

CITY OF BURLINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT - 2019 APPLICATION

Application must be no more than 9 total pages (including cover page) with 12 point font.

Project Name: BRHIP/ONE

Project Location / Address: 189, 191, 193, 195, 197 Pine St., 52-52.5 Hyde St., 62, 62.5, 64, 66, 66.5, 68 No. Champlain St., 86 Oak St., 59-62 North Union St. (aka 95 Grant St.), 16, 18, 20, 23, 25 Front St., 11-11.5 Cedar St., 267 No. Winooski Ave., 310, 312, 316, 318, 326, 328 Manhattan Dr., 33, 35, 35.5, 37 & 39 Murray St., 43 & 45 Manhattan Dr., 222 Riverside Ave

Applicant Organization / Agency: Champlain Housing Trust

Mailing Address: 88 King Street, Burlington, Vermont 05401

Physical Address: 88 King Street, Burlington, Vermont 05401

Contact: Amy Demetrowitz Title: Dir. of Real Estate Dev. Phone #: (802) 862-6244

Web Address: www.getahome.org Fax #: (802) 862-5054 E-mail: amyd@champlainhousingtrust.org

EIN #: 22-2536446 DUNS #: 868151226

CDBG Funding Request: \$30,000

Total Estimated Program/Project Cost: \$ 8,125,495

Grant Duration: mark one X 1 Year 2 Year

(Only Public Service programs with a focus on Early Childhood Ed/Child Care, or Youth Services are eligible for 2 year grant this year)

Development: mark one Economic Development X Construction

Public Service: Early Childhood Ed/Childcare Youth Services 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, 2019.

Signature of Authorized Official

Title

Name of Authorized Official

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 addresses a significant need for affordable housing in Burlington by rehabilitating and extending affordability on 60 existing apartments in the Old North End and King St. neighborhoods for low income households that have been owned and managed by CHT for over 20 years.

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.

This project has the added benefit of continued investment in historic properties in the Old North End and King Street neighborhoods. These low-income neighborhoods have long been targeted by the City for on-going revitalization and investment.

II. Program/Project Design

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

This project will rehabilitate and extend the affordability on 60 apartments scattered across the Old North End and King St. neighborhoods that have been providing safe, decent, affordable homes for hundreds of low-income families since the early 1990's. While the buildings have been well-maintained, they are now in need of an infusion of additional money beyond what can be covered by the low rents, to take care of more substantial work including energy upgrades, boiler replacements, new roofing, electrical upgrades and exterior repairs.

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)*

The rehabilitation and extension of affordability of existing affordable apartments is a high priority for the State and City because it makes good economic sense. Reinvesting in an existing affordable apartment to modernize and improve it physically and financially at a cost of \$55,000 is substantially less than needing to replace that unit with new at a cost of over \$250,000 per unit. With this project, there is the added benefit of continuously investing in Old North End properties and maintaining high standards for property condition.

It is the nature of these 100+ year old, small, historic properties whether privately-owned or owned by non-profits, that the long-term maintenance needs will outstrip the ability of rents to keep up and they will need an infusion of capital every 15 years or so. Original renovation decisions to use durable materials and equipment with long life-spans combined with preventative maintenance practices have served these buildings well, but we are now at the point where more needs to be done. CHT with our partner Housing Vermont has spent years coordinating the predevelopment work required to develop a refinancing plan for these 60 apartments in 20 separate buildings.

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. Without affordable housing, low income people are either spending far too much of their incomes on rent, jeopardizing their ability to buy food, medicine, and other necessities - or they become homeless which leads to a spiral of negative effects on health and well-being. These apartments have served as affordable homes for

hundreds of people over the past 20+ years. The rehabilitation and refinancing project described in this application will assure they continue to serve that purpose into the future.

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. In this way we've cooked into our DNA a responsiveness and accountability to the primary stakeholders in our mission. 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 rehabilitation projects we consult with tenants and maintenance staff to better assess capital improvement and energy efficiency needs.

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 60 safe, decent, energy efficient, affordable apartments in the City of Burlington. Improvements and repairs will be made that will benefit the comfort and condition of the homes without needing to increase rents in order to pay for those improvements. The scope of work includes weatherization and energy upgrades, roof replacements and repairs, window replacement, upgrades to mechanical systems, site improvements and other repairs. Over the years thousands have called these apartments home and this project will assure that they will remain safe, decent affordable homes for generations to come.

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

We have been working on assembling the information required to assess the financing options for this project for a couple of years and we are ready to proceed to construction. The nature of this project – including so many properties each with unique apartments and needs – has required an extensive amount of time and effort. The work that has been completed to date includes a through inspection of every unit by our asset management staff as well as historic preservation consultants, environmental consultants, energy consultants, an architect and contractor in order to develop a detailed scope of work and 20-year projection of future building needs; surveys and title searches for each building; preparing for permit applications; the development of multiple budgets to assess financing options; meetings with funders and preparation of funding applications. As part of this process, the project has changed from a 49-unit project to 60 units by the addition of 12 units at Millview Apartments on Riverside Avenue and the conversion of 6 units to shared-equity, affordable homeownership.

Work to be completed under this grant includes closing on the financing plan; completing all permit work; coordinating Historic Rehabilitation Tax Credit applications; coordinating construction including resident communication and budget management; completing all work and closing out all funding requirements. The project will be complete by the of 2019.

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. *

The current residents of these homes will be better off with lower energy bills and warmer, more comfortable homes. With help from our energy efficiency partners including VT Gas and BED we will be able to document the reduced energy used after improvements are made.

The resident benefit of continued affordable rent will be assessed by comparing annual rental charges and operating expenses once the project is complete. This infusion of capital will result in stabilized maintenance expenses going forward. The refinancing of the properties will improve financial sustainability.

Some of the planned improvements to the buildings will be harder to assess as benefits to the residents, such as lead-safe homes, homes with stable roofs and other improved systems. These benefits are exhibited by a lack of system failures rather than positive data that can be reviewed.

- 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 2018 (or June 2017). For non-CDBG participants – report on your achievements from the previous year.**

We have completed a significant amount of work as detailed in the Goals and Objective listed above. There has been a change in projected beneficiaries in that we added 12 units at Millview while moving 6 units into our affordable homeownership program. We won't report on final beneficiaries until project completion.

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 work toward achieving both the development and 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.)***

We have been developing affordable housing in Burlington for thirty five years. Our lead real estate developer, Amy Demetrowitz, has been working at the organization for 25 years and has worked on a wide range of housing and community development projects that have served thousands of people over the years. Our leadership team is seasoned and well-respected not only locally, but in the field nationally.

- 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. Our Director of Human Resources has been participating in a program sponsored by NeighborWorks called Race, Equity, Diversity and Inclusion that is focusing on imbedding racial and cultural diversity in the organization. Our staff regularly participates in trainings focused on cultural awareness and all staff receive Fair Housing Training on their first day of work as part of new hire orientation. We continue to focus on increasing the diversity of our staff through targeted outreach and mentorships.

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 ☒ N/A
If No, please explain:

We have multiple projects that have received federal funds and these projects are ongoing and on track.

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/2018-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)
Rental apartment rehabilitation	60/150	30/75	20/50	10/25	

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, 2019?

☒ Yes ☐ NO ☐ Not Serving Limited Clientele (public facilities only)

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?

This project will continue to provide affordable rental housing to low-income residents. We have a Memorandum of Understanding with the Burlington Housing Authority that further targets 6 of the apartments in this project to households that are experiencing or are at risk of homelessness. These homes are ideally located for low-income people because they are all within walking distance of downtown and vital services and employment opportunities. Beyond that, we have strong referral relationships with various service providers such as the Burlington Housing Authority, Housing Resource Center, COTS, Refugee Resettlement Program, Pathways to Housing, AALV, Vermont Center for Independent Living, Howard Center and Steps to End Domestic Violence. People learn about us primarily through word of mouth or direct referral from partner agencies. All people seeking housing from us must fill out the same application.

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

We have a good working relationship with AALV, the Refugee Resettlement Program, Vermont Center for Independent Living, 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 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.

The CDBG funds requested as part of this application will be used to support CHT staff in the complicated and lengthy process of developing affordable housing. This project is a great example of the slow-going and complex nature of even refinancing an existing affordable housing project. CDBG funds support 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 complex preservation project. CDBG staff have determined that this project is eligible for up to \$155,767 in CDBG funding over multiple years. To date, we have been allocated \$108,300. With this application for \$30,000, we will bring the total to \$138,300. This project will be complete by the next CDBG funding round and so this will be the final application for this project.

The benchmarks for this project 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.

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.

We will be paid based on achievement of specified benchmarks as listed above under goals/objectives

a.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific 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, 2019? ☐ Yes ☐ No ☒ Not funding salaries

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
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Acquisition	\$	\$ 3,367,164	\$3,367,164
Construction	\$	\$2,591,981	\$2,591,981
Soft Costs	\$ 138,300	\$2,028,050	\$2,166,350
Total	\$138,300	\$7,987,195	\$8,125,495

4. Funding Sources	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$ 108,300	\$ 138,300	\$ 130,000	\$ 130,000
State (specify) VT Housing and Conservation Brd (rolled over from original financing) State Housing Tax Credit Equity	\$423,223 \$562,500	\$423,223 \$562,500	\$100,000	\$106,000
Federal (specify) HOME (rolled over from original financing w/ interest) Neighborworks	\$2,158,272	\$2,158,272	\$140,000	\$150,000
United Way				
Private (specify) Tax Credit Equity Bank Debt Contributions	\$1,957,500 \$2,000,000	\$1,957,500 \$2,000,000	\$205,000	\$250,000
Program Income: Project Reserves	\$750,500	\$750,500	\$10,815,837	\$13,187,234
Other (specify) TD Bank Grant Energy Rebates Burlington Housing Trust Fund Program/Capacity grants	\$125,000 \$10,200	\$125,000 \$10,200	\$44,781 \$607,219	\$46,500 \$722,000
Total	\$ 8,095,495	\$ 8,125,495	\$ 12,042,682	\$ 14,591,734

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

$$\frac{\$ 138,300}{\text{CDBG Funding}} \div \frac{\$ 8,125,495}{\text{Total Program/Project Costs}} = \frac{1.7}{\text{Percentage}} \%$$

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

$$\frac{\$ 8,125,495}{\text{Total Program/Project Cost}} \div \frac{150}{\text{\# Total Proposed Beneficiaries}} = \$ 54,169 \text{ Cost Per Person}$$

$$\text{\$ } \frac{138,300}{\text{Total Amount of CDBG Funding}} \div \frac{150}{\text{\# Total Proposed Beneficiaries}} = \text{\$ } \frac{922}{\text{Cost Per Person CDBG Investment}}$$

7. Why should CDBG resources, as opposed to other sources of funding, be used for this project?
CDBG funding allows us to continue to move our development activities along from concept, to in-depth assessments and permitting, all the way to financing and construction. We have relied on CDBG funding for the past 30 years to help us move these projects along and without CDBG funds they will stall.

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. With development project such as this, CDBG funds are highly leveraged. In this case CDBG funds are covering just 1.7% of project costs.

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 City of Burlington, Housing Vermont, Weatherization, the Lead Program, VT Gas, BED and other funders. But our collaboration doesn't end with completion of the rehabilitation. We have ongoing partnerships with BHA, COTS, Refugee Resettlement, Howard Center, AALV and other social service agencies to fill the affordable homes with households in the most need.

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

We partner with Housing Vermont on projects such as this, which will utilize tax credits. They manage the tax credit financing and investor relations, and CHT manages the residents and rehabilitation decisions.

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

Hiring a construction management firm rather than a general contractor has helped this project be more efficient. With a construction management company we have had access to quick, accurate cost estimates broken down by each component of the work we are considering to help make cost effective choices.

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 and improve these historic properties. They will remain in CHT management in perpetuity providing affordable rental housing for low-income residents.

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

This CDBG funding supports development staff in the predevelopment work required to pull this complex project together. If this application is not funded, we would need to scramble to fill a gap in our organizational budget.

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

The project is at a stage where we would need to move along to construction with or without the CDBG funding. The impact would be on our organizational budget and need to scramble to adjust costs in some way.