

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

APPLICANT ORGANIZATION
Committee On Temporary Shelter (COTS)
CONTACT NAME
Tamira Martel, Corporate and Foundations Relationship Manager
DAYTIME PHONE & E-MAIL
(802) 540-3084 ext. 208 : tamiram@cotsonline.org
NAME OF PROJECT
COTS Housing Resource Center
AMOUNT REQUESTED
\$7,500
ESTIMATED CONSTRUCTION START DATE (FOR FEASIBILITY/PREDEVELOPMENT GRANTS)
N/A
ESTIMATED COMPLETION DATE
Ongoing program
TOTAL ESTIMATED PROJECT COST
\$625,780 annual budget

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

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

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.):

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center

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

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center

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

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center

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

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center

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

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center and also Attachment B.: COTS Housing Resource Center FY20 Budget.

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

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center

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

Please see Attachment A.: COTS Project Narrative-COTS Housing Resource Center

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.

Becky Holt, COTS Development Director

Print Name



Applicant Signature

11/25/19

Date

**Project Narrative- COTS Housing Resource Center
BURLINGTON HOUSING TRUST FUND FY20
Capacity Grant Application**

*Submitted by the Committee on Temporary Shelter
November 25, 2019*

Project description: This application seeks funding for COTS Housing Resource Center to provide programming to prevent homelessness. The COTS Housing Resource Center (HRC), launched in July 2008, prevents at-risk households from losing their existing housing due to unforeseen circumstances and allows those who are without permanent shelter to move more rapidly into stable housing.

COTS Housing Resource Center (HRC) employs a variety of methods to help stabilize households in crisis; these include prevention grants, security deposit grants/loans/guaranties, and a risk-guarantee fund program. Funds will be used to provide homelessness prevention and re-housing programming to 400 households annually (approximately 900 people) who are at risk for becoming homeless or who need assistance getting into housing. In addition, funds will be used to offer comprehensive budget guidance and financial literacy training on- and off-site and provide referrals to connect clients to other mainstream services and benefits.

Funding received from the Burlington Housing Trust Fund will support staffing resources, as well as supervision, and overall organization operations, and administration for this program.

Please describe how the organization is currently involved in the construction of new affordable housing: COTS is currently not developing any affordable housing units that will be available for occupancy within the next twelve to eighteen months.

Please describe how the application supports one or more of the priorities listed in the City's Housing Action Plan: The first priority listed in the City's Housing Action Plan (CHAP) is to, "Take active steps to preserve affordable housing," COTS Housing Resource Center (HRC) is on the frontlines of this effort helping an average of 300 at-risk households each year through our prevention programming. Eviction is one of the leading causes of homelessness in the greater Burlington area. Helping at-risk individuals and families maintain their existing housing is critical to ensuring their self-sufficiency and long-term stability while measurably reducing the incidence of homelessness in our community. This is particularly true of those households that benefit from a housing voucher and are at risk of losing that vital resource if evicted. By proactively assisting people in this situation before they lose their housing, COTS reduces the number of households in our community who become homeless thus preserving housing.

The fourth priority listed in the CHAP highlights the need for, "New Approaches to Homelessness in Our Community". COTS' Housing Resource Center (HRC) nationally recognized for innovation and results, began as a 3-year privately funded demonstration project. Before the end of that three-year grant, the outcomes from HRC were so promising that COTS received public and private funding to sustain and expand the program. The same is true for COTS' Home Again project (master leasing on behalf of homeless families who would otherwise be locked out of the housing market, letting them establish a rental track record to take over the lease themselves after 12 months). It has become a fully, state-funded model that's now called the Family Supportive Housing Program.

COTS' risk guarantee program for landlords, the Pay it Forward Fund of bridge subsidies for housing, and countless other initiatives launched by COTS have become standard tools/resources in our community after we built the case with data and results.

The HRC serves about 400 households each year that are homeless or at-risk of becoming homeless. Through COTS' prevention services, households facing eviction or foreclosure can receive financial assistance and loans to cover back rent and mortgage payments; COTS also helps re-house people who have become homeless more quickly through security deposit assistance, loans, and guarantees. Our specific programs include the following:

- **Prevention Assistance:** provides help through grants or loans to cover back payments to clients facing eviction or foreclosure. COTS also provides small, one-time financial subsidies to help cover household gaps. Such assistance provides crucial support to help people stay housed, improve their credit and overall financial literacy.
- **Re-Housing Support:** Security deposit assistance and loans help clients struggling to move out of shelter or an unaffordable apartment enter stable housing sooner than on their own. We offer guaranties to landlords on behalf of clients who lack sufficient credit, savings, or rental references.
- **Opportunity Fund:** provides short-term rental subsidies to working households that risk losing their housing, but do not qualify for other assistance due to federal income limits. Clients receive supportive services including financial literacy training so they can create sustainable budgets and maintain credit.
- **COMPASS:** is a risk-guarantee program for households that, while able to pay rent, have a damaged rental or credit history that creates obstacles. Our risk guarantee pool ensures that if an owner does have eviction or damage expenses, COTS will cover costs up to an agreed upon limit. After successful completion of a brief tenancy, the resident will enter a standard landlord-tenant agreement and funds are used to assist another household.
- **Family Supportive Housing:** is a transitional housing program for families. After a brief shelter stay, families move into apartments master leased by COTS, allowing them to begin restoring their housing and credit references. A licensed clinician works with families to teach critical life skills in addition to financial literacy training. This reduces shelter stays for families, and children in particular to prevent intergenerational homelessness.

The following story illustrates the synergy that exists between COTS programs and services that enables us to provide the innovative tools and resources needed to move a family from crisis to stability:

“Caitlin” is a single mom in her early thirties. Caitlin moved into COTS family shelter with her twin girls in mid-winter after ending an unhealthy relationship. Her children have extensive medical needs and the family was quickly identified as a household that would need more intensive ongoing support.

Caitlin had little rental history as the lease was in her former partner's name. Caitlin worked part time so she was limited in her eligibility for subsidized housing due to her level of earned income. And because she was not involved with DCF and was not eligible to receive Reach Up assistance therefore she could not access prioritization for housing voucher programs.

She was referred for the Family Supportive Housing Program – a partnership between COTS and the Howard Center that includes intensive case management support from a Howard clinician and financial assistance and budgeting guidance from COTS HRC. COTS staff completed the necessary documentation to enroll Caitlin in our Family Supportive Housing Program making her eligible to access a section 8 voucher. However, because of the length of time to process vouchers her time at family shelter was nearing an end.

Through COTS' extensive network of landlord partners we were able to locate a rental owner who was open to working with a family with a limited rental history and an untraditional COTS subsidy. COTS provided financial assurances to the landlord through our Risk Guarantee Program that allowed the family to move from shelter directly into an apartment without a gap in housing. COTS was able to provide a bridge subsidy while the household is processed for a section 8 voucher and continues to work with a clinician for on-going support.

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

Consolidated Plan: COTS Housing Resource Center helps the City of Burlington positively advance in some capacity all three of the statutory program purposes listed in the City's Consolidated Plan; decent housing, expanding economic opportunities and providing a suitable living environment for low- and moderate-income persons.

Through our prevention and rapid rehousing services COTS' HRC directly addresses bullets one and two under the CDBG purpose: Decent Housing.

- Assisting homeless persons obtain affordable housing;
- Assisting persons at risk of becoming homeless.

The primary objective of the HRC is to reduce the incidence and impact of homelessness in Chittenden County through targeted, limited, and strategic intervention. As a housing-focused organization, COTS' role is to provide the services, supports, and access to resources and tools that assist clients in stabilizing their housing situation or to secure sustainable, permanent housing as quickly and efficiently as possible.

Our housing-focused methodology is communicated to clients during the initial intake meeting and regularly thereafter. COTS staff foster active, sustained participation in supporting clients to self-resolve their housing needs. Staff work with households in need to create a series of sequential, strategic steps so they can acquire the knowledge and skills to ensure their long-term stability.

Our goal is find the pivot points and develop approaches for individuals and families where we can intervene to positively alter their trajectories, preventing future upheaval and reducing their risk of homelessness. Our financial tools coupled with housing navigation and/or search assistance help us achieve these aims.

Through our customized budgeting and credit guidance as well as our targeted referrals to off-site financial literacy training COTS' HRC directly addresses bullet number seven under the CDBG purpose: Expanded Economic Opportunity.

- Empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

We aim to increase a client's financial stability and encourage their fiscal empowerment, by employing a layered approach to helping households develop their budgeting and savings skills as well as improve their credit worthiness. Program participants develop and hone critical life skills that help strengthen their family and create a long-term stable environment.

By helping people retain their housing and remain in their current neighborhood they deepen their connection and commitment to the community in which they live. As a result COTS' HRC tangentially impacts bullet number one under the CDBG purpose: A Suitable Living Environment.

- Improving the safety and livability of neighborhoods.

When residents feel secure and are invested in their community they contribute positively to its social, economic, physical, and political institutions and act as a stabilizing force helping to stave off crime and blighting influences.

Please describe the financial need of the requested activity (include a project budget with all sources and uses): The Housing Resource Center (HRC) programs cost more than \$726,604 annually. COTS HRC is the

largest homelessness prevention program in our area and serves as the centralized entry for more than 70% of all homeless prevention and re-housing requests in Chittenden County.

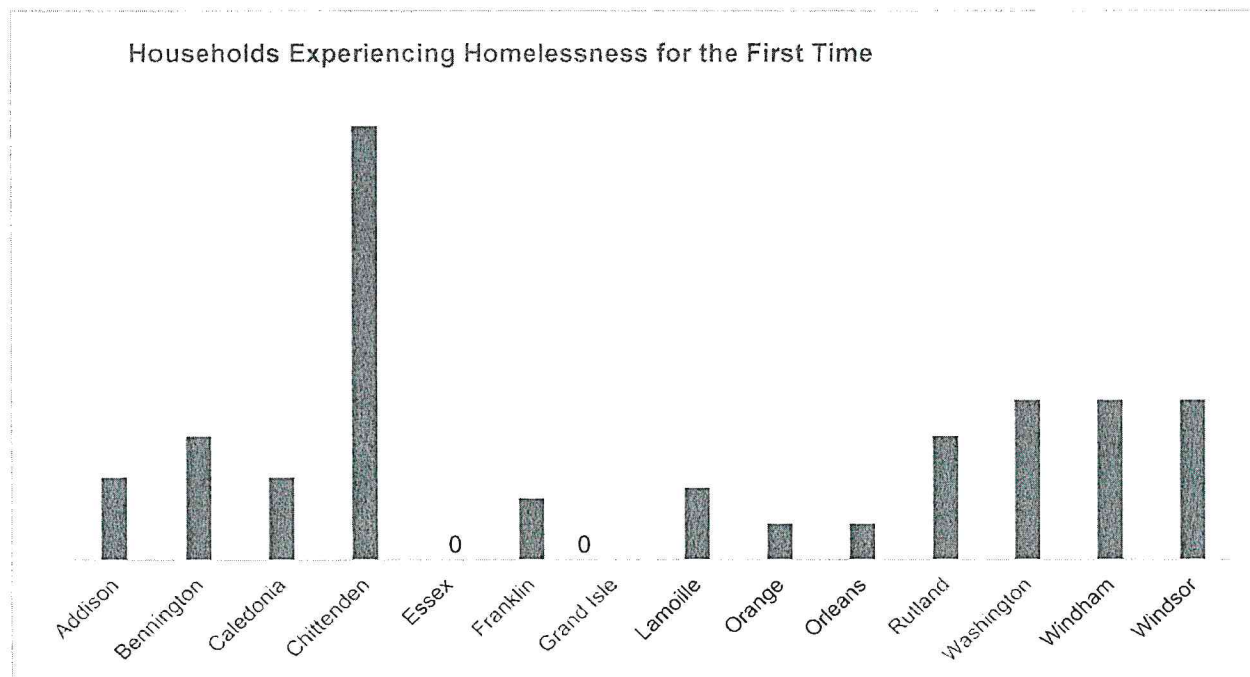
The \$7,500 requested in a capacity grant from the Burlington Housing Trust Fund would be used for staffing, operations, and client programs.

See Attachment B. – COTS FY20 HRC Approved Budget

Please describe the negative impact to the community if the request is not funded: While the number of persons staying in publicly-funded emergency shelters decreased slightly last year, the number of children increased, and the average length of stay in shelters increased significantly. The lack of affordable housing is one of the most significant factors contributing to the incidence of family homelessness in Chittenden County. Although the rental landscape in our area is evolving, the vast majority of rentals remain unaffordable for many workers, not only for those earning minimum wage, but also for skilled middle-income workers.

The most recent annual report from the National Low Income Housing Coalition (NLIHC) and the Vermont Affordable Housing Coalition (VAHC), *Out of Reach: the High Cost of Housing*, said the state's current Housing Wage is \$18.18 per hour. This is the hourly wage needed to afford a one-bedroom apartment at Fair Market Rent (FMR) without an earner spending more than 30% of their household income on housing expenses.

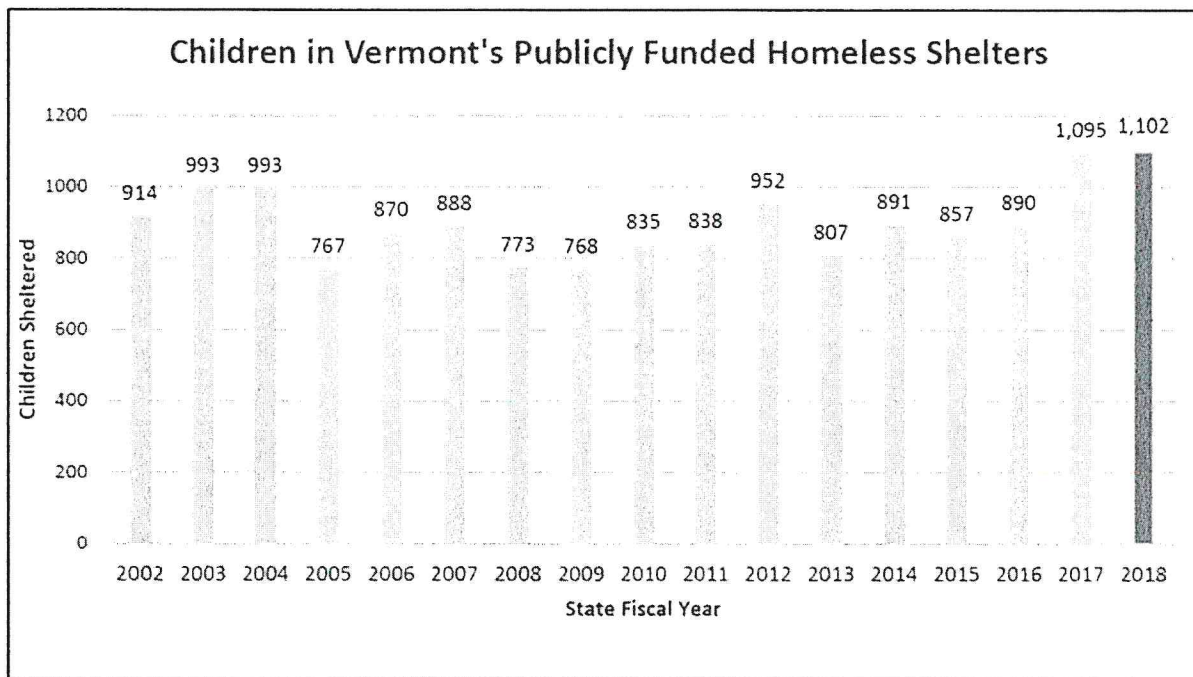
The rental vacancy rate as of July 1, 2019, in Chittenden County decreased to 1.8% from its 20-year peak of 2.5% in 2017. This vacancy rate continues to fall far behind the national average of 4.8%. Our region is more expensive than 96% of other FMR areas in the United States. The 2019 FMR for a two-bedroom apartment in Burlington-South Burlington MSA is \$1,544 a month, requiring a housing wage of \$29.69 (*Out of Reach*, 2019) to pay 30% or less on housing. More than 7,500 local households, many working families with young children, allocate more than 50% of their income to housing costs, putting them one paycheck away from financial disaster.



Source: Balance of State Continuum of Care 2019 Point in Time Count Report

Last year’s increase of children and families in shelter means that now one in four Vermonters experiencing the crisis of homelessness is a child under 18. Studies show that the stress and instability of homelessness can affect

a child's health, behavioral development, and educational achievement. For parents, homelessness can be profoundly disorienting. It exacerbates existing challenges, further destabilizing a family. The trend of seeing more children in shelter may correlate to the impact of the opiate crisis. These families have more complex needs requiring additional supports and services often resulting in longer than average shelter stays.



Source: State of Vermont Department for Children and Families, Office of Economic Opportunity

In 2008, COTS established the Housing Resource Center (HRC), the largest homelessness prevention initiative in Vermont to help families avert the crisis of homelessness altogether. The HRC provides a critical safety net to this potentially vulnerable population and is a key aspect of our homelessness prevention mission. The program is a centralized place to help prevent at-risk households from losing their existing housing due to unforeseen circumstances and to assist those who are without permanent shelter to move more quickly into stable and sustainable housing.

Over the past decade through our prevention and rapid re-housing services, COTS HRC has helped 4,657 households in our community avoid eviction or foreclosure to avert the crisis of homelessness entirely or to move more quickly from shelter to permanent housing. This translates to 10,675 individuals, including 4,468 children, who are spared from experiencing the trauma of homelessness or have safe, stable housing. Interventions through this program are truly making a difference, as the following story demonstrates:

“Karen” owned and operated a small family-style restaurant with her husband “Mark.” Unfortunately, the business struggled and ended up closing at the end of the calendar year. On top of the massive debt her family owed due to their business failing, they had lost their family’s source of income and their ability to make a living. Both “Karen” and “Mark” worked hard to find employment while taking care of their two small children. When they were unable to make rent, they worked closely with their landlord to pay everything they could, but it ultimately was not enough and they quickly fell way behind. Eventually, they both found steady employment and could once again afford their housing, but they were still struggling to make a dent in the back rent they owed and were facing eviction. COTS was able to provide “Karen” and “Mark” with enough financial assistance to stop the eviction and prevent their family from falling into homelessness for the first time.

COTS continually seeks potential funders for our programs and services and has a diversified funding base, which includes individual donors, corporations, foundations, special events, government grants, bequests, and more. We work tirelessly to engage the public, increase our donor pool, and spread the word about the positive outcomes of our programs.

However, if COTS is unable to raise the full program budget, it could result in a reduction of services within this program or in other areas of our organization. A decrease in services could result in fewer households served overall and potentially increased shelter stays or use of overflow motels particularly among families. We would aim to sustain the program through additional private contributions, foundation grants, and government grants, but in a more competitive fundraising climate, it may be impossible to provide the same level of service with reduced funds and it is likely that some services could be interrupted while trying to secure new funding.

Please describe how the proposed project supports an underserved and vulnerable population: The HRC serves a broad range of clients, including families, single adults, those struggling with mental illness, substance abuse, and/or domestic violence. Many households seeking services are on the brink of losing their housing due to loss of employment, a serious illness or medical issue, a family breakup, or a major car repair. The majority of clients assisted by the HRC have a monthly income of less than \$1,000, and they lack support from family and friends to access in a crisis. Nearly half of all COTS clients are residents of Burlington.

Some households are dealing with past trauma and abuse such as domestic violence (36%). They may also suffer from mental health issue (33%) or struggle with drug and alcohol addiction (13%). Chronic health condition (31%), physical disability (18%), and developmental disabilities (19%) are common among our guests. As the percentages bear out many clients struggle with multiple disabilities or conditions.

Our prevention work targets those who are already housed, but have fallen behind on their rent or mortgage payments and risk becoming homeless. Many low-income working households in Chittenden County live close to the edge, paycheck to paycheck. Those households earning between 50 and 60 percent of the Area Median Income (AMI), as determined by the U.S. Department of Housing and Urban Development, are feeling the impact of this situation most acutely. They often have limited savings, or no savings at all. These families also often do not qualify for mainstream benefits, public support, and do not have social networks with means to help them in times of crisis. We offer rental or mortgage arrearages to keep these households in their homes and avert homelessness.

Our rapid re-housing programs are designed to assist households that are already homeless or those with housing that they can no longer reasonably afford. In these cases, we offer assistance with security deposits and moving expenses, enabling these households to move quickly into affordable, stable housing. During the past year, we have assisted more households who are at-risk of housing instability due to a recent change in their life circumstances. For example, we have assisted households who have a new physical limitation that makes their current home no longer accessible. For these families, we have paid the security deposit so they can move to an accessible unit (such as transferring to the first floor of a building with an ADA-compliant kitchen). We have helped with security deposits for households who are fleeing domestic violence. We also have assisted families affected by the “benefits cliff.”

During COTS fiscal year 2019 the following demographics represent individuals/households served by the HRC:

AGE: 44% aged 0-17; 18% aged 18-30; 15% aged 31-40; 10% aged 41-50; 9% aged 51-60; 5% aged 61-70; 1% 71+;

ETHNICITY: 4% Hispanic/Latino; 96% Not Latin;

*RACE: 3% American Indian or Alaskan Native; 2% Asian; 19% Black or African American; 82% Caucasian;

GENDER: 56% males; 44% females;

HOUSEHOLD INCOME: 84% had a household income below 30% Average Median Income (AMI) as determined by HUD; 12% had income between 30% and 50% AMI as determined by HUD; 4% had income between 50% and 60% AMI as determined by HUD;

HOUSEHOLD TYPE: 69% of households with children were headed by a single adult female, 6% of households with children were headed by a single adult male, 25% of households with children were headed by two adult parents, and the remaining households were headed by single adults or an adult couple with no children.

*Percentages are of all respondents indicating association with a particular race. Some respondents indicated associations with multiple races. Denominator is all respondents who knew and chose to disclose their race. Percentages listed will not necessarily add up to 100%

During COTS 2019 fiscal year we dispersed more than \$350,000 (see table below) in financial assistance to stabilize at-risk households residing in public, not-for-profit, and private housing in the greater Burlington area. Our strategy to leverage public money with private funds helps preserve access to housing and scarce housing subsidies in our area.

	Total Households	Total Amount Paid
Champlain Housing Trust	64	\$ 74,042.68
BHA	23	\$ 22,175.20
Cathedral Square	11	\$ 6,646.00
Bove's Brothers	5	\$ 6,252.00
Fern Hill	0	\$ -
Keens Crossing	2	\$ 1,890.00
LUND	2	\$ 448.00
Northgate Apts.	0	\$ -
VSHA	0	\$ -
WHA	3	\$ 2,401.00
OTHER-Private	223	\$ 236,210.05
Total	330	\$ 350,064.93

COTS FY20 Approved Budget for HRC

REVENUE

UNITED WAY

UNITED WAY: Chittenden County

UNITED WAY: Other

Total UNITED WAY -

GENERAL PUBLIC SUPPORT

Cookies

Bequests/Planned Gifts

Corporations 50,000

Foundation Grants 150,000

General Contributions 243,586

Major Donors 20,000

Holiday

Mailings

Other Special Events

Phonathon

Prospecting

Walkathon

Total GENERAL PUBLIC SUPPORT 463,586

FEDERAL GRANTS

FEMA

Total FEDERAL GRANTS -

STATE GRANTS

Family Supportive Housing 29,520

Family Savings Account

HOP 173,173

Dept Children & Families (DCF) 52,825

VT Dept Bldgs & Grounds

State Veterans Grant

Total STATE GRANTS 255,518

MUNICIPALITIES

BHTF 7,500

Local, Cities and Towns

Total MUNICIPALITIES 7,500

Total Fundraising 726,604

OTHER

VT Children's Trust	
Veterans Per Diem Fees	
Program Revenue	
Donated Svc Revenue	
Interest/Investment Income	
Total OTHER	-
RENTAL INCOME AND REIMBURSEMENTS	
Tenants Rental Income	
HAP Pmts for Tenants	
Miscellaneous Income	
Less Rent Subsidized by COTS	
Total Rent/Reimb	-
Donated Equip & Svcs	
Deferred Grants	
Carry Forward Fund	
Total REVENUE	726,604

EXPENSE

PERSONNEL

Salaries and Wages	386,243
FICA	29,045
SUI	-
Life & Disability Insurance	4,242
Medical Insurance	32,381
Dental Insurance	2,911
Workers Comp	4,780
Section 125 Benefit	4,075
403b Contributions	7,030
Employee Plan Management	1,484
EAP and COSTCO	1,085
Total PERSONNEL	473,275

OTHER OPERATING

Operating Leases Canal St/95N	17,525
Furnishings	-
Infestation avoidance	-
Maintenance & Repair	1,858
Capital Obligation	-
Maintenance & Cleaning Supplies	684
Property Management Fee	-
Americorp/Vista	9,439
Life Safety & Security	-

Insurance	4,522
Property Tax Contribution	-
Utilities	3,900
Telephone	3,181
Contract Janitorial	3,473
Contract Labor	-
Technology Supplies & Equipment	17,311
IT & Network Support	10,129
HMIS Bridge	-
Office Supplies & Services	1,707
Printing & Reproduction	-
Postage	720
Dues & Subscriptions	-
Development Event Expenses	-
Volunteer Expense	-
Hiring & HR	818
Kudos	-
Travel	657
Training & Development	-
Board Expenses	-
Legal & Professional Fees	23
Accounting, Audit & Banking	5,226
Miscellaneous	-
Donated Service Expense	-
Total OTHER OPERATING	<u>81,171</u>
CLIENT SUPPLIES/ACTIVITIES	
Client: Early Education	-
Client: Meals	-
Client Prevention	142,500
Client Rehousing	21,500
Client Telephone & Utilities	-
Client: Translation Services	4,500
Client Transportation	760
Client Rent	-
Client Supplies/Activities	2,898
Misc. Client	-
Total CLIENT SUPPLIES/ACTIVITIES	<u>172,158</u>
TOTAL EXPENSES	<u>726,604</u>