

ANR Healthy Homes Initiative General Fund One-Time Additional Funding Request

DATE or NAME

Overview

- \$10M addition of one-time general fund money to the Agency of Natural Resources (ANR) Healthy Homes (HH) Initiative
- To help the existing HH Initiative support thousands of underserved, overburdened Vermonters who don't have the means to have access to clean, safe, reliable drinking water, wastewater, and stormwater infrastructure.

What is the Healthy Homes Initiative?

- Originally funded by American Rescue Plan Act (ARPA)
- Financial / technical assistance program to benefit low-moderate income VT homeowners and manufactured housing community (MHC) residents.
- Program participants generally lack the financial / technical means to access basic human necessities (clean drinking water / proper sanitation), let alone meeting environmental standards.
- The HH Initiative helps participants overcome these obstacles

Healthy Homes On-Site Program

Healthy Homes On-Site Background

- Funding to low to moderate income VT homeowners to repair / replace failed or inadequate “on-site” drinking water (“wells”) and/or wastewater (“septic”) systems.
- Awards to those most financially in need (Tier I) are issued as “beneficiary payments”
 - ANR can essentially pay a beneficiary recipient’s HH contractor bills without them having to front the money with much less administrative barriers for the recipient
- To be eligible, participants must:
 - Have a failed or inadequate on-site system
 - Own and live on a residential property with either a single-family home or an owner-occupied, multi-family home with up to four units
 - Earn a household income of less than \$80,835 per year
- Applicants are prioritized annually based on a variety of criteria (income, household size, # of vulnerable individuals, etc.)

Healthy Homes On-Site Statistics

- 2022 Funding cycle applicants – Approximately 1,200 households
- By end of 2022, roughly 190 households were awarded nearly \$6M to repair / replace nearly 230 drinking /wastewater systems.
- Of the applicants selected for funding in the 2022 cycle of applications:
 - 54% reported a household income of less than \$30k per year in their applications
 - 89% reported a household income of less than \$50k per year in their applications
- These systems benefitted approximately 625 Vermonters, including 145 seniors and over 150 children.
- Applications for the 2nd round of funding opened mid December 2022 and closed at the end of January 2023.
- With 585 new applicants applying in this cycle and 600 eligible applicants automatically rolled over from the 2022 cycle a continued need for assistance is obvious.

Healthy Homes Manufactured Housing Communities (MHCs) Program

Healthy Homes MHC Background

- Funding to MHCs to repair, replace, and/or upgrade their drinking water, wastewater, stormwater, and/or drainage systems.
- Program works to improve living conditions for MHC residents and to ensure compliance with environmental regs.

Healthy Homes MHC Background

- Three main funding types:
 - Needs Assessments Services (\$40k/MHC)
 - complete a preliminary engineering report and environmental review through a comprehensive needs assessment from a contracted SOV engineer
 - Technical Assistance & Permitting Funding (\$10k - \$75k / project)
 - to get an MHC water infrastructure project fully designed, permitted, and ready for construction
 - Construction Funding (\$25k - \$1.25M / project)
 - to fund construction of an MHC's water infrastructure project

Healthy Homes MHC Statistics

In the 2022 funding cycle:

- 39 MHCs applied for funding over 90 projects
- 36 MHCs were selected to receive \$12.6M of funding to address 48 projects.
 - 11 Needs Assessments Services ~ \$440k (performed via the contract)
 - 26 Technical Assistance/Permitting grants ~ \$1.27M
 - 19 Construction grants ~ \$10.89M
- Projects will benefit nearly 4,000 residents, including over 1,000 seniors and over 800 children.

Why is it important?

- Water infrastructure projects are costly and require technical skills to complete
- MHC residents and low/moderate income Vermonters lack the financial and technical resources to complete these projects by themselves.
- Access to clean water, proper sanitation, and functioning water systems are basic human necessities
- Until ANR's HH program, many of these necessities were not a possibility for impacted individuals through traditional assistance programs.
- The need for this service is far more expansive than was originally projected.
- Simply put, the ANR HH program is an active, assistance based environmental justice program for disadvantaged Vermont homeowners and MHC residents.

Current Status: Funding / Staffing

- HH On-Site Program
 - \$16M total budget
 - 5 FTE
 - 2 ½ program administration, 2 FTE technical permitting, ½ FTE permitting compliance)
- HH MHC Program
 - \$24.75M total budget
 - 1 ½ FTE (program administration)

Current Status: Need

- HH On-Site:
 - Significant increases in On-Site design and construction costs caused the program to increase award amounts in order to fully fund household projects. This results in a net decrease to the number of projects that current funds can provide for.
- HH MHC Program:
 - Significant increases in design and construction costs will mean more cost overruns and requests for contingency funding for MHC projects. Although ANR has accounted for a significant increase in construction costs and allowed for contingencies, realized overruns are exceeding these contingencies.
 - Program staff anticipate roughly a \$40M need for this program over the next two years based off submitted projects in year 1 of funding, recent MHC project overruns experienced, and an anticipated project volume for 2023 and 2024. With a current allocated ARPA funding amount of \$24.75 M.

Additional Funding Request:

Numbers

- HH grants, contracts, and beneficiary awards: \$8M
 - To account for increases in overall project costs, projected additional projects in need of assistance
- HH MHC technical assistance contract: \$1M
 - To bring on a contractor that can work with MHCs that lack technical knowledge and skills to understand and apply, manage, and track projects that require environmental assistance funds. This will help MHCs most in need more likely to receive the financial assistance they need regardless of their technical skills in grant writing or administrative skills.
- HH additional staffing: \$1M
 - \$500k to extend 2 existing FTEs beyond their anticipated limited-service end dates (2 years)
 - \$500k to bring on an additional FTE for 3 years to take on additional grants, contracts, and beneficiary payments.

Questions?

Funding Tiers

- Tier 1: Households Earning Less than \$65k annually:
 - Eligible to receive a standard award (via beneficiary payment) of \$25k to permit, design, and repair / replace a failed on-site system.
 - An additional \$11k is available, if justified, for a necessary, more expensive system
- Tier 2: Households Earning Between \$65,000 and \$80,835 per year:
 - Eligible to receive a maximum award (via rebate check upon completion of work) of \$20k to permit, design, and repair / replace a failed on-site system.