



November 16, 2012

TO: FY 2013 Community Housing Improvement Program (CHIP) Advisory Committee Members

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

SUBJECT: *Michael A. Hiler*  
FY 2013 CHIP Advisory Committee Meeting Minutes

---

On October 2, 2012, the FY 2013 Community Housing Improvement Program (CHIP) 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

- Matthew LaMantia, Assistant Deputy Chief for the Office of Community Development (OCD), introduced himself as the facilitator, and introduced Shana Garrett as the Residential Revitalization Section Supervisor.

#### Program Update

- Mr. LaMantia gave an overview of the FY 2013 State of Ohio Consolidated Plan development process, and noted that the final plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) in May 2013.
- Ms. Garrett gave an overview of the FY 2011 CHIP outcomes report, as well as an overview of the FY 2012 CHIP funding round. For FY 2012, CHIP was funded at \$27,994,000, as follows: \$21,571,908 Community Development Block Grant (CDBG) funds and HOME Investment Partnership funds; \$5,422,092 of recaptured CDBG and HOME funds; and \$1,000,000 of Ohio Housing Trust Funds (OHTF). FY 2012 CHIP grants were awarded to 56 of the 82 applicants. Of the 56 communities receiving CHIP grants, 29 were counties and 27 were cities. The FY 2012 grant period began on September 1, 2012, and runs through December 31, 2014. Ms. Garrett indicated recaptured CDBG and HOME funds helped increase the amount of funds that were available for the FY 2012 CHIP allocation. Mr. LaMantia noted that applicants should not expect the same availability of recaptured funds for FY 2013.
- Ms. Garrett gave a comparison of the amount of Habitat for Humanity (HFH) funds that were requested during funding years when supplemental HFH funds were available, and the amount of HFH funds requested for the FY 2012 CHIP. Ms. Garrett noted that based on the number of applicants that applied for funds to complete HFH projects, there did not appear to be a significant impact caused by the suspension of the supplemental HFH funds.
- Ms. Garrett opened a discussion about how to deal with reduced CDBG and HOME funding. The first idea discussed was eliminating Emergency Monthly Housing Payments (EMHP) and Tenant-Based Rental Assistance (TBRA) as CHIP-eligible activities. Some of the committee members liked the flexibility of having all activities available to fund (including EMHP and TBRA), but some members questioned whether these activities were a duplication of services that are available through other funding sources. The opinion was given that, even though the potential exists for duplication of services when it comes to EMHP and TBRA, there could still be a great need for

those activities, and duplication would have a greater impact than having a limited amount of funding sources. The conversation then moved to whether these activities help households for the long term; or if not, are they good uses of the limited CDBG and HOME funds. Committee members discussed their experiences with timing of the EMHP and/or TBRA assistance to recipient households, transition of the households away from the assistance (exit strategies), and use of the funds for special needs households. Committee members also discussed the newly formed Supportive Housing Section's Regional Planning Groups, and how the Continuum of Care model could potentially be used to coordinate the services provided by EMHP and TBRA. A committee member pointed out that elimination of EMHP and TBRA, and dealing with reduced CDBG and HOME funding, were two separate issues. Eliminating activities will not move applicants to request less CHIP funding.

- Ms. Garrett opened a discussion on how to measure the long-term effectiveness of EMHP assistance. Committee members discussed the respective focuses of their EMHP assistance (e.g. foreclosures, utilities, etc.). None of the committee members track EMHP client data beyond the point when the assistance is considered to be a completed outcome. Committee members stated they don't track long-term effectiveness mainly because, once the grant period ends, there is no money to support the administrative time that would be required for long-term client tracking. In addition, some of the committee members discussed the potential for repeat clients/vendors, and the potential for abuse of the activity. Some of the committee members gave the opinion that better EMHP results are achieved when good case management is in place, including mandatory pre-assistance counseling.
- Ms. Garrett opened a discussion about a reduction to the current \$500,000 CHIP grant ceiling. She stated that, based upon the FY 2012 funding, a reduction of the grant ceiling to \$450,000 would have allowed the funding of six (6) additional applications. Reducing the grant ceiling to \$400,000 would have allowed the funding of 14 additional applications. The committee had mixed opinions about reducing the grant ceiling, but overall the committee felt that \$400,000 was the lowest funding level at which a community could effectively administer a CHIP grant. One committee member suggested raising the grant ceiling to \$1,000,000, and funding a much smaller amount of communities each funding year. Mr. LaMantia stated the FY 2013 CHIP grant ceiling, ideally, will allow communities to maintain capacity and still meet their core needs. A committee member gave the opinion that lowering the grant ceiling amount isn't going to further the cause of program impact, which is a focus of HUD.
- Some committee members had the opinion that more households could be assisted if OCD would not have policies that are more stringent than HUD's regulations. Vicki Miller from HUD also agreed that reducing funding in order to spread it over a larger number of communities would reduce impact. Ms. Miller also questioned the State's ability to effectively oversee a larger pool of grantees. Some committee members questioned the relevancy of the Residential Rehabilitation Standards (RRS) to the type of rehabilitation/repair being completed through the CHIP, being of the opinion that the RRS was more applicable to new construction instead of rehabilitation. One committee member gave the opinion that it is better to spend half as much CHIP funds on a project that addresses the major health and safety items of a home, than it is to spend twice as much to meet the perceived excessiveness of the RRS. Ms. Garrett stated that OCD would not revise the RRS to the point where flexibility diminishes the quality of the CHIP rehabilitation projects. Also relative to the RRS, a committee member suggested OCD allow the presumption of lead-based paint in rehabilitation projects, citing the savings of the cost of completing Lead-Based Paint Risk Assessments. Ms. Garrett explained that OCD prohibits presumption of lead-based paint in rehabilitation because it is cheaper to do a Lead-Based Paint Risk Assessment and address only the items that contain lead-based paint than it is to address every painted surface as if it contains lead-based paint. A committee member pointed out that the Ohio Department of Health has a Lead Hazard Control grant that covers 37 Ohio counties, and that coordination of this grant with CHIP projects was a good way to stretch the limited CHIP funds. Ms. Garrett stated that it is OCD's intention to update the 2008 version of the RRS, but that the revision would not take place until HUD releases their new energy codes. Additionally, she encouraged the committee members to contact her with specific suggestions for the RRS revisions based upon their experiences with CHIP projects in their communities.

- A committee member asked if, in cases where communities had large housing program income balances, OCD could require the use of that program income instead of receiving additional CHIP funds. Ms. Garrett stated that high balances of housing program income are not an issue at this point because since FY 2006 OCD has been requiring that grantees spend their housing program income down to a reasonable level, or their CHIP award would be reduced accordingly. Another committee member questioned OCD's position on program income and asked if OCD is against it. Mr. LaMantia responded that the position had not changed, and that OCD is in favor of the receipt of program income as OCD has determined is appropriate to each OCD-funded program.
- A committee member posed the possibility of OCD organizing CHIP Planning Work Groups in the same manner that OCD's Community Development staff organized the CDBG Planning Work Groups. Some of the committee members were participants in the CDBG Planning Work Groups, and were of the opinion it would be a worthwhile effort to examine the CHIP in the same manner. One committee member suggested that the groups be broken up into topics (e.g. revision of OCD's Housing Handbook, RRS update, OCD policies regarding CHIP, etc.). Mr. LaMantia stated that OCD would be supportive of the organization of CHIP Planning Work Groups, and could potentially begin the groups in January 2013.
- Scott Gary, OCD's Supportive Housing Section Supervisor joined the meeting, and gave an update on the newly formed Regional Planning Groups utilized throughout the state by his section. Due to the large number of Continuums of Care, regional groups were formed, as follows: Eight (8) entitlements that act as their own region, and 18 multi-county regions. Focus has moved from funding shelters to funding diversion from entering shelters. It was suggested that CHIP communities coordinate with the Regional Planning Groups, and that the Regional Planning Groups be invited to sit on each community's Housing Advisory Committee.

#### **Application Documents and Instructions**

- Ms. Garrett stated that the FY 2013 CHIP application instructions were being revised. She told the committee that OCD staff member Heidi Crabtree would be the team leader for FY 2013, and asked Ms. Crabtree to talk to the committee about what changes may occur. Ms. Crabtree stated OCD's intent to move away from the increasing focus on grantsmanship, and focus on more meaningful areas such as past performance, needs, and capacity. In order to facilitate this change, the instructions will be significantly revised. Ms. Crabtree also stated that it is OCD's intent to keep the actual forms submitted in the application as close to their current format as possible. Ms. Crabtree asked the group if they had any suggestions for the revision of the instructions. One committee member gave the opinion that Sections Two (planning) and Six (readiness to proceed) of the application should be eliminated from the application entirely. Ms. Crabtree encouraged the committee to email OCD staff with any additional ideas for revision that came to mind after the meeting.
- Ms. Garrett opened a discussion regarding a CHIP grant ceiling increase for Entitlements and Participating Jurisdictions that fall below certain HUD funding allocations. Currently those communities are eligible for a maximum CHIP grant of \$250,000. Ms. Garrett went over the list of FY 2012 HUD direct allocations that were received by Entitlements/Participating Jurisdictions that are also CHIP-eligible at the reduced amount. The lowest FY 2012 HUD direct allocation received by a CHIP-eligible community is the City of Fairborn at \$215,000. The request to discuss this topic came from Fairborn Community Development Coordinator Jonathan Boeckman. He compared Fairborn's HUD direct allocation to what small cities and rural counties with comparable LMI populations receive annually from OCD's Community Development Program. He feels that Fairborn and others are unfairly limited to \$250,000 in CHIP funds, when small cities and rural counties that also receive OCD's Community Development Program grants are eligible to receive \$500,000 CHIP grants. Ms. Garrett asked for comments from the committee about allowing Entitlements/Participating Jurisdictions that receive less than \$400,000 as a direct allocation from HUD to apply for CHIP grants up to the maximum grant ceiling. One committee member stated that putting the State's CDBG dollars into a participating jurisdiction is duplicating funding. Ms. Garrett pointed out that small cities and rural counties that are eligible

for CHIP grants up to the maximum grant ceiling are guaranteed additional CDBG Community Development Program grant funds annually from OCD.

- A committee member asked if OCD was officially proposing this change. Mr. LaMantia stated that when OCD submitted the initial draft plan to the Ohio Development Services Agency leadership, there were no changes proposed for the FY 2013 program. Mr. LaMantia further stated that everything being discussed by the CHIP advisory committee were potential changes based upon feedback, internal discussions, and guidance from agency leadership.

### **Review Process and Rating Criteria**

- Ms. Garrett opened the discussion about OCD's current process for reviewing CHIP applications, and what criteria are rated. She asked the committee for their opinion on making changes to the point values for certain rating criteria, as follows: Reduce Community Planning from 10 points to five points; reduce Community Capacity from 30 points to 20 points; and increase Community Performance from 25 points to 40 points
- The committee asked Ms. Garrett for clarification about the point values for some of the specific rating criteria, such as targeting, impact, and planning. The general opinion of the committee was that 40 points may be too high for Past Performance. One committee member suggested raising the point value of impact to at least 50 points, and eliminating planning as something that is rated during review (i.e. making it a funding threshold). OCD staff gave a brief overview of criteria considerations when reviewing a community's capacity for administering a CHIP grant. Another committee member asked the group for suggestions on how OCD could increase the points allocated for impact while ensuring fairness in the scoring. There were no suggestions. Following the discussion of impact, a committee member suggested a way in which a community rectifies a past performance issue should be considered when rating an applicant's past performance. Another committee member suggested that communities be made aware of, at the CHIP application training, any past performance issues that may be held against them. Based upon the past performance issues identified, the applicant could identify in the application how those issues have been rectified. The committee member stated this was a fairer way of scoring past performance issues. One committee member said he felt prior CHIP grants were too far in the past, and they were not relevant to a community's current capacity.
- Mr. LaMantia started a discussion about the criteria used to determine distress scores, and stated that OCD is constantly exploring ways to get relevant data at a local (city) level. Mr. LaMantia also stated that OCD does not want distress to be the determining criteria on which applications are funded. Ms. Garrett questioned the further use of foreclosures per capita as a distress criterion. A committee member mentioned that, instead of only discussing foreclosures per capita, we should be looking at the entire list of distress criteria. His opinion was that if distress scores are driving the application scoring, the criteria should only apply to things that can be addressed by the CHIP activities. Committee members discussed the use of data from the American Community Survey (ACS). Mr. LaMantia stated that ACS data is utilized by OCD for determining distress scores, but some of the data at a city level has a high margin of error. Because of the high margin of error, OCD considers some of the data to be unreliable at a city level.
- A committee member suggested that until OCD is able to find reliable data at a city level, cities should be allowed to complete their own distress survey as an option to using their home county's distress score. Additionally, the committee member suggested that distress scores, once determined by OCD, should be good for an extended period of time (e.g. five years). One committee member suggested increasing the maximum distress score from its current level of 10 points, with another committee member agreeing. Another committee member stated that because the point cut-off for FY 2012 funding was around 90 points out of 100, a community receiving 0 distress points would have almost no chance of being funded. Mr. LaMantia stated that OCD normalizes the distress scores so the point spread goes from 10 points down to 0 points, but will likely not normalize the distress scores for FY 2013. By not normalizing distress scores, they will be more clustered in a mid-range, and it is likely that no community would receive a score of 0. A meeting attendee requested that OCD look at special-needs populations

as one of the distress criteria. It was suggested by a committee member that only the percentage of low- to moderate-income households and the percentage of blighted structures be the only determining criteria OCD uses to determine distress scores. However, it was noted by another committee member there is no source that gives the percentage of blighted structures in a community, so percentages could only be determined if each applicant does a self-assessment of the blighted structures in their community.

### **Policy and Program Issues**

- Ms. Garrett advised the committee that Policy Notice 09-03: Finance Mechanisms for CHIP-Funded Projects, and Policy Notice 09-04: Dispute Resolution and Conflict Management, were under revision for clarification purposes. Ms. Garrett reminded the committee that these policies took effect with the FY 2010 CHIP grants. It is OCD's intention to have the revisions completed early 2013.
- Regarding Policy Notice 09-04, Ms. Garrett asked the committee for suggestions regarding a fair cost distribution of mediation/arbitration expenses. Generally, the committee members did not like that mediation/arbitration costs are assessed to the CHIP, and indicated the complainant had no incentive to resolve the issue prior to the complaint going to mediation or arbitration. Ms. Garrett asked the committee how many have had a CHIP complaint that went to mediation or arbitration, and only one committee member responded affirmatively.
- Mr. LaMantia discussed OCD's grant amendment/extension policy, as detailed in the state of Ohio Consolidated Plan. Mr. LaMantia reminded the committee that extension requests, whether to project completion dates, or the end of the grant period itself must be requested in writing from the grantee's CEO.

### **Training Needs/Recommendations**

- Ms. Garrett began a discussion about the next OCD Housing Conference, which will be held in 2013. In an attempt to evaluate the training needs of CHIP grantees, Ms. Garrett said that OCD would send out a survey to all CHIP administrators requesting their input on training. Committee members suggested a variety of training topics such as finance mechanisms for CHIP projects, use of housing revolving loan funds, program income requirements, Healthy Homes training, One Touch training, and energy efficiency training. In addition, a committee member suggested that training be offered about how to determine if a household should be deemed a walk-away if living conditions such as hoarding and severe pest infestation are present. Another training topic suggested was the newly released update to HUD's Lead-Based Paint Regulations.
- Ms. Garrett stated OCD is still considering holding regional systems training for CHIP grantees, but that further planning would not take place until the Neighborhood Stabilization Program has ended. Additionally, Ms. Garrett informed the committee that the FY 2013 CHIP application training will be held in conjunction with OCCD's Winter Quarterly Meeting in January, 2013.

### **Planning Issues/Recommendations**

- Matt LaMantia spoke about the development of a Community Development Strategy (CDS), and noted the Community Housing Improvement Strategies (CHIS) and Community Assessment Strategies (CAS) will end with the current Ohio Consolidated Plan Needs Assessment Strategy. Mr. LaMantia stated it is OCD's intention to replace the CHIS and CAS with a planning document that is simplified and more useful. Mr. LaMantia also stated that OCD will likely utilize planning work groups for the development of the CDS, which will be made up of internal housing and community development staff, as well as external housing and community development stakeholders. OCD hopes to have recommendations from the planning group by mid-2013, with implementation by FY 2014.

**Other Issues**

- Ms. Garrett asked the committee if they had any additional issues/ topics they would like to discuss. One committee member requested that OCD consider the housing-related comments that came from the CDBG Planning Work Groups. Mr. LaMantia again stated that OCD would support the formation of CHIP Planning Work Groups, but that the CDBG Planning Work Groups were not inclusive of a balanced representation of housing stakeholders.

There were no additional comments. The FY 2013 CHIP Advisory Committee Meeting adjourned at 3:45pm.

**Ohio Development Services Agency  
Office of Community Development**

**FY 2013  
Community Housing Improvement Program  
Advisory Committee Meeting**

**Creekside Conference and Event Center  
Gahanna, Ohio  
October 2, 2012**

**List of Attendees**

**Attendance List**

<b><u>Name</u></b>	<b><u>Organization</u></b>
Gregg Andrews	Hocking-Athens-Perry CAA
Melissa Annon	Columbiana County CAO
Fatica Ayers	Ohio Developmental Disabilities Council
Patricia Barnes	Ohio Healthy Homes Network
John Belt	Ohio Department of Health
Marshall Bleckman	Bleckman & Associates
Jonathan Boeckman	City of Fairborn
James W. Bope	Office of Community Development
Don Corley	WSOS CAC, Inc.
Heidi Crabtree	Office of Community Development
Phyllis Dunlap	CT Consultants, Inc.
Donna Fox-Moore	Fairfield County CAA
Shana Garrett	ODSA, Office of Community Development
Betsy Giffin	ODSA, Office of Community Development
Dale Hartle	Ohio Regional Development Corporation
Kim Haught	Cambridge Economic and Community Development
Teressa Hickson	ODSA, Office of Community Development
Liz Keel	Maumee Valley Regional Organization
Evelyn King	Cambridge Economic and Community Development
Matt LaMantia	Office of Community Development
Bob Laux	Wild River Consulting Corp.
Francis X. Leighty	Leighty and Snider, Inc.
Ryan Miller	Habitat For Humanity
Vickie Miller	U.S. Department of Housing and Urban Development
Nikki Reese	Miami County
Marvin Rudd	ODSA, Office of Community Development
John Saunders	ODSA, Office of Community Development
Amy Schocken	CDC of Ohio
Jacalyn Slemmer	Disability Housing Network
Phil Snider	Phil Snider, LLC
Karen Sprague	Gallia County Commissioners
Warren Weber	Licking County Planning Department
George Zokle	CT Consultants, Inc.