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Sarah Clark, Interim Secretary

TO: Emergency Board Members  
FROM: Sarah Clark, Interim Secretary  
DATE: August 6, 2024  
RE: Emergency Board Meeting, August 8, 2024

Sarah Clark

Digitally signed by  
Sarah Clark  
Date: 2024.08.06  
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Governor Scott will convene a virtual meeting of the Emergency Board on Thursday, August 8, 2024 at 1:00 p.m.

The meeting will be broadcast publicly on the Joint Fiscal YouTube channel at <https://legislature.vermont.gov/committee/streaming/vermont-joint-fiscal>.

Meeting materials will be posted online when available at <https://aoa.vermont.gov/revenue/emergency-board-minutes>.

The agenda is as follows:

- 1) Rapid Response Mobile Home Infill Program
  - a) Lindsay Kurrle, Secretary, Agency of Commerce and Community Development
- 2) Business Emergency Gap Assistance Program (BEGAP)
  - a) Joan Goldstein, Commissioner, Department of Economic Development
- 3) Emergency grant funding for flood-impacted Vermonters
  - a) June Tierney, Commissioner, Department of Public Service
- 4) Other business as needed

Cc: Michael Pieciak, State Treasurer  
Gavin Boyles, Deputy State Treasurer  
Adam Greshin, Commissioner, Department of Finance and Management  
Hardy Merrill, Deputy Commissioner, Department of Finance and Management  
Craig Bolio, Commissioner, Department of Taxes  
Jake Feldman, Senior Fiscal Analyst, Department of Taxes  
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office  
Emily Byrne, Deputy Fiscal Officer, Joint Fiscal Office  
Michael Gaughan, Vermont Municipal Bond Bank  
Elijah D. Emerson, Esq., Primmer Piper Eggleston & Cramer PC  
Maura Collins, Vermont Housing Finance Agency  
Cassie Polhemus, Vermont Economic Development Authority  
Scott Giles, Vermont Student Assistance Corporation  
Tom Little, Esq., Vermont Student Assistance Corporation

## Rapid Response Mobile Home Infill Program

### Program Purpose

In response to July's multiple flooding events, and the threat of more frequent and more severe flooding, the Rapid Response Mobile Home Infill Program is established to address the urgent need for affordable housing in flood impacted counties.

In 2023, **16 homes were destroyed** under FEMA's definition, and **44 mobile homes were condemned** by the State, eliminating two mobile home communities. We know many more were displaced. Preliminary data for 2024 shows **21 homes destroyed** and **over 100 with major damage**, with several at risk of becoming uninhabitable. We need a faster path to ensure flood-displaced Vermonters have somewhere to go.

### Program Amount & Anticipated Outcomes

With a \$7 million transfer to ACCD's DHCD, this Rapid Response Mobile Home Infill program could add as many as 30 mobile home units by the end of the calendar year and as many as 100 by the end of fiscal year 2025, providing a path to home ownership for Vermonters. ACCD DHCD will direct a portion of these funds to AOT, via a Memorandum of Understanding (MOU), and to the Vermont State Housing Authority (VSHA), as detailed below.

### Program Overview

This money would fund a *rapid response* model of mobile home infill. With ACCD as the lead agency, a cross-agency Mobile Home Unit Task Team (MHU-TT) has identified an innovative, expedited process, and potential vendors and partners to implement. The MHU-TT will manage this program, including the following elements:

- **ACCD with the MHU-TT will manage an expedited process.** A single project management team (MHU-TT) to remove barriers and expedite the placement of mobile homes will leverage project and construction management, state contracting experience, state purchasing power, and streamline processes delivering results quickly and efficiently.
- **The MHU-TT will identify Mobile Home Communities (MHC)** for these placements, based on pre-determined criteria. Agreements with the MHCs will include the following items:
  - Require MHC owners to waive the imposition of lot rent from the date of the agreement committing a site or sites through the date the home is occupied, which is foregone revenue of up to \$7,400/lot.
  - Prohibit the exercise of the MHC owners' right to charge homeowners a site improvement fee.
  - Impose resale restriction on MHC owners, including an obligation to offer a right of first refusal to homeowners or a non-profit organization approved by homeowners.
  - Require MHC owners to comply with the standards for health, safety, sanitation and fitness for habitation established by the Commissioner of Public Safety for the protection of the public, property owners and property against harm.
- **The MHU-TT will direct and conduct site and lot improvement work**, using AOT retainer contracts and state staff for placement of ready-to-buy mobile homes.
- **ACCD with the MHU-TT will partner with the VSHA**, providing guidance and support to VSHA as it orders and purchases energy star rated, affordable 1-,2- and 3-bedroom mobile homes utilizing state contracts. The mobile home vendor owns the mobile homes until they are transferred to the homeowner at the mortgage closing.

- **VSHA will manage a Mobile Home Unit Replenishing Fund** in which mobile home unit construction costs are repaid by the homeowner at closing and then reapplied to additional unit purchases and lot improvements.
- **The MHU-TT will leverage housing partners to connect homeownership-ready buyers.** The MHU-TT will work with VSHA and Vermont's Home Ownership Centers (HOCs) to promote these homes to eligible households working to purchase a home. This collaboration will leverage the expertise, network and reach of these housing partners to market and advertise available homes through multiple advertising channels; and identify, track, and support prospective homeowners through entire homebuying process from seeking homeowner education, mobile home park selection, MHC park owner coordination to mortgage closing representation. Eligible buyers may also be identified by MHU dealers or MHC owners.

## Logistical Summary

The approximate cost, including all sitework, acquisition, and placement, is \$130k per unit. Pre-qualified homebuyers may qualify for down payment assistance grants administered through existing HOCs, further reducing mortgages to potentially as low as \$55,000. The MHU-TT will leverage federal efficiency funds to the extent they are available and appropriate for the purposes of this program.

Installation of the first 15 units will take 12 weeks, and we expect an additional 15 units installed each month thereafter (pending weather, contractor, and supply chain availability). Barring extenuating circumstances, MHU-TT, together with VHSA, would place 15 units per month starting in November, with up to 100 homes by the end of June 2025.

The MHU-TT has identified a limited number of state rules that can delay site improvement and MHU placement, and a path for waiving or modifying those rules to expedite placement without affecting safety or health. The Governor will use his emergency powers to narrowly tailor exemptions and modifications for these purposes.

## ITEM 2

### **Business Emergency Gap Assistance Program - 2024 ('BEGAP'24)**

**Requested Funding:** \$7 million to the Agency of Commerce and Community Development, Department of Economic Development, with a 5% allowance for administrative costs.

**Program Purpose and Eligibility:** To provide rapid relief to businesses, farms and nonprofit applicants that sustained physical damage from the 2024 flooding events. Preliminary damage assessments have identified pockets of severe damage due to fluvial erosion and inundation flooding. Over 300 businesses have already reported damage through the 211-reporting system.

**Eligibility:** Applicants will be subject to these eligibility requirements:

- **Use of Awards:** Funds must be used to restore, reopen, and bring employees back to work in Vermont locations as soon as possible.
- **Physical Damage:** Includes real estate, leasehold improvements, inventory, crops, furniture, and equipment.
- **Net Uncovered Damage:** Awards will be made to cover the remaining unmet need after subtracting any insurance proceeds and other grants or donations used to defray the costs of repairing or replacing damaged assets.
- **Sector Eligibility:** All business (including agriculture) sectors are eligible for awards. Not-for-profits are eligible provided they are NOT eligible for FEMA reimbursements.

**Award Amounts:** 30% of net uncovered damages, up to \$100,000 per location affected by July 2024 events. 10% of program funds will be set aside for awards to Black, Indigenous, and Persons of Color businesses.

**Award Distribution:** BEGAP 2024 applications will be considered on a rolling basis with a preference for Vermont-owned businesses as possible. The program will run until all funds are expended. 40% of funds will be reserved for applications from agricultural and silvicultural businesses until November 15, 2024. After this date, any funds not obligated will be released to support other applications. The percent allocation of funding may be adjusted prior to November 15 by the Emergency Board with updated damage information.

**Proof of Damages:** Applicants must provide damage photographs, insurance adjuster damage assessments, estimates for repairs to, or replacement of, physical structures, equipment, inventory, or supply purchases, or actual paid expenses and other documents as requested.