VERMONT COMMUNITY DEVELOPMENT PROGRAM (VCDP)

Josh Hanford, Program Director
EDFS-Peer Networking Conference, Burlington VT
VCDP Information

- Federally Funded Program - HUD
- CDBG
  - primarily benefit LMI persons
- VCDP since 1983
  - Approximately $7M annually
  - Awarded over $197M
  - Leveraged more than $4B
  - 97% of funding for projects
  - Benefitted over 340,000 Vermonters
VCDP Information

- **Annual Planning (ConPlan)**
  - Establishes priorities/goals
  - Distribution of funds

- **Projects & Applications**
  - Staff provide TA
  - Review applications

- **Grant Awards/Funding Decisions**
  - Vermont Community Development Board
  - ACCD Secretary
  - Governor holds award ceremony
Eligible Applicants

- Any Vermont Town
- City (except Burlington)
- Incorporated Village
  *unit of general local government (federal statue)

- 4 layers- HUD/State/Local Gov./Business
VCDP Information

- Housing*
- Economic Development*
- Public Facilities
- Public Services

Must meet a CDBG National Objective:
- Benefit persons of low and moderate incomes;
- Slums or blight removal; or
- Address an urgent need
Economic Development

- Loan/Grant assistance to businesses to
  - Create jobs
  - Retain jobs
  - Do both
  - Or infrastructure to support

- Amount per job is $40,000 (max)
- Maximum Grant/Loan is $1,000,000
- Planning Grants (up to $40,000)
VCDP Information

- Lots of demand plus Federal funding cuts:
  - 25% cut in CDBG funding over last 3 years
  - HUD- NSP, ARRA, CDBG-DR $ helps, but at the expense of regular CDBG funding
  - makes program very competitive
  - ED projects high success rate
VCDP Information

- **Competitive ED Projects have:**
  - Demonstrated Need for CDBG $:
    - CDBG $ fills gap in project funding
    - Not competing with banks, VEDA, RD - but complementing
    - **Contribution from Municipal/Regional RLF**
    - Project will not happen without CDBG$
  - Significant Positive Impact for LMI:
    - Will retain or create LMI jobs
    - Loss or Creation of Jobs critical to area
  - Project is Feasible and good investment of public $:
    - Other leaders/funders (credit analysis, underwriting)
    - Good Business Plan - jobs will be filled/business successful/will stay in VT
Grants to Municipalities - Loans to businesses:

- Direct Loan from Municipality
  - Loan Repayments/Program Income
  - Existing Municipal RLF or start new one (50% returned to VCDP)
  - Or return all payments to VCDP

- Sub-grant from Municipality to NCDO
  - NCDO/Regional RLF- approved for CDBG lending of Program Income
  - Micro/Housing RLF retain all program income

- Funding new RLF’s or recapitalizing existing???????
  - Established State-wide Micro/Small Business & Housing Rehab. RLF’s
  - In-active Municipal RLF’s encouraging assignment to existing regional RLF’s
  - Limited funding- prefer to address immediate needs of business & direct loan repayments to existing RLF’s
In VT we can’t afford to have publicly financed RLF’s sitting idle because of self imposed geographic boundaries or overly restrictive uses.

With shrinking Federal funding we must ensure that all available resources are deployed to help our small businesses.
Economic Development Project Funding

- 2006-2008 (Averaged 16% of VCDP $)
- & 24% of planning funds
VCDP Information

- **2009-2011 (Averaged 39% of VCDP $)**

  Projects like: (Commonwealth Yogurt, Via Cheese, Westminster Meats, Food Venture Center, ReCycle North, SB Electronics, Pete’s Greens, VT Smoke & Cure, Eastview @ Middlebury, Vermont Biomass Energy)

  & 48% of planning funds

  Projects like: (Killington Events Center Feasibility, Food Hub Kitchen Feasibility, Aviation Tech Training Center, Economic Impact Study, Wood Pellet Production, Study)