

VERMONT COMMUNITY DEVELOPMENT PROGRAM (VCDP)

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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

VCDP Information

Eligible Applicants

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

VCDP Information

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



VCDP Information

- **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

VCDP Information

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

- **In VT we can't afford to have publicly financed RLF's sitting idle because of self imposed geographic boundaries or overly restrictive uses.**



VCDP Information

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)

