

CITY OF BURLINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT - 2020 APPLICATION

*Application must be no more than 9 total pages (including cover page) with 12 point font.
Refer to NOFA for required information for each question.*

Project Name: Housing Co-op Improvement Program

Project Location / Address: 78 Rose St. and 87 Archibald St.

Applicant Organization / Agency: Champlain Housing Trust

Mailing Address: 88 King St.

Physical Address: 88 King St.

Contact: Amy Demetrowitz Title: Dir of Real Estate Development Phone #: 862-6244

Web Address: www.getahome.org E-mail: amyd@champlainhousingtrust.org

EIN #: 22-2536446

DUNS #: 868151226

CDBG Funding Request: \$75,000

Total Estimated Program/Project Cost: \$582,115

Grant Duration: mark one _____ **1 Year** _____ **2 Year**

(Only Public Service programs with a focus on Housing or Homelessness are eligible for 2 year grant this year)

Development: mark one ___ *Economic Development* ___ *Construction*

Public Service: ___ *Housing* ___ *Homelessness* ___ *Health* ___ *Econ Opportunity*
Mark one

1. Type of Organization

___ Local Government

___ For-Profit Organization

___ Faith-Based Organization

___X___ Non-Profit Organization (please provide copy of your
IRS 501(c)(3) tax exemption letter)

___ Institution of Higher Education

Certification

To the best of my knowledge and belief, data in this proposal are true and correct.

I have been duly authorized to apply for this funding on behalf of this agency.

I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.

I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator. In addition, this project is ready to proceed as of July 1, 2020.

Signature of Authorized Official

Name of Authorized Official

Title

Date

I. Demonstrated Need

1. What is the need/opportunity being addressed by this program/project and how does that contribute to CDBG's national objectives? *

This project will support CHT's work with two Old North End housing co-ops, the Thelma Maple Co-op and the Rose Street Artist Co-op, to address significant maintenance needs at both properties. These two properties were both developed in the 1990's and provide 32 affordable, resident-controlled homes in the Old North End. While the buildings have been well-maintained, it is typical that buildings of this age (over 20 years) will need an infusion of capital in order to attend to major components reaching the end of their useful life. At these two co-ops, this includes roof and deck replacement, replacement of rotted wood exterior trim, skylight replacement, boiler replacement and brick-repointing. The costs of these major repairs are more than what the affordable rents are able to bear.

Maintaining the existing portfolio of affordable rental housing is critical in assuring the availability of safe decent affordable homes for low-income residents. The City has identified the rehabilitation of existing affordable housing as a priority in the Consolidated Plan.

II. Program/Project Design

1. Give us a short summary (2 sentences) that describe the program/project.

The Thelma Maple Co-op and the Rose St. Artist Co-op have been vital affordable housing developments for over 20 years and both are now in need of major building repairs. This CDBG grant will support the work of the Champlain Housing Trust to assess the maintenance needs, develop financing plans and manage the construction work.

2. Explain why the program activities are the right strategies to use to achieve the intended outcomes. Why is the program designed the way it is? (cite evidence, best practices, or community input)*

This project will put both of these housing cooperatives into stronger financial and physical condition. Both are over 20 years old and the affordable rents they charge are inadequate to cover the costs of maintaining some of the older building components that are at the end of their life cycles. Developing long-term scopes of work and financing plans to reinvest in these important affordable housing projects is the right strategy because it allows the buildings to continue to serve low-income residents without major rent increases.

3. How will this program/project contribute to the City's anti-poverty strategy?

Maintaining decent, safe affordable housing for low-income households is central to the City's anti-poverty strategy and affordable housing goals. These co-op apartments have historically served very low income people and this project will allow them to keep rents low and serve these people into the future. As co-ops, they are unique in offering very low-income people the stability and control of ownership without the need to individually qualify for mortgages.

4. How do you use community and/or participant input in planning the program design and activities?*

CHT's Board is made up of 1/3 municipal members (with a representative from the City), 1/3 from the general public, and 1/3 residents of our housing. The Board is elected by the membership, and all 4,000+ adults who live in our housing are members of the organization. All of our development activities are approved by the Board. For these co-op projects, our Cooperative Housing and Asset Management departments will be working with the co-op boards to identify and prioritize work, approve financing plans, choose contractors and approve completed work. These projects will also provide the opportunity for in-depth resident training in capital planning.

III. Proposed Outcomes

1. What are the intended outcomes for this project/program? How are people meant to be better off as a result of participating?

This project will improve the financial sustainability of and maintain and upgrade 32 safe, decent, affordable, resident-controlled apartments in the Old North End. Improvements and repairs will be made that will benefit the long-term manageability of the co-ops without needing to substantially increase rents in order to pay for those improvements. The building needs include roof replacements and repairs, deck and exterior trim replacement, replacement and upgrades of mechanical systems, sky-light replacement, brick repointing and other repairs. Over the years, hundreds have called these apartments home and this project will assure that they will remain safe, decent affordable homes that can continue to be operated by the residents.

2. List your goals/objectives, activities to implement and expected outcomes (# of units, # of individuals, etc.)

This requested CDBG funding will be used to support CHT in developing capital improvement plans and managing the construction work on behalf of and in coordination with the co-ops. The work that CHT will do includes: providing 15-year Capital Needs Assessments and Plans that detail expected repairs and maintenance needs over a 15-year period; developing and presenting financing plans to the co-ops; completing funding applications and managing compliance with any funding requirements; bidding renovation projects and managing construction. The outcome will be that 32 co-op apartments will be in stronger financial and physical condition with better-trained capital planning committees and detailed plans to maintain that condition for at least 15 years.

IV. Impact / Evaluation

1. How do you assess whether/how program participants are better off? Describe how you assess project/program outcomes; your description should include: what type of data, the method/tool for collecting the data, from whom you collect data, and when it is collected. *

This project will improve the co-ops both financially and physically. Co-op residents will benefit from long-term financial planning that will assure that their rents do not need to be raised significantly in order to maintain their buildings. Success will be measured by stable maintenance costs and annual rent increases of no more than 3%. The co-ops will also adjust their annual contributions to replacement reserves which can be judged successful if they are able to keep pace with the 15-year capital needs plan. Most of the renovation work will involve building systems such as roofs, boilers, and exterior components so the residents will not see immediate personal

upgrades to their homes, but the long term capital planning will provide the ability to eventually upgrade apartments on a schedule.

- 2. How successful has the project/program been during the most recent reporting year for your CDBG project? Report the number of beneficiaries you intended to serve with which activities (as noted in your last Attachment A) and your final outcomes (as noted on your Attachment C) from June 2019 (or June 2018). For non-CDBG participants – report on your achievements from the previous year.**

Not applicable.

V. Experience / Organizational Capacity

- 1. What is your agency's mission, and how do the proposed activities fit with your mission?**

The Champlain Housing Trust is a Community Land Trust that supports the people of Northwest Vermont and strengthens their communities through the development and stewardship of permanently affordable homes. Our vision is that all communities in our service area will be diverse and inclusive with safe, decent, affordable, and attractive housing choices for all people. The proposed activities in this application involve the stewardship of permanently affordable homes.

- 2. Explain how your agency has the capacity to carry out the proposed activity (i.e. staff qualifications, years of experience related to this type of activity, etc.)***

The Champlain Housing Trust has been developing affordable housing in Burlington for thirty five years. Our lead real estate developer, Amy Demetrowitz, has been working at the organization for 26 years and has worked on a wide range of housing and community development projects that have served thousands of people over the years. The project team will also include our Cooperative Housing Program staff and Asset Management staff. The Co-op Housing staff will be working with each co-op board to provide information so that they can make informed decisions about moving ahead. Asset Management staff will work with co-op capital planning committees to develop capital plans with cost estimates, bid the work, hire contractors and manage the construction.

- 3. What steps has your organization/board taken in the past year to become more culturally competent internally?**

The demographic mix of CHT residents is more diverse than the Burlington population and it is critical that our staff be highly attuned to unconscious bias and all forms of discrimination.

Over the past year, CHT has continued its focus on hiring a more diverse staff in a number of ways:

- Posting openings at our larger properties that have on-site offices, including the ONE Community Center that hosts one of the most diverse populations in our area on a daily basis;
- Directly sharing openings with leaders in minority communities and partner agencies including the Association of Africans Living in Vermont and VT Works for Women;
- Using the internet as a primary means of advertising job openings, which has dramatically increased the diversity of our applicant pool;

- Highlighting skills such as multiple language fluency as distinguishing qualifications for public-facing positions;

In addition to its efforts to attract a more diverse staff, CHT will begin including content to broaden cultural awareness in each quarterly all staff meeting. Content will relate to specific cultures, power dynamics, dominant culture, poverty, age differences, learning and communication style differences, etc. Efforts are also underway to enhance new hire orientation and staff training and development opportunities with a focus on equity and inclusion.

Cultural competency among staff has also improved as we have hired a more racially and ethnically diverse work force. This is evident as Google Translate has become an everyday tool to assist a Maintenance Technician who speaks French as his first language in understanding the details of his assigned work orders and as we have had to consider Sharia compliance as it relates to our retirement benefits.

4. Have you received Federal or State grant funds in the past three years? Yes No
5. Were the activities funded by these sources successfully completed? Yes No
If No, please explain:

VI. Proposed Low & Moderate Income Beneficiaries / Commitment to Diversity

1. Will the program solely serve a specific group of people? If so, check ONE below:

- Abused Children Elderly (62 years +) People with AIDS
 Battered Spouses Homeless Persons Illiterate Adults
 People with Severe Disabilities

2. a. For your proposed project, please estimate how the Burlington residents will break out into the following income categories during the total grant period. Use the Income Table at <https://www.burlingtonvt.gov/CEDO/2019-HUD-Income-Limits>

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low-Income (30% median)	# Very Low-Income (50% median)	# Low-Income (80% median)	# Above Income Limits (above 80% median)
Rehabilitation	32/50	13 HH	9 HH	8 HH	2 HH

- b. All CDBG grantees serving limited clientele will be required to use CEDO’s *CDBG Beneficiary Self-Certification* form to collect beneficiary data including race, ethnicity, annual income, and family size. Is your organization willing and prepared to add this documentation to the intake process for your CDBG funded program by July 1, 2020?
 Yes NO Not Serving Limited Clientele

3. Who is the project/program designed to benefit? Describe the project/program’s target population, citing (if relevant) specific age, gender, income, community/location or other characteristic of the people this program is intended to serve. How do you select and reach your target population?

These housing co-ops have historically served very low income households and by carefully managing the outstanding repair work, they will continue to do so without significant rent increases. The homes are ideally located for low-income people within walking distance of downtown, vital services and employment opportunities. Both co-ops have housed many residents who have rental assistance and both boards are trained in Fair Housing and lawful member selection criteria annually. CHT and the co-op boards market the homes in a variety of ways, including on Facebook, Craigslist and Front Porch Forum, word-of-mouth, distributing flyers to local businesses, coordinating annual events such as Co-op Open House Day and participating in community events such as the Ramble. Each co-op has a waiting list which is pre-screened for income-eligibility, credit and landlord references by CHT.

4. Describe the steps you take to make the project/program accessible, inclusive and culturally appropriate for the target population. *

CHT works hard to not only maintain compliance with Fair Housing rules but to proactively market housing opportunities, including co-ops, to all members of our community. We have good working relationships with organizations such as AALV, the Refugee Resettlement Program, the Vermont Center for Independent Living, the Howard Center and other organizations. We provide translation services for people who don't speak English as a first language. We've conducted targeted outreach to organizations like these to ensure that we're inclusive and meeting the needs of all of the people that we strive to serve.

VII. Budget / Financial Feasibility

1. Budget Narrative: Provide a clear description of what you will do with CDBG's investment in the project/program. How will you spend the money? Give specific details.

CDBG funds have historically supported CHT's development capacity so that we are able to respond to multiple development opportunities that are important to the City including this type of preservation project. The CDBG funds requested as part of this application will be used to support CHT staff in working with the co-ops. The work will include providing 15-year Capital Needs Assessments, cost estimates and maintenance plans that detail expected repairs and maintenance needs over a 15-year period; presenting financing plans to each co-op; completing funding applications and managing compliance with any funding requirements; bidding renovation projects and managing construction. This process will also provide an excellent training opportunity for the Capital Planning Committees of each co-op.

The benchmarks for this project will identify the specific work to be completed, the proposed schedule for completion and a specific dollar amount of CDBG funding tied to those benchmarks. Once CHT can demonstrate that we've achieved a specific benchmark, we will submit a request for the fee from CDBG funds. This is expected to be a one year project.

2. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) in your Project/Program Design.

As with past projects, CHT will be paid based on achievement of specific benchmarks, not based on staff time.

a.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this	% of Hours per Week spent on this Specific

			Specific Service / Activity	Service / Activity to be paid with CDBG

b. All CDBG grantees that use CDBG funds for salaries must submit timesheets that capture total time and effort of staff members funded with CDBG. These timesheets must record CDBG hours worked, other hours worked, all funding sources, and a narrative for all CDBG and non-CDBG funded activities, and they must be signed by the employee and supervisor. Does your organization have the ability to implement a timekeeping system for CDBG funded staff that meets these requirements by July 1, 2020? Yes No Not funding salaries

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
Rehabilitation	\$0	\$ 507,115	\$ 582,115
CHT Project Management	\$75,000	\$	\$ 75,000
	\$	\$	\$
	\$75,000	\$ 507,115	\$ 582,115

4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$	\$ 75,000	\$ 130,000	\$ 150,000
State (specify) VT Housing and Conservation HOME Program		\$192,000	\$106,000	\$106,000
Federal (specify) Neighborworks			\$150,000	\$175,000
United Way			\$0	\$0
Private (specify) Contributions Property Reserves		\$240,115	\$250,000	\$300,000
Program Income			\$13,187,234	\$13,980,227

Other (<u>specify</u>) BHTF Program/Capacity grants		\$75,000	\$46,500 \$722,000	\$50,000 \$700,750
Total	\$	\$ 582,115	\$ 14,591,734	\$ 15,461,977

5. Of the total project cost, what percentage will be financed with CDBG?

$$\frac{\$ 75,000}{\text{CDBG Funding}} \div \frac{\$ 582,115}{\text{Total Program/Project Costs}} = \frac{12.8\%}{\text{Percentage}}$$

6. Of the total project cost, what would be the total cost per person?

$$\frac{\$ 582,115}{\text{Total Program/Project Cost}} \div \frac{50}{\# \text{ Total Proposed Beneficiaries}} = \frac{\$11,642}{\text{Cost Per Person}}$$

$$\frac{\$ 75,000}{\text{Total Amount of CDBG Funding}} \div \frac{50}{\# \text{ Total Proposed CDBG Beneficiaries}} = \frac{\$1,500}{\text{Cost Per Person CDBG Investment}}$$

7. Why should CDBG resources, as opposed to other sources of funding, be used for this project?

CDBG funding allows CHT to continue to undertake these types of small but critical projects that strengthen the overall portfolio of affordable homes in the City. We have relied on CDBG funding for the past 30 years to support the staff capacity that allows us to take on these types of projects.

8. Describe your use of community resources, including volunteers. Include any resources not listed in your budget. Will CDBG be used to leverage other resources?*

We receive the assistance of more than 150 volunteers per year. We also raise contributions and secure grants to fund our programs and services that help people to succeed in their housing, such as our credit counseling and social work staff. For this co-op improvement project, we will be applying for Burlington Housing Trust Funds, City HOME funds and possibly the Weatherization, utility programs and bank loans to pay for the proposed improvements. We will also be exploring whether the Rose St. Co-op would benefit from utilizing the Low Income Housing Tax Credit and Historic Rehabilitation Tax Credit programs. These tax credit programs are complex and restrictive, but may open up the opportunity to expand the scope of renovation work undertaken at Rose St.

VIII. Collaboration/Efficiency

1. Give 1 or 2 examples of key successful collaboration(s) between your program/project and another agency/program/group to address the needs of the people you serve.

This project involves partnerships with the boards and committees of the co-ops and the City of Burlington in order to utilize Burlington Housing Trust Funds and the City's HOME program. We will also be exploring the use of Tax Credits and would collaborate with Housing Vermont and the Vermont Housing Finance Agency if together we decide to pursue that financing path. CHT will reach out to the Weatherization Program, BED and VT Gas about any energy efficiency elements that can be included at the properties.

2. Do identical or similar community programs exist? How does this program complement or collaborate rather than duplicate services? What makes this program unique?

There is no other organization providing technical assistance to housing co-ops.

3. Provide 1 example of how your agency has become more efficient in achieving your outcomes or managing your project/program.

Our Asset Management division has recently developed a detailed database tracking all maintenance and repairs performed on CHT properties and the co-ops. The database includes updated cost information which allows accurate cost estimates and is used as the raw data to develop 15-year capital plans.

IX. Sustainability

1. How will this project have a long-term benefit to the City of Burlington? If this program/project ends, how will that benefit continue?

This project will financially and physically stabilize 32 resident-controlled, affordable apartments in the Old North End. It assures that these homes will remain safe, decent affordable housing for the current and future low-income residents.

3. CDBG funding is intended for new or expanded services. If CDBG funding ends, will the project be able to continue?

CHT has benefitted from CDBG funding support for the past 30 years. This on-going and consistent funding has been critical to the success of CHT and allows CHT to have the capacity to respond to multiple development opportunities that are important to the City. This specific project will preserve and improve these 32 homes, but the development capacity that is supported by the grant allows us to pursue new preservation and production projects, assist the City administration in policy review and development, consult with non-profit partners on space and housing needs and otherwise be available to help move ahead projects that improve the community.

4. How will you prioritize the proposed project activities if you do not receive the full amount requested?

This project has become a priority for CHT. The impact of not receiving the requested CDBG funding would be on our organizational budget and ability to support the staff required to take on these types of projects including in development and asset management.