

**City of Burlington Housing Trust Fund (HTF)  
Capacity Grant Application**

<b>APPLICANT ORGANIZATION</b> Burlington Housing Authority (BHA, in collaboration with Winooski Housing Authority(WHA) and Vermont State Housing Authority(VSHA)
<b>CONTACT NAME</b> Allyson Laackman
<b>DAYTIME PHONE &amp; E-MAIL</b> 802-881-2686 Alaackman@burlingtonhousing.org
<b>NAME OF PROJECT</b> Rent Survey
<b>AMOUNT REQUESTED</b> \$5,000
<b>ESTIMATED CONSTRUCTION START DATE (FOR FEASIBILITY/PREDEVELOPMENT GRANTS)</b>
<b>ESTIMATED COMPLETION DATE</b> On or before January 10, 2019
<b>TOTAL ESTIMATED PROJECT COST</b> \$70,000

Is the applicant a 501(c)(3) tax-exempt, nonprofit corporation organized and operated for the purpose of creating or preserving housing for very low, low and moderate-income households?

- Yes  
 No     *See Note*

**NOTE:** BHA, WHA, and VSHA are Federally-funded Public Housing Authorities. Per Vermont Statute, their legal structure is that of a “public body, corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this [statute, as defined].” Each is dedicated to preserving housing and providing rental subsidies that allow very low-income households to afford housing in the community.

Would the requested grant support the staffing, training, planning, fundraising or on-going operations of a nonprofit corporation, thereby increasing that corporation’s capacity to create or preserve housing for very low, low and moderate-income households?

Yes – The grant would help fund a rent survey, which would allow the Housing Authorities to support a joint challenge to recently released HUD 2019 Fair Market Rents for the area. If unchallenged, these FMRs would have the effect of reducing the amount of rental assistance available to support housing for the very low-income households (i.e., household income at 30% of the median income for our area) affecting both Tenant-Based and Project-Based voucher holders.

- No

Is the applicant a corporation, partnership or individual who is delinquent, at the time of application, in the payment of property taxes or impact fees to the City of Burlington, who have been convicted of arson, who have been convicted of discrimination in the sale or lease of housing under article IV of this chapter or under the fair housing laws of the State of Vermont, or who have pending violations of current city electrical, plumbing, building or housing codes or zoning ordinances?

Yes  
 No

## **Project Narrative**

**Funding priority goes to projects which respond to requirements of the Housing Trust Fund and the City of Burlington's affordable housing priorities. The Housing Trust Fund Administrative Committee (HTFAC) uses the attached criteria to score projects. Scores are tallied and ranked high to low. The HTFAC funds projects at its discretion.**

**Please provide the information below in the space provided. It is important to complete all fields. If you need additional space, attach separate pages to your application and title them as indicated below.**

**Project description (Please briefly describe your project. Specifically describe how Housing Trust Funds would: a) support your organization's ongoing operation and/or b) support the assessment of structural and financial feasibility of new affordable housing.):**

HUD annually establishes so-called Fair Market Rents (FMR), which are used as a parameter for establishing Voucher Payment Standards for the Section 8 Housing Choice Voucher program (tenant-based as well as project-based vouchers), as well as rent parameters for a variety of other programs, including Shelter Plus Care, HOPWA, Section 8 Moderate Rehabilitation, and HOME rents.

HUD utilizes data collected from the Census Department's American Community Survey (ACS). Unfortunately, for the Burlington Metropolitan Statistical Area (MSA), the use of ACS data does not lead to rents that accurately reflect our rental market. The limited ACS sample size and, in particular, the recent mover adjustment factor, lead to inaccurate projected rents.

This was demonstrated in 2013 and again in 2015 when HUD proposed significant reduction in the FMRs. In both instances, rent surveys were conducted (HUD-funded in 2013), which led to revised FMRs that more accurately reflected the rental market at the time.

Unfortunately, HUD has again reverted to ACS data, and as a result announced reduced FMRs for 2019 compared to 2018 FRMs as shown below:

<b><u>Year</u></b>	<b><u>Efficiency</u></b>	<b><u>One-Bedroom</u></b>	<b><u>Two Bedrooms</u></b>	<b><u>Three-Bedrooms</u></b>	<b><u>Four-Bedrooms</u></b>
<b>2018</b>	<b>\$920</b>	<b>\$1,121</b>	<b>\$1,442</b>	<b>\$1,921</b>	<b>\$2,025</b>
<b>2019</b>	<b>\$862</b>	<b>\$1,044</b>	<b>\$1,341</b>	<b>\$1,744</b>	<b>\$1,823</b>
<b>Decrease</b>	<b>(\$58)</b>	<b>(\$77)</b>	<b>(\$101)</b>	<b>(\$123)</b>	<b>(\$202)</b>

These reductions would have immediate negative impact on voucher holders and movers trying to rent in our community's tight housing market. In the long term, the decrease would negatively impact the 2,000+ voucher holders currently assisted by BHA as well as the other affordable housing programs BHA manages.

As a result, VSHA WHA and BHA jointly requested HUD re-evaluate the 2019 FMRs for the Burlington/South Burlington MSAs. We advised HUD that we intend to contract for and conduct a rent survey in accordance with HUD requirements and guidance, the results of which would provide accurate rental information about our community. As was the case in 2015, because HUD doesn't fund rent surveys, BHA, WHA, and VSHA have each agreed to provide partial funding of the total cost of the study, contributing \$15,000, \$10,000, and \$15,000 respectively. The Housing Authorities are again seeking financial assistance from community partners, asking that they help fund a portion of the cost of conducting this updated rent survey. (NOTE: The City of Burlington contributed \$5,000 toward the 2015 rent survey.)

Accordingly, BHA is seeking a \$5,000 capacity grant from the Housing Trust Fund to help defray a portion of the remaining \$30,000 cost of this rent survey.

**Please describe how the organization is currently involved in the construction of new affordable housing:**

While BHA is not currently constructing new affordable housing, it has in the past and is expected to again, hopefully in the near future. However, the purpose of this grant is related to funding a rent survey to correct FMRs. The effect of this would be to stop a reduction in the amount of rental assistance available to families in our community, assistance that is critical in making existing housing stock affordable to very low-income households.

**Please describe how the application supports one or more of the priorities listed in the City's Housing Action Plan:**

The Housing Action Plan is primarily focused on non-subsidized housing. However, the existence of inaccurate FMR data negatively impacts the cost and availability of housing and along with rental subsidies available (including project-based). The cumulative effect, while most directly felt by subsidized households, would also negatively impact the housing stock and temporary shelter housing supply and demand by the homeless in our community.

**Please describe how the application supports one or more of the priorities listed in the City's Consolidated Plan:**

Inaccurate FMRs negatively impact the ability to provide decent housing to the most vulnerable families in our community. It reduces the amount of rental assistance available and the payment standards set for participants trying to obtain subsidized housing. It indirectly impacts the supply of affordable housing in our community for those families.

**Please describe the financial need of the requested activity (include a project budget with all sources and uses):**

\$70,000 cost of rental survey, \$40,000 of which will be funded by the three Public Housing Authorities in the community. We are seeking \$5,000 to help cover a portion of the remaining, unfunded cost of \$30,000.

**Please describe the negative impact to the community if the request is not funded:**

The amount of rental assistance available to the most vulnerable residents in the community would be reduced and may continue to decrease in coming years if FMRs more reflective of rent in our community is not utilized. Payment standards are based on FMR and as those drop, program participants will find it harder to find affordable housing, which may lead to an increase in homelessness in our community.

**Please describe how the proposed project supports an underserved and vulnerable population:**

Rental assistance at BHA is provided to very low-income households (those earning at or below 30% of median income). We hope to reserve current FMRs and not revert to the reduced FMRs HUD has announced in the coming years, which would negatively impact ability to rent and would reduce rental assistance available in the community. To do so, we need to conduct a rent survey to have data to support what FMRs should be in our specific community.

**Signature Page**

Please check each box that applies:



**Good Standing:** I certify that I am in "good standing" with respect to, or in full compliance with a plan to pay any and all taxes due to the City of Burlington.



**Certification:** Under penalties of perjury, I declare that the information I have provided, to the best of my knowledge and belief, is true, correct, and complete.

Allyson Laackman, Exec. Director, Burlington Housing Authority  
Print Name

Allyson Laackman 10/21/18  
Applicant Signature Date



## Todd Rawlings

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**From:** Todd Rawlings  
**Sent:** Wednesday, October 03, 2018 6:37 PM  
**To:** 'Allyson Laackman'  
**Subject:** RE: Capacity Grant Application

Good evening Allyson,

This is your confirmation that CEDO has received your proposal prior to the Housing Trust Fund ("HTF") Request for Proposals deadline. The HTF Administrative Committee (HTFAC) will be examining all proposals and we hope to have final decisions about the awards by early November. I will notify you as soon as possible regarding the HTFAC's decisions about awards. In the meantime, I may contact you if there are questions about your proposal.

Very Best,

Todd Rawlings  
Housing Program Manager  
City of Burlington Community & Economic Development Office  
(802) 652-4209 (direct line)  
(802) 865-7144 (main office)

**From:** Allyson Laackman [<mailto:alaackman@burlingtonhousing.org>]  
**Sent:** Tuesday, October 02, 2018 9:19 AM  
**To:** Todd Rawlings  
**Subject:** Capacity Grant Application

Hi Todd,  
in 2015 the City (arranged via a request from Paul sent to you) provided \$5,000 toward the cost of a rent survey which was needed to appeal HUD FMRs that were below market. We are in the process of doing a survey again, as HUD has again reduced FMRs. Marcy said the way to ask the City to contribute was through the Housing Trust Fund RFP. Our application is attached, as a result.

Best,

Allyson Laackman  
Executive Director  
Burlington Housing Authority  
802-881-2686



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