



November 6, 2013

TO: FY 2014 Community Housing Improvement Program Advisory Committee Members

FROM: Michael A. Hiler, Deputy Chief, Office of Community Development

SUBJECT: *Michael A. Hiler*
FY 2014 Community Housing Improvement Program Advisory Committee Meeting Minutes

On October 1, 2013, the FY 2014 Community Housing Improvement Program (CHIP) Advisory Committee met at the Creekside Conference and Event Center in Gahanna, Ohio. The following is a summary of the major topics discussed during the meeting.

Introduction

- Shana Garrett introduced herself as the Residential Revitalization Section Supervisor for the Office of Community Development (OCD), and the facilitator. All other attendees introduced themselves.

Section Staffing

- Shana Garrett announced that Dana Leas officially retired effective December 31, 2012. Dana Leas' position was not filled and her communities were distributed amongst the remaining staff.

CHIP Program Update

- Shana Garrett gave an overview of the FY 2013 CHIP funding round. CHIP was funded at \$25,651,500.00 which was down from \$28 million in FY 2012. There were 92 applications submitted and 66 were funded, consisting of 30 cities and 36 counties. For the 2012 application round, there were 82 applications submitted and 56 funded. The Office of Community Development was able to fund more applications in FY 2013 by lowering the grant ceiling from \$500,000 to \$400,000. It is also important to note that the Office of Community Development was able to fund more applications due to receiving more than \$4 million in recaptured funds from CDBG and HOME programs.

Discretionary Program Update

- Together, Mike Hiler, Deputy Chief of the Office of Community Development, and Shana Garrett led a discussion on Discretionary funding. The Office of Community Development is funding similar projects with the same level of funding as in years past. It remains on an open cycle. Funds are available for specific projects that don't fit under any of the Office of Community Development's traditional programs. The Office of Community Development is considering creating a Neighborhood Stabilization Program (NSP) Discretionary Program. Mike Hiler stated that in order to spend NSP recaptured funds it must be in the Con Plan and may be added to the discretionary funds. The total amount has not yet been determined, and the Office of Community Development must meet the 25 percent set-aside requirements. Further details will be decided at a later date. The Office of Community Development is requesting input, thoughts and ideas regarding this matter. Mike Hiler stated that the activities would be the same as NSP eligible reported IDIS activities. Mike Hiler stated the program income from NSP1 and NSP2 could be combined. A comment was made that assisting special need groups would meet the 25 percent set-aside. A comment was made that the funds

should not have more restrictive state guidelines attached to them. A question was asked whether grantees could keep NSP program income. Mike Hiler stated it would be difficult to track whether 25 percent set-aside requirement was being met. A comment was made that the state should strictly enforce the 25 percent set-aside requirements or requires that all NSP program income be spent on projects that are 50 percent or below Area Median Income (AMI). It was also stated by the group that special needs and Habitat for Humanity projects would meet the 25 percent set aside requirements because their clientele are 50 percent or below AMI. In addition, most rental units assisted could meet the 25 percent requirement.

FY 2014 Ohio Consolidated Planning Process – Housing Planning Work Groups

- Shana Garrett discussed the process that took place with the Housing Planning Work Groups. In January of 2013 the Office of Community Development organized Planning Work Groups (PWG) to review the current allocation of funds and design of the housing program. Thirty-one stakeholders volunteered to participate and were assigned to three planning work groups. The Office of Community Development staff served as facilitators and subject matter experts. PWGs were required to devise a proposal for two funding scenarios; a minimum (bare bones) and maximum (ideal) budget. Each PWG was required to present their proposed funding scenarios at the Summer Ohio Conference of Community Development Meeting in Columbus.
- The Office of Community Development staff reviewed the proposals to identify unique ideas and common themes. There were two common themes among the three PWGs: 1) develop a Moderate Rehabilitation activity; and 2) revise the Residential Rehabilitation Standards (RRS) to be less stringent. A few of the unique ideas presented were to develop a Rental Repair activity, change the program timeline and offer two separate programs. One of the programs would be Community Housing Impact and Preservation Program, with a primary focus on housing stock. The second program would be a Residential Impact Program, with a primary focus on the needs and services for the resident. Other recommendations were to have funding limits based on population, and have set-aside funding for neighborhood targeting. Addressing more special needs populations, educational activities and an opt-out option for application submissions were additional recommendations presented by PWGs.

Office of Community Development Proposes New Housing Program

- Mike Hiler led the discussion for the proposed new housing program. A memorandum containing a new program proposal for the FY 2014 Ohio Consolidated Plan housing program was presented and approved by Community Services Division Chief Sadicka White. Hiler introduced the new housing program name for the CHIP program as Community Housing Impact and Preservation program. Through an efficient, flexible and impactful approach, the Community Housing Impact and Preservation Program will partner with Ohio communities to preserve and improve the affordable housing stock for low- and moderate-income Ohioans. The purpose is to strengthen neighborhoods and support community collaboration. Hiler reemphasized that we must have more collaboration with other service providers, and show higher impact through number of units reported; as the U.S. Department of Housing and Urban Development (HUD) utilizes the data on impact to evaluate programs.
- The Office of Community Development is recommending a tiered approach to funding, with a proposal for a lower number of eligible jurisdictions. Hiler stated the Office of Community Development was considering making distress a threshold item. He also stated that collaboration between city and county is a by-product of reduced funding. A comment was made for the Office of Community Development to consider offering incentives to attract collaboration on a volunteer basis.
- Hiler went on to suggest that cities with smaller populations with minimum distress could possibly be eliminated, but the housing program's eligible jurisdictions would not mirror Community Development's 104 eligible jurisdictions. An inquiry was made regarding the use of other factors to be used as thresholds, and it was suggested that production levels be included. Applications will still be very competitive, as we all have to work for the betterment of the entire state. A comment was made that we need to know if communities will be ineligible as soon as possible

and suggested we should not consider cutting any current eligible CHIP communities. Hiler proposed the following question to attendees, “would cities working through counties be better?” A comment was made that counties should be eligible for more funds if it previously had eligible CHIP cities within their county. A question was raised about the possibility of regionalization in the program, and Hiler stated it was impossible due to HUD’s CDBG restrictions. Garrett asked how many communities would be interested in county-to-county collaboration with one attendee expressing interest.

Distress Criteria

- Matt LaMantia, Assistant Deputy Chief in the Office of Community Development, stated that the Office has proposed using the 2010 Census data and the 2008-2012 American Community Survey (ACS) five-year estimates in determining distress moving forward. The distress criteria used in the past were made available to the attendees through the presentation slide. LaMantia raised the question, “what are the most relevant indicators available?” Some distress factors mentioned were household income levels, age of housing stock, vacancy rates, number of units with lead-based paint, households paying more than 30 percent of their income for housing, homes without plumbing, and overcrowded units. Someone suggested comparing the low- and moderate-income (LMI) percentage with the overall state LMI percentage. A comment was made that it would not be relevant and pointed out that rural areas are funded more often based on current methods. Hiler asked if foreclosure rates were relevant as a factor, and the consensus was no. A comment was made that we should not use fair market rent as a percentage of income. Hiler stated that distress may be used as a threshold for eligibility to apply for funds.

Proposed Eligible Project Categories

- Garrett stated that the Office of Community Development was considering categorizing activities and doing away with new construction except for Habitat for Humanity projects. Categorizing the activities would provide more flexibility to the grantees, reducing the need for amendments. A comment was made to keep new construction. Garrett stated that Habitat for Humanity projects typically have households that are prequalified and ready to proceed.
- A question was raised asking if the Emergency Monthly Housing Payment (EMHP) activity was gone under this program, and Garrett responded, yes. A comment was made that there was still a need for EMHP. Garrett replied there will no supportive or public service activities in the new program. The focus of the new program is primarily housing preservation. Someone asked if there was a method to make demolition along with new construction eligible, and Garrett responded that would be eligible under rehabilitation because it is considered reconstruction. Hiler reiterated that if we categorize it will give grantees more flexibility, and that housing counseling will still be eligible as a part of homeownership. A question was asked about the eligibility of Tenant-Based Rental Assistance (TBRA) soft costs, and Hiler stated the Office of Community Development needs to discuss it internally. There was a consensus that rental repair was a viable option as an activity as long as the owners were providing match.

Application Timing, Documents and Instructions

- The FY 2014 Community Housing Impact and Preservation program application will be submitted online through the system called Ohio Community and Energy Assistance Network or OCEAN. The proposed application training date has not been confirmed to date, but will be in March 2014. The proposed application submission date is May 2, 2014. A suggestion was made that the Office of Community Development should collaborate with other program areas and make all the applications due at the same time. Hiler inquired if there would be any issues with having all applications due at one time. The replies were split. The program period is proposed to begin on September 1, 2014 and end on December 31, 2016.

Proposed Rating Criteria

- Garrett stated the Office of Community Development's proposed rating criteria as: efficiency through cost effectiveness and collaboration, meeting needs of the community, capacity and past performance. A question was raised asking the definition of "cost effectiveness." Garrett elaborated that the Office of Community Development proposes evaluating the efficiency of programs through grantees' collaboration efforts, leveraging funds and possibly the costs associated with the administration of the grants. Another comment pointed out that program performance should be based on more recent past performance. A question was raised about past performance being associated only on CHIP grants, and Hiler responded that all the Office of Community Development grants will be considered. Also, Hiler stated there would be more subjectivity built into the scoring of the CHIP applications.

Property Standards

- Garrett spoke about the possibility of implementing changes to the state of Ohio's Residential Rehabilitation Standards (RRS) that will allow more flexibility and hopefully decrease walk-away projects. She stated that health and safety issues must always be addressed and that the new HOME rule requires at a minimum of the Uniform Physical Conditions Standard (UPCS). The Office of Community Development is considering how to adjust the Residential Rehabilitation Standards requirements based on this new information. The consensus of the group was that the Residential Rehabilitation Standards needed to be relaxed. Marvin Rudd, Residential Revitalization Specialist, stated the Office of Community Development was in the process of reviewing the HOME Final Rule to determine what, if any, changes needed to be made to how the Office of Community Development staff inspects rehabilitation projects.

Collaboration Efforts

- Garrett discussed the proposed program's component to incentivize community collaboration with organizations such as Community Action Agencies, Continuum of Care Representatives and the Ohio Housing Finance Agency. Applicants should demonstrate strategic partnerships that will strengthen the success of the program while maximizing efficiency.

Impact

- Garrett discussed the proposed program's impact and that it would be achieved by establishing funding levels based upon the needs of the community. This method will hopefully allow the program to maximize coverage in the state's rural areas. A comment was made that if the program kept the targeting area component, the Office of Community Development should consider opening up the targeted area size requirements to allow the grantee to define and justify. Another comment was made for the Office of Community Development to associate points for grantees that target funds in more than one designated area.

FY 2013 Rating Criteria

- Garrett discussed the FY 2013 Community Housing Improvement Program (CHIP) rating criteria and the number of points associated with the criteria. Distress may be removed as rating criteria for FY 2014 CHIP funding and used as a threshold for applying for funding.

Proposed Planning Process

- LaMantia introduced the new proposed planning process requirements using Community Development Advisory Committees (CDAC) in the development of a Community Development Implementation Strategy (CDIS). There was a question about how the Continuum of Care fits into this process and LaMantia stated the Office of Community Development it still working on those specifics. Hiler stated that at some point in time competitive applications would be scored based on whether they were addressing needs outlined in their CDAC. It was then stated that Economic Development was part of community development which was duly noted by Hiler.

Next Steps

- Garrett made the comment that the PowerPoint presentation slides would be emailed to all committee members and comments on the meeting would be accepted until October 18, 2013.

Training Needs/Recommendations

- Garrett discussed the Office of Community Development's 2013 Housing Conference on November 20–22, 2013 at Sawmill Creek Resort and Convention Center in Huron. The discounted hotel room rate is available until October 20, 2013, and registration deadline is November 6, 2013. It was suggested that the Office of Community Development should discuss the aforementioned Residential Rehabilitation Standards changes during the Rehabilitation Specialists' roundtable session.

**Ohio Development Services Agency
Office of Community Development**

FY 2014

**Community Housing Improvement Program
Advisory Committee Meeting
Creekside Conference and Event Center
October 1, 2013**

ATTENDANCE LIST

NAME

Gregg Andrews
Patricia Barnes
John G. Belt
Michael Bogo
Jeff Christopher
Don Corley
Heidi Crabtree
Phyllis Dunlap
Gayle Flacynski
Donna Fox-Moore
Shana Garrett
Dianne Guenther
Rebecca Hall
Dale Hartle
Kim Haught
Rick Healy
Michael Hiler
Teresa Hickson
Nathaniel Kaelin
Liz Keel
Matthew LaMantia
Francis X. Leighty
Ryan Miller
Scott Prowse
John Saunders
Nikki Reese
Marvin Rudd
Amy Schocken
Phil Snider
Karen Sprague
George Zokle

ORGANIZATION

Hocking Athens Perry Community Action
Ohio Healthy Homes Network
Ohio Department of Health
Neighborhood Development Services, Inc.
CT Consultants, Inc.
WSOS C.A.C., Inc.
Ohio Development Services Agency, Office of Community Development
CT Consultants, Inc.
Poggemeyer Design Group, Inc.
Fairfield County Community Action Agency
Ohio Development Services Agency, Office of Community Development
City of Delaware
Bleckman & Associates, Inc.
Ohio Regional Development Corporation
City of Cambridge
Belomar Regional Council
Ohio Development Services Agency, Office of Community Development
Ohio Development Services Agency, Office of Community Development
Ohio Development Services Agency, Office of Redevelopment

Ohio Development Services Agency, Office of Community Development
Leighty and Snider, Inc.
Habitat for Humanity
Ohio Development Services Agency, Office of Community Assistance
Ohio Development Services Agency, Office of Community Development
Miami County
Ohio Development Services Agency, Office of Community Development
CDC of Ohio
Consultant
Gallia County Commissioners