



MEMORANDUM

To: Nonprofit Affordable Housing and Shelter Providers

From: Gus Seelig, Executive Director
Jennifer Hollar, Director of Policy & Special Projects
Jenny Hyslop, Interim Housing Director

Re. Housing the Homeless - An Immediate Response

Date: March 22, 2021

It is likely that the Vermont General Assembly will appropriate additional funds to VHCB in the near term for investment in housing projects that address homelessness related to the pandemic. We write to you to initiate a project selection process.

As you know, the State of Vermont is currently covering the cost of temporarily sheltering approximately 2000 individuals (including over 200 families with children) who were experiencing homelessness in motels and hotels to create a safer environment in the face of COVID-19. Many of these households had been staying in shelters and temporary housing and others were unsheltered.

We anticipate receiving \$10 million to award competitively for capital expenses for the acquisition and rehabilitation of non-congregate housing for households experiencing homelessness. The funding must be expended by the sponsoring organization by December 31, 2021. VHCB will consider projects in which a majority of units are *occupied* December 31, 2021.

We anticipate being able to provide funding for two or three projects.

The funding is part of the COVID Relief Bill (H.315) moving quickly through the Legislature. The appropriating language, which is shown below, includes the intended use of the funds. There is strong support among lawmakers but the full bill is subject to negotiations between the House, Senate and Governor. The appropriating language and source of funds could change. It is possible we will receive the \$10 million in the form of CARES Act Coronavirus Relief Funds. The intent, however, is expected to remain the same and guides our current approach.

Sec. 4. VERMONT HOUSING AND CONSERVATION BOARD, HOUSING AND FACILITIES

The sum of \$10,000,000.00 of General Fund is appropriated to the Vermont Housing and Conservation Board in fiscal year 2021, which the Board shall use, in part through grants to nonprofit housing partners and service organizations, for housing and facilities necessary to provide safe shelter to lower-income and at risk populations. These funds are intended to be expended as expeditiously as possible on projects ready to proceed in 2021 and designed to meet immediate housing needs.

VHCB intends to administer this pool of funds in a manner that is similar to our CRF award last year, including by inviting proposals before final enactment in order to meet the intended timeline. The fact that this appropriation has moved forward so quickly reflects lawmakers' deep concerns about the needs of households facing homelessness and also a recognition of the skill and capacity in the nonprofit housing development community to respond well to the crisis. Their intent is to fund housing that can help address homelessness before winter returns.

Using the attached form, we ask that you submit a Letter of Interest to VHCB by noon on March 31, 2021 to indicate your organization's interest and capacity to access funding to meet the selection criteria stated below. VHCB will review proposals for need, impact, and quality and will use the following criteria to select projects to submit a more complete application. Please see below for a proposed decision-making schedule.

Project Selection Criteria

Thresholds:

- The project sponsor, a 501(c)(3) nonprofit or a municipality, must demonstrate that the project is a response to the COVID-19 pandemic.
- There must be a demonstrated plan and commitment for coordination/partnership between developer, Continuum of Care, and social service providers who work with the target population to serve homeless households. This must include a plan to accept referrals for occupancy through the Coordinated Entry system.

Priorities:

- Projects which can demonstrate significant need to house households experiencing homelessness *and* are in a location that was underserved with CRF funding that was initiated July 2020.
- Projects located in an area of the state shown by data to have a large number of homeless households and a lack of available housing units.
- Experience and capacity of the project sponsor(s) to successfully complete project and demonstrate compliance with relevant requirements, including the CARES Act, if applicable.
- Evidence of project readiness to proceed and achievable timeline, including site control, level of support from municipality, and capacity of related development partners.
- Projects that will be completed by December 31, 2021 and where a significant majority of units are *occupied* December 31, 2021.
- Reasonable per unit capital cost for homeless households housed.
- Project sponsor's demonstrated ability obtain and coordinate resident services.

Please submit your Letter of Interest to VHCB by **noon on Wednesday, March 31, 2021** by email to Jenny at jenny@vhcb.org. (If you do not receive confirmation of your submission, please contact Jenny at 828-5539.) Your LOI should include:

- 1) Attached cover sheet.
- 2) Narrative not to exceed three pages that addresses the selection criteria described above.
- 3) A preliminary development budget indicating project costs. Assume that

100% of the development costs to be covered by VHCB's funding are incurred in 2021.
4) A preliminary five-year operating budget.

We will have an informational Zoom meeting on **Thursday, March 25th at 11:00 am** to respond to questions about the funding process described in this memo.

You can join this call either at <https://us02web.zoom.us/j/87354614082> or by calling in at 1- 646-558-8656 with the meeting ID# 873 5461 4082.

Anticipated Funding Schedule, Subject To Revision:

Zoom Q & A Meeting	March 25 at 11:00 am
Letter of Interest Due to VHCB	Wednesday, March 31, by noon
Response from VHCB	Friday, April 9
Full Applications Due	Monday, May 3, by noon
VHCB Board to Consider Requests	Wednesday, June 23