Ohio | Development Services Agency

November 25, 2014

TO: PY 2015 Community Housing Impact and Preservation Program Advisory Committee Members

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

SUBJECT: PY 2015 Community Housing Impact and Preservation Program Advisory Committee Meeting Minutes

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On October 14, 2014, the FY 2015 Community Housing Impact and Preservation (CHIP) Program 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 of the committee meeting. All other attendees introduced themselves including Office of Community Development (OCD) including Mike Hiler, Deputy Chief, Matt Lamantia, Assistance Deputy Chief, and Maddie Forrester, Fiscal Grants Management Supervisor.

Program Update

Shana gave an overview of the FY 2014 CHIP funding round. There were 56 applications representing 99 jurisdictions totaling $35.8 million. Funded applications totaled 39 totaling $26,875,000 which was up from last years $25.8 million. Funded applications scoring ranged from a high of 91.85 to a low of 82.24. Seventy eight jurisdictions were funded comprised of 44 cities and 34 counties. Twenty-seven of the 39 applications funded were partnerships. Seventeen applications were not funded. The scoring ranged from a high of 82.18 to a low of 53.46. The 17 unfunded applications were comprised of 21 jurisdictions including 10 cities, 11 counties, and five partnerships.

Shana went on to discuss 2015 funding availability. Estimates for next year include $1-2 million of 2015 Ohio Housing Trust Funds contingent on committee review to do approximately 100-200 home repairs, approximately $9 million of CDBG funds, and approximately $14 million of HOME funds. Mike Hiler added that while CDBG funds were relatively stable HOME funds could be reduced by up to 30%.

Shana went on to discuss the 2013 CHIP Annual Report. $25.6 million was distributed to 66 city and county grantees. Shana also discussed the Target of Opportunity Discretionary funding. NSP program income (PI) has not been distributed. There is a page on our website for communities interested in accessing these funds. The first step is a letter defining the project. An application is being developed at this time. Mike added that OCD has collected $967,000 to distribute and cannot calculate how much more or when more will be recaptured. Shana stated OCD is waiting on additional guidance from HUD on PI distribution. Mike reiterated this point and added that OCD wants to ensure we are handling PI appropriately. He added OCD is working on closing NSP 2 and 3 this fall and continue to wait on specific guidance from HUD. A committee member asked when NSP 1 grants will be closed. Maddie responded that 18 of the 50 NSP1 grants were closed, six were close to being closed, and the remaining grants are still in progress. Mike stated OCD's goal was to have all NSP1 grants closed by next spring.

Shana began the discussion of the HOME/CDBG Housing Target of Opportunity program. Mike stated that reduced funding has resulted in no funds being available. A committee member asked whether funds could get rolled into the CHIP program and Shana responded with yes. Matt stated the program remains in the Consolidated Plan but has not been funded. Mike added OCD has only funded 2-3 projects in the

program's history. A committee member asked whether there was an NSP1 Program Income application and the maximum request amount. Shana responded that we are working on an application and that we will determine maximums when applications start to come in. Mike went on to state the focus remains on meeting the 25% set-aside for 50% area median income and below and that we need to analyze the requests. In addition, he stated that OCD is considering an open cycle. A discussion ensued on project dollar amounts; eligible activities and project size with Mike concluding OCD would like to see what kind of applications are submitted before OCD determines appropriate size, amounts, and activities. Shana stated OCD would like to maintain maximum flexibility with NSP1 program income.

HUD 24-Month Commitment Requirement

Shana began the discussion stating that, starting with 2015 program funding, the 24-month commitment requirements would change. Mike gave a brief history regarding the different interpretations of commitment between HUD and the Inspector General. The result was each grant will stand alone and all funds must be committed within 24-months or returned to HUD, with commitment being defined as a rehabilitation contract with a date, dollar amount, specific address, and estimated soft costs. Mike went on to discuss the timeline handout. He stated that this situation will require the grantees to have all HOME funds committed by a date that will allow OCD to reallocate uncommitted funds prior to the 24-month deadline. An OCD staff member suggested that a contingency be built into the rehabilitation contracts. Other suggestions from the committee were to relax the change order guidelines or to allow more time to complete work as long as the project was committed. Mike responded that OCD has control over the change order policies and dates in the grant agreement and we will take it under consideration. A discussion ensued about the timing of receiving their grant agreement. Mike stated this is the first year using the OCEAN system and OCD is working out the bugs and that next year grants should be processed in a timelier manner. Mike stated that HUD prohibits the distribution of federal funds to any community that has a program income balance. Mike added that OCD is working on methods to address this in order to keep program income in Ohio and still maintain maximum flexibility for grantees. Mike emphasized the February 28 date as the notification date of uncommitted funds. A discussion ensued regarding how long grantees would need before funds would be recaptured to be reallocated. The consensus was May 1st or 60 days from the notification of uncommitted funds date. This would allow adequate time for grantees to finalize commitments and still allow OCD time to reallocate uncommitted funds. Mike stated OCD was considering all ideas to address this matter.

Program Structure, Application Instructions, and Timing

Shana solicited feedback on the changes in last year's application process. A committee member asked about sources of funds for Developmentally Disabled projects. Shana and Matt explained that federal funds could not be used and that OHTF must be used for these types of projects due to HUD's interpretation of the current Fair Housing requirements. Several comments and questions were raised regarding partnerships and specific situations that must be considered. Shana and Mike indicated OCD will consider all situations and will formulate a fair approach to specific situations but partnering will continue to be a primary goal of the program. A committee member suggested that the OCEAN activity should flow to mirror the sections and attachments in the instructions. Matt and Mike stated OCD has already made this one of their enhancement goals. Another suggestion was to allow more characters in the text boxes and that more specific instructions are needed for the narrative requirements. A committee member submitted several suggestions which included topics such as program income and outcome considerations, updating the Housing Handbook, the case study requirements, grant agreement language, and landlord match. Mike stated OCD will consider all comments and suggestions and will continue to make improvements to the program and the grant management process. Shana gave the PY2015 projected application training date as January 20, 2015 and the projected submission deadline as May 1, 2015.

Rating Criteria

Shana began by discussing the rating criteria used for the PY2014 application process as outlined in the FY2014 Ohio Consolidated Plan and stated that OCD reevaluates the rating criteria every year. One committee member wanted the scoring breakdown of the subcategories under impact. After much discussion, the consensus was that although there was no advantage to this type of information, it is a matter of transparency. Mike stated OCD will examine methods to make this information available as well

as making the scoring breakdown available to all applicants funded or not funded. A question was asked whether bonus points were given, and Shana responded with no. Shana went on to discuss the 2015 distress criteria and how it was broken out into four categories including percentage of LMI population, percentage of households paying more than 35% of income for housing, age of housing stock, and unemployment rates. A questioned was asked regarding weight distribution and Matt responded each category was weighted equally.

Residential Rehabilitation Standards (RRS) September 2014 Update

Shana began the discussion by stating the RRS updates will be posted on OCD's website very soon. She explained the new HOME rule requires the use of the Uniform Physical Condition Standards (UPCS) form by January 24, 2015. Shana added that John Saunders and Marvin Rudd had created a modified version of the UPCS and incorporated it into the RRS. The UPCS created by HUD was geared towards multifamily structures while OCD's modified version is geared towards single family housing units. Marvin discussed the UPCS and how it should be used in conjunction with the grantees current methods of unit inspections. The UPCS requires the rehabilitation specialist to prioritize and consider the lifestyle of the occupant. The items deemed to be high priority must be completed and must meet RRS standards. This will allow more flexibility and reduce the number of walkaways while still meeting the goals of the program. Marvin stated the UPCS will have to be part of the file. Several committee members asked about training. Mike stated OCD will set up training as soon as possible. A questioned was raised about the Lead requirements and Shana stated the lead chapter had been updated in the RRS.

Training Needs/Recommendations

Shana began the discussion addressing the expressed need for RRS training by the committee and that OCD will try and conduct a training the week of November 10th, 2014. Shana mentioned the Community Development Conference at Sawmill Creek Resort in Huron on 19, 20, and 21 of November and that registration for the conference closes November 5th. Shana discussed the handout showing the training at the last housing conference and solicited thought for future training. The committee recommended training on the following subjects; UPCS/RRS, drug class, HOME written agreements, roles of officials, OCEAN, handicapped accessibility, handling difficult clients, ethics, new HOME rules, what to expect during an audit, and housing projects gone bad.

Planning and Program Next Steps

Shana began by stating that for 2015 CHIP funding the planning process will not change but in 2016 it will have a few modifications. A committee member asked how population eligible cities can become CHIP eligible in 2016. Shana explained that there are 32 cities and two counties that are not CHIP eligible but have an eligible population. Shana explained that they are not eligible because they do not have a CHIS or approved PPM. Shana went on to state that in 2016, OCD will be allowing these communities to become eligible and submit an application. Shana asked for feedback on how OCD should proceed in the most effective and equitable way while being fair to the current eligible communities. A committee member stated that all these communities would have to do is have a PPM approved by OCD and conduct a Housing Advisory meeting. She added that it could work if OCD maintains the current maximums per county. Another committee member suggested giving all applicants a clean slate. Mike responded that OCD will compile scenarios for later discussion.

OCEAN

Matt LaMantia began the discussion by stating the grant agreements would be mailed very soon. Matt stated OCD's focus at this point is on the operational side from post grant agreement to close out. He explained the house address set up will be the first thing to be rolled out. He explained HOME funds could not be drawn until each address is set up in OCEAN. The set up includes the rehabilitation contract date, the contract amount, the estimated soft costs, and the address. Initially, draws will be done manually but eventually they will be completed on-line through OCEAN, and that grantees must be set up on electronic funds transfer in order to receive funds. Mike added that the direction OCD is going is to have the grantees include the entire cost of each project on one set up but there needed to be separate draws for each funding source. Mike also stated OCD did not need contract dates for home repair activities. Matt went on to explain OCD is working on getting status reports and final performance reports

set up in OCEAN and to be prepared to complete the reports on-line for the 2014 grants. Matt stated OCD is working on improvements to the application process. Mike added that the grantees should be able to print their own profile out next year in order to review them per the conditional award letters and this should help expedite the grant agreement process.

Other Issues/Comments/Questions

Shana asked the committee if there were any other issues, comments, or questions. A committee member asked how much housing program income was on hand. Mike stated there is approximately $7 million of locally held program income on hand. The same committee member asked about why the scoring levels went down from last year's CHIP funding levels. Shana explained the review tool was modified to breakdown the scoring criteria in more detail which in affect lowered the baseline scoring. The same committee member stated the grant agreement language states to follow the housing handbook but the rental home repair activity is not in the current housing handbook. He went on to suggest that the committee should include non-stakeholders members. Another committee member commented that outside persons would have no understanding of the subject matter we would be discussing. Mike agreed and stated the purpose of the meeting was not to educate outsiders but for OCD to solicit ideas and suggestions from practitioners to continue to improve the program. Shana asked if there was anything else anyone would like to discuss. There was no response and Shana adjourned the meeting.

Ohio Development Services Agency
Office of Community Development

PY 2015
Community Housing Impact and Preservation Program Advisory Committee Meeting
Creekside Conference and Event Center
October 14, 2014

ATTENDANCE LIST

Name	Organization
Gregg Andrews	Hocking Athens Perry Community Action
Pam Blais	Ohio Department of Health
Michael Bogo	Neighborhood Development Services, Inc.
Bill Bope	Ohio Development Services Agency
Don Corley	WSOS C.A.C., Inc.
Heidi Crabtree	Ohio Development Services Agency
Phyllis Dunlap	CT Consultants, Inc.
Gayle Flaczynski	Poggemeyer Design Group, Inc.
Donna Fox-Moore	Fairfield County CAA
Missy Frost	City of Fairborn
Shana Garrett	Ohio Development Services Agency
Dianne Guenther	City of Delaware
Rebecca Hall	Bleckman & Associates, Inc.
Dale Hartle	Ohio Regional Development Corporation
Kim Haught	City of Cambridge
Rick Healy	Belomar Regional Council
Teressa Hickson	Ohio Development Services Agency
Michael Hiler	Ohio Development Services Agency
Marquetta Jackson	Ohio Development Services Agency
Holly Johnson	Adams County Housing/Economic Dev.
Liz Keel	Maumee Valley Regional Organization
Matthew LaMantia	Ohio Development Services Agency
Francis X. Leighty	Leighty and Snider, Inc.
Ryan Miller	Habitat for Humanity
Nikki Reese	Miami County
Keith Romine	Gallia - Meigs CAA
Marvin Rudd	Ohio Development Services Agency
John Saunders	Ohio Development Services Agency
Cherise Schell	Greene County Development Dept.
Amy Schocken	CDC of Ohio
Tiffaney Shaver	WSOS C.A.C., Inc.
Phil Snider	Phil Snider LLC
Karen Sprague	Gallia Co. Commissioners
Ian Thomas	Ohio Development Services Agency
Sadicka White	Ohio Development Services Agency