



# DEC Efforts to Support Water Infrastructure at Manufactured Home Communities

Act 179 (2020) Sec. 5 Legislative Report Update

**HOUSE COMMITTEE ON GENERAL, HOUSING, AND MILITARY AFFAIRS**

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# Act 179 Report Requirements

- ▶ (1) assist the Town of Brattleboro and the Tri-Park Cooperative in the implementation of the Tri-Park Master Plan and Deerfield River & Lower Connecticut River Tactical Basin Plan, including through restructuring debt service on water infrastructure loans awarded by DEC;
- ▶ (2) provide similar assistance to the extent possible to similarly situated MHPs that also have infrastructure needs; and
- ▶ (3) identify statutory and programmatic changes necessary to assist in the implementation of the plans and to improve access and terms for MHPs to the Clean Water Revolving Loan Fund, Water Infrastructure Sponsorship Program and the Drinking Water State Revolving Fund.

# (1) Assistance to Tri-Park

- ▶ Catalogued three loans outstanding:
  - ▶ RF1-104 and RF3-163 to Brattleboro and Mtn Home Park Special Assessment District
  - ▶ RF3-107 to Tri Park Board
- ▶ Loan terms were extended as allowed by law by 10 years and re-amortized to reduce annual payments from ~ \$254K to \$146K. The two municipal loans were recently re-amortized, reducing the repayments for those loans by ~ \$91K annually.

## (2) Assistance for Similarly Situated MHCs

- ▶ Development of Loan Subsidy Programs in the FFY 2021 Clean Water Intended Use Plan for the State Revolving Loan Fund.
  - ▶ Loan forgiveness up to \$250,000 for floodplain buyouts and restoration to purchase developed properties located in floodplains, or at high risk of flooding or erosion as determined by the DEC Rivers Program.
  - ▶ Where FEMA funding available, 50% of total cost, and where FEMA funds are unavailable, 100% of total cost.
  - ▶ Municipal sponsorship needed to access this program.

## (3) Statutory and Program Changes contemplated by the report

- ▶ Comprehensive review of MHC debt packages to consider restructuring as was done for Tri-Park
- ▶ Establishment of Linked Deposit
- ▶ Development of an Emergency Match Program to provide the 25% funds necessary to support FEMA buyouts
- ▶ Water Infrastructure Sponsorship for Floodplain Buyouts
- ▶ Reduced loan rates.
- ▶ Coordination with Partners.

# And then, what we actually did...

- ▶ The Pandemic significantly impacted the Department's efforts in this area in several ways.
  - ▶ Initial logistical response to the pandemic impacted DEC's ability to consider additional loan restructuring for specific loans.
  - ▶ Passage of ARPA presented opportunities for financial and technical assistance.
  - ▶ Significant Federal legislative activity provided venue to consider changes to guiding Federal statute.

# ARPA and Infrastructure Act Opportunities

- ▶ American Rescue Plan Act signed into law March 3, 2021
  - ▶ Major opportunity to provide planning, technical assistance, and funding to MHCs
    - ▶ Gov. Scott proposed and the General Assembly appropriated \$3.25M to support water infrastructure at MHCs for SFY2022, and 6.5M in SFY2023.
    - ▶ House final Big Bill presently appropriates an additional \$6.5M, for a total if passed of **\$9.75M**
  - ▶ Opportunity to support floodplain restoration and buyouts
    - ▶ Gov. Scott proposed and the General Assembly appropriated \$5M to VEM in support of floodplain restoration in 2021, and \$14.75M in SFY2023.
    - ▶ House final Big Bill presently appropriates an additional \$6.5M, for a total if passed of **\$19.75M**
  - ▶ These transformational funds will build a project pipeline in support of water infrastructure, and flood resilience.
- ▶ Infrastructure Investment and Jobs Act signed into law Nov., 2021.

# Healthy Homes – Manufactured Home Community Program

- ▶ DEC's Healthy Homes – Manufactured Home Community Program is providing technical and financial assistance to MHCs using ARPA funding. Some key program activities:
  - ▶ Designed a granting program consistent with ARPA rules
  - ▶ Conducted significant outreach to MHC's, their nonprofits, Housing Trusts, and other State Agencies (ACCD in particular).
  - ▶ Solicited initial input regarding overall need. Total requests were \$50M-\$60M in documented need, though many of these were not founded in engineering reviews.
  - ▶ Three award types: Technical Assistance, Engineering Reviews, Design and Construction.
  - ▶ Applications will be accepted this spring for ARPA funding support in these areas.
  - ▶ DEC will strategically align ARPA awards to put projects into a pipeline for Infrastructure Act support subsequently.



# Partner and Stakeholder Engagement (to address limitations of Federal Law)

- ▶ DEC has engaged with several partner organizations to identify opportunities to enhance SRF funding for MHCs.
  - ▶ Recent series of meetings of VHFA, VHCB, Affordable Housing Coalition, DEC, and Congressional Delegation has focused on opportunities to expand eligibility for MHC access to State Revolving Loan funds at the Federal level, before pursuing state-level statute.
  - ▶ The most important limitation is the ineligibility of private or not-for-profit MHCs to receive loan subsidy – this is a function of Federal law.
    - ▶ If municipalities sponsor MHCs, this limitation is avoidable.
  - ▶ Secondary limitation of Federal law:
    - ▶ MHCs with <25 residents on their water system are not eligible as they do not rise to the level of a regulated community water system.
    - ▶ Projects involving MHCs those that own the collection system that delivers wastewater to municipal wastewater systems are not eligible.
    - ▶ These limitations are not presently avoidable.
- ▶ Some Federal language is being considered as developed by Sen. Sanders staff to address the above.

# Opportunities within State Law or the SRF Program

- ▶ Given the Federal limitations noted, the following are proposals that have been considered by DEC and partner organizations as viable:
- ▶ Amend 24 VSA Chapter 120 to allow that MHCs are categorically disadvantaged without need for standalone income surveys.
- ▶ Consider modifications to 24 VSA Chapter 120 to allow municipally-sponsored non-profit/coop owned MHCs to be ranked alongside municipal projects, rather than interspersed within mixed municipal and municipally-sponsored MHC projects.
- ▶ Consider additional options for municipally-sponsored MHCs to access subsidy to address three-acre permit requirements.
  - ▶ Note – Big Bill as passed the House provides significant funding support for three-acre permit support under DEC's ARPA Three-acre permit program.
- ▶ Further consider Linked Deposit for certain project types at MHCs.

# Questions?

- ▶ Water Investment Division:
  - ▶ <https://dec.vermont.gov/water-investment>
- ▶ ANR ARPA Information Pages
  - ▶ <https://anr.vermont.gov/content/arpa-vermont>
- ▶ Healthy Homes – MHC Program
  - ▶ <https://anr.vermont.gov/content/manufactured-housing-community-solutions>