

Community Development Block Grant (CDBG) Advisory Board Meeting

3/19/2019

The meeting began at 6:06 PM

Members Present: *Chol Dhoor, Jessica Hyman, Alissa Faber, Jonathan Chapple-Sokol, Kevin Deutermann, Alex Farrell, James Loop, Mary Riley, Alex Friend, Jane Helmstetter, Sam Beall, Gabrielle Sealy*

Members Not Present:

Staff Present: Val Russell, Marcella Gange

Val welcomed the group and started introductions.

The minutes from the last meeting were reviewed by the Board, a motion to approve the draft minutes from the last meeting is made and seconded. Vote to accept as written – 12 yes – passed.

Public Comment – The floor was opened for public comment, there was none, and it was closed. One member of public present – no comment

Conflicts of Interest, Reviewed those with conflicts of interest that had already been disclosed, and asked for any others to be announced prior to review of allocations. Members with a COI will not participate in the discussion or funding votes for that application.

Answers to Pass Fail Questions – A Member has a question about the use of Soft Costs in the CHT budgets, and needed more information about what those costs are. Val shared additional information received from CHT: Laurentide – design, accounting, insurance, loan construction, loan interest, staff costs, etc. (developer fee), BRHIP – similar but also relocation, legal and auditing, insurance and taxes, etc.

Review of Allocation Process and Budget Balancing Rules – Val reviewed the budget balancing rules and the Board decided how they would proceed through the Allocation process. They decided to first discuss all applications and then make funding decisions after, they proceeded through the discussion based on the order of applications presented in the CDBG Notebook, and proceeded through the applications for budgeting based on rank according to the average score.

The group discussed feedback that had been shared after the last meeting regarding clarity before voting. Then Val let the group know about an optional 4th meeting and the evaluation that they will be asked to complete to provide feedback on the Advisory Board process.

All Development Funding Requests:

	Project Name	Organization	Amount Requested	Rank
D1	Laurentide Apartments aka Cambrian Rise	Champlain Housing Trust	\$100,000	3
D2	BRHIP	Champlain Housing Trust	\$30,000	4

D3	St. Joseph's Community Center aka Old North End CC	Champlain Housing Trust	\$227,000	1
D4	CHCB Safe Harbor Health Center Infrastructure Upgrades	CHCB	\$53,940	5
D5	Women's Small Business Program	Mercy Connections	\$65,000	6
D6	Financial Futures Micro Business Dev. Program	CVOEO	\$57,824	2

Next the group discussed the applications and projects one by one in the order listed above.

DEV 1 Laurentide (Cambrian Rise) – CHT – Rank #3

Board Member comments on application:

- Soft costs – vs staff costs – actual costs are confusing.
- The budget is very vague, the Board did not like that as a whole.
- Was written by the same person, gave the same vague answers to the questions, didn't like reusing the same answers for very different applications.
- The vague budget didn't bother one Board Member – it's about the support of the project – budgets change and shift anyway so they are not really hung up on that part. Its about what are the priorities for the development funds.
- Didn't think the application was strong enough to reflect their project and program strength – rated it poorly for that reason.
- For both this and St. Joseph's one Member felt like this money was already pledged for the sake of leverage, so they felt pressured to fund it no matter the quality of the application. Would have liked more care in the application. Sense of entitlement like they didn't have to write a good application.
- Ranked high, providing much needed affordable housing which will really impact the population we want to serve.
- The ask is a very small percentage of the total budget – made one Board member wonder if they need it. Its only 1.3% of the budget.
- Rated highly, project will be done soon, maybe done in summer of 2019 – worried that lack of funding will jeopardize or delay the completion of the project. 76 units of affordable housing will make a big difference, let's fund it and prevent a delay.
- Rated in the middle, agrees that the ask is insignificant compared to the size of the project, it's so small it won't delay the outcome, this is a tiny impact.
- Rated it high, this group all sits on NPAs and are constantly talking about the importance of/lack of affordable housing, this is our opportunity to support it. Let's support it.
- Thinks this amount is significant to the project and it's a project we can be very confident in the impact and that it will be finished. It's a safe investment of the grant funds.
- Doesn't agree that the \$100,000 will impact the project it's a small of percentage of total budget. Can't reconcile the costs with the whole project. Doesn't have enough information to justify the ask. Thinks there are better ways to invest the grant funds.

The board paused mid conversation around the Laurentide application to discuss the reservation letter for St. Joseph's school and clarified what the commitment actually was. The Board is very uncomfortable with the reservation of funds pending award, and wants to provide CEDO and CHT with that feedback.

DEV 2 – BRHIP - CHT – Rank #4

Board Member comments on application:

- Like the application – activating existing units at scattered sites, really makes a difference across the city. Makes sense from a financial standpoint
- Others agree
- This one also bothered one member, it's 1.7% of total budget, why did they bother?
- Really liked the project.
- Another Member agrees, will it have an impact, will help a lot of people for not a lot of money.
- They contradict what they will do if they don't receive the funding, didn't like that.
- Doesn't want to penalize successful programs for having large budgets – we don't know if they have the funds to pay for certain costs, money is hard to come by. We shouldn't penalize them because it is a small portion of the total budget.
- Key piece for one member – program and project design – long term maintenance needs will outstrip affordable rents will need reinvestment every 15 years. This is a recurring need, it's a way to keep up with deferred maintenance.
- Renovating aging housing stock in a way where the cost isn't passed onto the renters – is very good.
- Burlington is the oldest housing stock in the nation and it's very expensive.

DEV 3 – St. Joseph's Community Center aka ONE CC - CHT - Rank #1

Board Member comments on application:

- Many Members didn't like that the funds were reserved pending award and that CHT brought it up so many times throughout the applications instead of answering the questions.
- Project is fantastic, hammered home that the city promised the money already, had enough of that.
- It is hard for one Member to fund a public facility when there are higher needs in housing.
- The building is a container for a bunch of other programs, its neighborhood development, and houses lots of important nonprofits and recreation opportunities in a low income neighborhood.
- One Member brought up funding the foot wash station for the Hindu org – how do we feel about supporting a religious item?
 - o It involves plumbing so it's part of improvements to the basic infrastructure of the building.
 - o Didn't see it as an issue because it's supporting the tenants of the building to meet their needs.
 - o CHT as the landlord is supporting a tenant that is paying rent. It is common for landlords to make improvements to meet the needs of long term tenants.
 - o Thinks it is okay – if it were exclusively one group or other groups were banned from using it then it would be an issue, but the space is trying to be welcoming to the

community and be culturally appropriate also for neighbors or members of the public who use the space.

- Confused about the impact and evaluation sections – they say we rent it and the impact is connected to the orgs that we rent to – but they could do better than that and go into the benefits of the public facility itself. We really want to know the benefit of the specific project we are funding – the rehab.
- They are giving you numbers of the number of people coming to the building, but they aren't responsible for the programming.
- They need to talk about the impact of the rehab and not the organizations in the building.
- Want them to talk about the criteria for tenancy.
- Programming is who they choose to rent to, that does provide a community benefit
- We are giving the money with the assumption that they will have great programs in there.
- Sustainability section– without CDBG funding we would lose a match of other funds – how much they would need to avoid the loss of those funds is not specified, that made it difficult for Board Members to create a budget. Contradicted that answer with the next question where they say that they will take out more loans and charge more rent if they don't receive CDBG funding.
- Many of the answers were cut and paste from last year's application.
- What is a social impact investment debt – wants more information about what that is. What outcome/impact was promised there?
- The board discussed the budget and confusion around the budget.

DEV 4 –CHCB Safe Harbor Health Center Infrastructure Upgrades– CHCB – Rank #5

Board Member comments on application:

- One Board Member thought it was well written, clear, fresh, and direct, took points away because it wasn't a new or expanded activity. Got the sense the grant writer is actually involved in or connected to the provision of care.
- Likes that it provides essential service for homeless population, and has a broader impact outside of healthcare. Concerned that they are not using these funds to leverage any other funds.
- Likes answers on the Construction attachment, they were helpful, asked for clarity on whether we required that attachment. Yes, it is required for new construction applications.
- How long is a cast iron boiler supposed to last? A lot longer than 14 years, sees them at 20-30 years old and functioning. One Member really doesn't understand why the boiler is failing at 14 years, wants more information.
- They should have a schedule for deferred maintenance where they are planning on paying to replace it. Wanted to hear that an expert had recommended it – 3rd party.
- Section 2 #2 – describe the boilers as old and have already needed several repairs. What are they replacing it with? It says they are proactively replacing the boilers before they fail.
- Wanted to hear more about the inefficiencies that would be address so we could have a better understanding of the benefits of the project.
- Rated it high – didn't pay attention to the boiler age.
- We aren't sure what the boilers were originally put in to do, was owned by another org.
- One member really didn't like this application because it is requesting funds for deferred maintenance – that is not a project, it should be part of their regular management plan for the

property. Also, they are not leveraging it for any other funds, are we going to replace their boilers every time they fail? In general unhappy about the proposed use of funds.

- One Member brought up the Lund application from the last meeting, and that it was similar, that it's hard to get excited about paying the mortgage or replacing the boiler, but it's the broader impact of subsidized childcare or healthcare for the homeless that we are ultimately investing in.

DEV 5 – Women's Small Business Program – Mercy Connections - Rank #6

Board Member comments on application:

- This project received many red dots, indicating that many Board Members funded it at 25% of the ask or less, one Board member asked why, because they liked the application and liked that it would expand a good program.
- Time tracking – they use the funds for staff time but didn't answer the question about implementing a time keeping system, and it was a financial finding that was around the same thing. Is that a red flag?
- Mismatch between the proposed low/mod income beneficiaries and the formula amount used to determine cost per beneficiary – the cost per person is very high and if you use the amount of Burlington beneficiaries it gets even higher.
- Do the numbers in the application add up? Board Members are confused about how many people will be served and if the numbers count people twice.
- Ranked it high, really likes the program, but what another Member brought up about the timesheet thing makes them anxious – didn't like it that they didn't answer that question. Val clarified that they do use an appropriate timekeeping system for staff time and that the monitoring finding on that issue was resolved successfully.
- Some of the successful businesses listed weren't low income before they were assisted. Should we fund it if there is a greater need and we could fund other programs that serve lower income persons? Reflected in the application – as many people that are above the income limits as low/mod income. These are not the highest need people they probably have their basic needs met already if they are in a position to start a business.

DEV 6 – Financial Futures – CVOEO – Rank #2

Board Member comments on application:

- Thought the links were funny, but feels like cheating the 8 page rule.
- Budget – why is the current budget so different from the projected budget – loss of 2 million? That is very concerning.
- Likes the program and rated it highly, application was uneven, some answers were great some missed the mark. Liked the use of color and pictures. Testimonials felt like unnecessary fluff for some Members.
- Concerned about breakdown of staff time. Talked about how difficult it is to track that, they break it out across a lot of staff is that efficient use of the funds?
- Liked that it seemed like they are polling who is participating and adjusting for beneficiary feedback. They noticed a need in the current programs year and are creating a program to address those training needs for this year. Like the outcomes and who they are serving.

- As an antipoverty strategy, one Board Member likes that they are giving people the tools and resources they need to pull themselves out of poverty – will have a long lasting effect.
- Serves a lot of people.

A break was taken at 7:37 PM, and the group reconvened at 7:50 PM.

The Board discussed if they want to eliminate any applications based on the number red dots. Red dots indicates that several Board Members wanted to budget the project at 0 – 25% of the total ask.

Board Member proposed to eliminate Mercy Connections application – 8 yes, 4 no - passed
 Mercy Connections - WSBP was eliminated from funding consideration.

Board Member proposed to eliminate CHCB application - 7 yes, 4 no, 1 abstention due to COI – passed
 CHCB application was eliminated from funding consideration.

Board Member proposed to eliminate CHT BRHIP application – 4 yes, 7 no, 1 abstention due to COI – fail
 CHT BRHIP application was not eliminated from funding consideration

Next, the Board went through each remaining application and tested for consensus on the average funding amount, if there was no consensus then a Board Member would propose a new amount and vote on it until there was a majority.

DEV 3 – St. Joseph’s Community Center aka ONE CC - CHT - Rank #1

Test for Consensus on average funding amount of \$174,202 – 10 no, 2 yes - fail

A Board Member proposed to fund at \$200,000 – 8 yes, 4 no (3 down, 1 up) - passed

DEV 6 – Financial Futures – CVOEO – Rank #2

Test for Consensus on average funding amount of \$38,811 - 3 yes, 8 no (4 down, 4 up), 1 abstain - fail

A Board Member proposed to fund at \$40,000 – Vote - 5 yes, 6 no (5 down, 1 up), 1 abstention - fail

Proposed \$35,000 – 4 yes, 7 no (3 down, 4 up), 1 abstention - Fail

A Board Member proposed moving to the next one and coming back to this application - 11 yes, 1 abstention - passed

A Board Member proposed funding at \$38, 811 – 8 yes, 3 no (2 up, 1 down), 1 abstention - passed

DEV 1 Laurentide (Cambrian Rise) – CHT – Rank #3

Test for Consensus on average funding amount of \$65,519 - 3 yes, 8 no (8 up), 1 abstention - fail

A board member proposed to fund at \$80,000 - 8 yes, 3 no (3 up), 1 abstention - passed

DEV 2 – BRHIP - CHT – Rank #4

Test for Consensus on average funding amount of \$14,091 – 3 yes, 8 no (6 up, 2 down), 1 abstention - fail

A board member proposed to fund at \$ 25,000 – 7 yes, 4 no, 1 abstention - passed

At the end of round one of budgeting we are over budget by \$14, 956, so the Board moves into a second round of funding decisions.

Round 2 Budget Voting

A Board Member proposed to fund BRHIP at \$10,044 – 4 yes, 7 no (6 up, 1 down), 1 abstention – fail

A Board Member proposed balancing the budget by funding all 4 applications at 79.2%. Vote on using that method – 4 yes, 8 no – fail.

People are opposed to that method because many Board Members do not think all 4 are equal and they were rated at different levels, so the funding should reflect that.

A Board Member proposed to fund St. Josephs at \$185, 044 – 12 yes. Passed

A Board Member proposed funding financial futures at \$40,000 - 9 yes, 2 no (1 up, 1 down), 1 abstain - passed

A Board Member proposed funding BRHIP at \$23,811 to balance the budget - 9 yes, 2 no (1 down, 1 up), 1 abstention – passed.

Next the group voted for consensus on the final development budget - 12 yes, passed unanimously.

Total Funding approved: \$328,855

2019 CDBG Applicants - Development				
Proj #	Project/Program	Organization	Amount Requested	Recommended Amount
Housing				
D1	Laurentide Apartments aka Cambrian Rise	Champlain Housing Trust	\$100,000	\$80,000
D2	BRHIP/ONE	Champlain Housing Trust	\$30,000	\$23,811
Neighborhood Development				
D3	St. Joseph's Community Center aka Old North End CC	Champlain Housing Trust	\$227,000	\$185,044
D4	CHCB Safe Harbor Health Center Infrastructure Upgrade	Community Health Centers of Burlington	\$53,940	\$ 0
Economic Development				
D5	Women's Small Business Program	Mercy Connections	\$65,000	\$ 0
D6	Financial Futures Micro Business Dev. Program	CVOEO	\$57,824	\$40,000
			TOTAL AMOUNT REQUESTED	
			\$533,764	
*ESTIMATE			DEV FUNDS AVAILABLE - ENT 19	\$328,855
			DIFFERENCE	\$328,855
			(\$204,909)	\$0

Next the group discussed whether they want to have a 4th meeting to provide feedback on the process and Val reminder the group to fill out their evaluation forms that are in the notebooks. The group voted unanimously to not have the 4th optional meeting.

Meeting Evaluation

What worked well:

- The meeting and process was clear and smooth
- The system of discussing the applications first and budgeting after worked really well despite having such a large ask compared to the funds we had to grant out.

What could have been improved:

- Some people spoke about every application and some people didn't speak much, is there a way to have input from everyone on every application?

The meeting was adjourned at 8:45 PM

Respectfully submitted,

Val Russell
Community Development Specialist