



**PY 2016 Ohio Consolidated Plan Advisory Committee Meeting Minutes
Community Housing Impact and Preservation (CHIP) Program**

Date of Meeting: September 30, 2015, 9:30 a.m. to 4:00 p.m.

Location of Meeting: Creekside Conference and Event Center, 700 Creekside Plaza, Gahanna, OH 43230

Advisory Committee Members in Attendance:

Chris Alexander, Michael Bogo, Mary Church, Don Corley, Mauro DiVieste, Phyllis Dunlap, Gayle Flacynski, Donna Fox-Moore, Missy Frost, Dawn Gates, Dianne Guenther, Rebecca hall, Dale Hartle, Kim Haught, Rick Healy, Holly Johnson, Liz Keel, Ken Lengieza, Ryan Miller, Sheila Samson, Cherise Schell, Amy Schocken, Karen Sprague, Chris Wojno.

Advisory Committee Members Not in Attendance:

Jeff Hall, Renee Muhlenkamp, and Devon Shoemaker

Ohio Development Services Agency (ODSA) Employees:

Mike Hiler, Matt LaMantia, Shana Garrett, Marvin Rudd, Teresa Hickson, John Saunders, and Bill Bope

Others Present:

Tiffany Shaver and Cheryl Wood

Introduction

Shana Garrett opened the meeting with introductions.

Program Update

PY2015 CHIP Program Funding

Shana Garrett outlined that the Office of Community Development (OCD) received 45 applications representing 73 eligible jurisdictions requesting \$27,018,100. OCD funded 38 applicants totaling \$23,593,100. The 2015 scoring ranged from 89.53 to 78.76. The funded applications' breakdown included 64 jurisdictions that included 29 cities and 35 counties as well as 24 partnership applicants. Shana further explained that there were seven unfunded applications that scored between 77.08 and 71.55. Unfunded applications included nine jurisdictions consisting of five cities, four counties and two partnerships.

Shana compared the 2015 funding to the projected 2016 funding. The breakdown is as follows;

- Ohio Housing Trust Fund (OHTF)
 - 2015: \$1.4 Million
 - 2016: \$1 - \$2 Million contingent upon committee review and Director approval

- Community Development Block Grant (CDBG) Fund
 - 2015: \$9.6 Million
 - 2016: approximately \$9 Million

- HOME Investment Partnership Fund
 - 2015: \$11.7 Million
 - 2016: \$11 Million

Mike Hiler explained that OHTF collections are down by \$11 million this year based on three quarters of collecting.

PY 2014 CHIP Program Annual Performance Report

Information from the PY 2014 CHIP Program Annual Report was discussed. There were no comments or questions.

Target of Opportunity Funding

Shana explained that OCD hasn't received any guidance from HUD regarding entitlements' Neighborhood Stabilization Program (NSP) program income. OCD has been awaiting information on retaining and redistributing entitlement communities' program income. To date, there has been no OCD-recaptured NSP program income spent because there have been no requests for projects that meet the 25 percent set-aside requirement. OCD must meet this requirement prior to funding other projects.

A committee member inquired about CDBG discretionary funds. Shana explained OCD terminated the Housing Discretionary Funds in PY 2014 due to a decrease in funding and lack of eligible projects.

Lead Grant Information from Ohio Department of Health

Chris Alexander spoke about Ohio Department of Health's (ODH) Lead Grant that serves 15 counties mostly in the northeast and southeast areas of the state. In addition, he explained how ODH has completed 92 of 135 units with their current grant.

HUD 24-Month Commitment Requirement

PY 2014 Funding Commitments and Expenditures

Shana stated the aggregate of Ohio's 2014 CHIP Program grants, which are one year old, are 28.9 percent committed and 7 percent expended. She further explained that it's possible that HOME funds must be 100% committed by August 31, 2016.

Milestones for PY 2015 Funding

Shana explained the milestone chart that is part of the 2015 grant agreement. The chart is designed to protect the program and grantees. She explained that there are automatic point and award reductions in subsequent applications if the milestones are not met. She went over the no-fault amendment period between April 1 (year 2) and September 30 (year 2). Shana finished the explanation outlining how OCD

will issue automatic extensions (with penalty in future applications) for funds not spent at the end of the grant period.

Committee members raised the following concerns:

- Change orders reducing contract amounts after the HOME 100 percent commitment deadline.
 - Shana explained that it shouldn't be an issue because by that deadline, 100% of the HOME funds should not only be committed, but expended. Grantees are required to expend HOME funds first. OCD has tried to fund eligible activities with HOME and CDBG, leaving CDBG funds to expend at the end of the grant.
- The 50 percent commitment deadline (milestone #3) will be difficult to meet.
 - Shana explained that OCD is here to help achieve these milestones. Grantees must consider doing grant start-up related tasks sooner than in the past.
- Requesting an amendment to an activity that is not funded in the grant during the no-fault amendment period.
 - Shana stated this is allowable as long as all other requirements are met (i.e., conducting a public hearing, performing an environmental review). She went on to explain that future applications will be scored on the amended outcomes.
- Penalties on subsequent applications if certain milestones are not met.
- OCD issuing grant agreements in a timely manner.
 - A discussion took place regarding obstacles that delay grant agreements and tasks that can be performed prior to the grant agreement being issued.

Shana explained the milestone details were included in the conditional award letters and correspondence from OCD should be thoroughly read because of new information. Some information would available via OCEAN's Help Menu. Mike stated OCD will be working completely in OCEAN by July 1, 2016. Shana went on to discuss the new final inspection/homeowner satisfaction form. She asked committee members to e-mail questions regarding the new milestones.

Program Structure, Application Instructions and Timing

Current Program Structure

Shana asked the committee how the current programs structure was working thus far. There was no feedback.

Shana went on to outline the proposed PY 2016 rating criteria as follows:

- Needs – 15, (Planning 5 and Distress 10)
- Capacity – 25
- Performance – 30
- Impact – 30

Shana explained there are no proposed changes in the rating criteria for PY 2016. There were no concerns or questions.

Shana explained the HUD requirement that all Homeownership projects must go through the underwriting process and that OCD developed a form for grantees to use. A committee member asked if the process applies to Habitat for Humanity (HfH) projects, and Shana said that it did not. Another committee member raised concerns about repercussions regarding non-performing HfH

affiliates. Ryan Miller asked the group to contact him if they are having issues with any HfH affiliate. Several grantees expressed audit issues when dealing with partners' responsibilities. Shana stated this should be outlined in the partnership agreement.

PY 2015 Application Instructions

Shana explained OCD proposes very little changes to the instructions from 2015 to 2016. There may be some changes to the Housing Advisory Committee (HAC) Agenda and/or process. She asked how conducive are the instructions in submitting an application, and if anyone had any changes to propose. Shana went on to explain the need to use current documents when applying for CHIP. She stated the HAC agenda information should be posted by December 31, 2015. A committee member stated OCD should ask for feedback regarding the application a few weeks after the application submission deadline when issues are fresh.

Proposed PY 2016 Application Training and Submission Date

Shana stated the proposed training date is January 19, 2016, and will be conducted the day before OCCD'S winter quarterly meeting. She also explained the proposed submission date is May 6, 2016. Shana asked how much time applicants needed to access OCEAN. The consensus was 60 days. OCD will make the application in OCEAN available sooner in 2016. A committee member requested the CHIP Program and Community Development deadlines be two months apart.

Eligibility Requirements for Communities Applying for PY 2016 Funding

Shana outlined the eligibility requirements that are being proposed for PY 2016. Eligible jurisdictions being defined as cities that have a:

- low-moderate income (LMI) population at or above 2,500 persons, or
- 25% or more of the population is LMI, or
- both of the above.

Any new single city or county applicant must submit a Policies and Procedures Manual (PPM) by February 1, 2016, or a new city or county that joins a partnership can adopt the applicant's existing OCD-approved PPM. She explained that all references to the Community Housing Improvement Strategy (CHIS) will be removed.

She also explained other PY 2016 proposed changes may include New Construction as an eligible activity in conjunction with non-profit agencies other than Habitat for Humanity. Such agencies may include non-profits that perform in the same manner as Habitat for Humanity or provide rental housing for special needs populations. Several committee members agreed that there is a need for such an activity. A committee member raised a concern regarding the Fair Housing rules when working with special needs populations with federal funds. A limit of \$50,000 was suggested and also to allocate OHTF money.

She also discussed possibly limiting the amount of administration dollars drawn to a percentage of the project costs drawn. The committee members were very concerned about this idea because the start-up of a grant relies heavily on administration dollars.

Committee members expressed the following concerns with the new proposed eligibility requirements:

- Accuracy of ACS and Census data

- OCD will use Census data. It is the most accurate.
- Excluding cities with small populations
 - OCD staff stated projects could still be done through the county.

Another committee member suggested setting the minimum requirement at 2,500 LMI persons and 35% or more of LMI population. Shana stated the new requirements would not apply to counties. Any new single city or county applicant must have a PPM submitted by February 1, 2016, or they can join as a partner and adopt the applicant's PPM.

A committee member suggested OCD raise the limits of assistance, especially in the home repair activity to at least \$15,000. Other members concurred and suggested OCD also raise the owner rehabilitation limits. Several committee members suggested the possibility of partnering with land banks.

Shana asked if there was a need for demolition. Several committee members expressed a need for scattered-site demolition. Shana and Mike stated that demolition would not likely become a CHIP Program activity, but maybe a component could be added to one of the Community Development programs. Mike asked about the average demolition costs, and the consensus was \$5,000 to \$10,000.

Program's Next Steps

Future Funding

Shana and Mike both stated that OCD is hopeful regarding future HOME funding.

2014 and 2015 Grant Assessments

Shana asked if there were any issues with partnerships, boundaries, commitments, or expenditures. There were no issues raised. A comment was made that the eligibility criteria should be included in the Notice of Funding Availability.

OCD Policies

Shana explained that 15-07 will be updated soon to include recapture/resale language. A committee member stated the amendment policy in the Consolidated Plan should change the word 'activity' to 'category'. Another comment was made regarding whether funds should be held in an interest-bearing account or non-interest bearing account. Mike explained the Super Circular requires funds be held in an interest bearing account.

Training Needs/Recommendations

2015 Office of Community Development Housing Conference

Shana discussed the 2015 Office of Community Development Housing Conference that will be held November 4-6, 2015 at Sawmill Creek Resort in Huron, Ohio. The session scheduled for Thursday, November 5, 2015, *Program Adjustments to HUD Commitment Requirements*, is a mandatory session for PY 2014 and PY 2015 grant administrators. She also stated the *Determining Income* class will be large enough for walk-ins.



Other Training Recommendations

A committee member suggested training regarding mortgage preparation. Another committee member suggested local legal approval to form. The SAFE act was briefly discussed. OCD is awaiting more information on the SAFE ACT.

A committee member asked about record retention; how long and where they should be stored. Mike stated three years from grant close out or through the affordability period. He also stated the files must be retained by the grantee. Shana briefly discussed the new monitoring structure of having all the files available at the grantee's location at the time of the monitoring.

Other Issues/Comments/Questions

Shana suggested continuing to check the OCEAN Help Menu for information.