplemental funding including from the federal American Rescue Plan Act State Fiscal Recovery Fund (ARPA-SFR). VHCB will also receive \$9.8 million in ARPA funding from HUD through the federal HOME Program targeted to housing those experiencing homelessness during the pandemic. HUD guidance on the program and eligible uses of HOME-ARPA is expected later this year.

VHCB expects to award these funds over the next two fiscal years to accelerate the production and rehabilitation of housing by non-profit and private housing developers, to conserve farmland, natural areas, forestland, and recreational lands, for VHCB's Vermont Farm & Forest Viability Program to assist working lands enterprises, and to assist communities with grant writing services through the Rural Economic Development Initiative.

IN THIS SECTION

- [Home Ownership](#)
- [HOME Program](#)
- [National Housing Trust Fund](#)
- [ARPA-SFR and Supplemental State Funding](#)
- [Housing the Homeless Funding](#)
- [Mobile Home Parks](#)
- [Housing for All Bond Initiative](#)
- [Housing Events](#)
- [Zero Energy Modular Homes](#)
- [Housing News](#)
- [Housing Policies](#)
- [Housing Applications](#)



ARPA State Fiscal Recovery Funds

GOVERNING AUTHORITIES

- U.S Treasury Interim Final Rule and Associated Guidance
- Act 74 Budget Language
- VHCB Interim Guidelines and Procedures

Eligibility and Guidelines

ARPA-SFR

- Non profit organizations, municipalities, cooperatives, and private developers may apply
- Risk Assessment Required – email housing-funds@vhcb.org
- Per unit subsidy caps:

0 BR	\$153,314
1 BR	\$175,752
2 BR	\$213,718
3 BR	\$276,482

Leverage is an important consideration in the Board's awarding of funding. Applicants should consult with their municipality to determine if the project is eligible to be awarded local ARPA funds.

Eligibility and Guidelines

ARPA-SFR

- Eligible uses:
 - Acquisition, rehab, construction and related expenses
 - Eligible for:
 - Projects within a Qualified Census Tract
 - Projects/Units serving those who have experienced homelessness
 - Pending guidance, may also be eligible for: Areas disproportionately impacted by the pandemic.

Eligibility and Guidelines

ARPA-SFR

Federal Funding Requirements:

- Procurement
- Single Audit, with some exceptions

Challenges with ARPA SFR & LIHTC

Updates on Eligibility and Requirements

Under new guidance issued by Treasury on July 19th, ARPA SFR cannot be used for loans that mature after 2026. This means ARPA SFR cannot currently be included in LIHTC basis.

Developers are still encouraged to pair ARPA with LIHTC, and to submit two proformas with their applications:

One which includes ARPA in basis, in the event that new guidance is received prior to the next Board meeting.

One which does not include ARPA in basis.

Other Recent and Potential Changes to ARPA SFR Guidance:

Recent:

Section 106 does not apply to ARPA SFR projects unless triggered by another source or process. However, applicants must submit a request for review by DHP and respond to any comments.

Davis Bacon does not apply.

Potential:

In the future, VHCB may consider expanding broader eligibility to projects outside of Qualified Census Tracts.

Eligibility and Guidelines

SUPPLEMENTAL STATE FUNDS

- Non profit organizations, municipalities and cooperatives may apply
- VHCB's standard underwriting policies apply.
- Per unit subsidy caps:
 - UP TO \$60,000 for projects eligible for 9% LIHTC
 - UP TO \$85,000
 - **Leverage** is an important competitive consideration in the Board's consideration of projects.

Other changes since last public information session:

HUD has issued guidance on the HOME-ARP program.

An Allocation Plan describing how the funds will be used is under development.

HUD will review and must approve the plan.

These funds will most likely be available in late winter / early spring.

HOME-ARP (American Rescue Plan) Funding

Vermont Award - \$9,564,691

HOME-ARP Eligible Activities

- **Development of Rental Housing** (traditional Vermont use of HOME funds)
- **Development of Non-Congregate Shelters**
- **Supportive Services** (eligible activities similar to HUD's ESG Program)
- **Tenant-Based Rental Assistance**
- Operating Costs for Non-Profits (not more than 5%)
- Capacity Building for Non-Profits (not more than 5%)
- Administration (not more than 15%)

These funds are intended to assist “Qualifying Populations”, principally households defined as homeless or at-risk of homelessness similar to McKinney-Vento, but also households that “otherwise live in housing that has characteristics associated with instability.”

Based on needs and consultation with State agencies and others, VHCB proposes to use HOME-ARP predominantly for the development of rental housing, as well as operating and capacity building awards to non-profits related to the development of HOME-ARP projects and for the cost of VHCB's administration of the program.

There will be a formal public comment period and a public hearing regarding the use of these funds in the near future, however we also welcome input from participants on this call to help us draft an Allocation Plan for this funding. Send comments to rrupp@vhcb.org



Application Process

Application Deadline

November 10, 2021

February 25, 2022

Board Meeting Consideration

January 26, 2022

May 13, 2022



Application Process

- Online application process, accessed through VHCB's website.
- ARPA and State funds both use the standard online application.
- ARPA also requires supplemental materials.
- Site visit required for all potential projects.
- Projects seeking innovation funding should include an explanation of the proposed innovation.

What Happens Next

- Additional guidance
- Website updates
- November 10th deadline for VHFA's pre-application process for all projects proposing to use 9% credits.
- Submit your comments or questions, or add your name to our email list by sending a message to housing-funds@vhcb.org

Information & Resources

- VHCB Staff:
 - For general questions: Jenny Hyslop, jenny@vhcb.org
 - To arrange site visits: Craig Peltier, craig@vhcb.org
 - To submit comments about the HOME ARP allocation plan: Ron Rupp, rrupp@vhcb.org
 - To submit questions, to learn about future information sessions, start the risk assessment process, obtain historic review materials, or to add your name to the email list: housing-funds@vhcb.org



Questions and Comments