

CITY OF BURLINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT - 2018 APPLICATION

Application must be no more than 8 total pages with 12 point font.

Refer to NOFA for required information for each question.

Organization/Agency: Champlain Housing Trust

Project Name: Laurentide (formerly known as Cambrian Rise Affordable Apartments)

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 construct 76 affordable apartments in the new Cambrian Rise neighborhood being developed on the former Burlington College property on North Avenue. Providing affordable rental housing for low-income residents is one of CDBG's national objectives. The project will also set aside 18% of the apartments for people who are currently homeless, or are at risk of becoming homeless with a case manager on-site to help residents get connected to the services they need to be successful in their housing.

The high need for affordable rental housing in Chittenden County is well documented. A Housing Needs Assessment prepared by Bowen National Research on behalf of the Agency of Commerce and Community Development in 2015 showed that in Chittenden County there were 13,785 families earning less than 50% of median income who need affordable rental housing. About 11,820 Chittenden County renter households pay more than 30% of their income for housing while 6,240 pay more than half. This leaves families with little left over to pay for child care, food, clothing and other household needs and leaves them vulnerable to unexpected emergencies. This new affordable housing is in an ideal location - on the bus line and close to jobs, services, shopping and schools. Rents will be affordable to a broad range of household incomes including 27 for households earning less than 50% of Area Median Income; an additional 41 for households earning less than 65%; 5 for those earning less than 80% and 3 that are not income-restricted.

II. Program/Project Design

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

The Champlain Housing Trust has been working on the development of affordable rental housing in the new Cambrian Rise neighborhood since early 2015. This CDBG request supports the predevelopment work that will result in the addition of 76 highly energy efficient, accessible, affordable apartments to the City's stock of affordable homes.

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)*

There is a critical need for additional affordable apartments in Burlington and Chittenden County. This project will add 76 new, energy-efficient homes in an ideal location served by public transportation and within walking distance to downtown, employment opportunities, services and Burlington High School. It is part of a larger mixed income neighborhood that will include high-end luxury condos, mid-range condos, high-end rentals and mid-range rentals. Cathedral Square will be building a new affordable senior apartment building adjacent to the CHT building. The economic diversity of this new neighborhood represents a model of integration and inclusion.

Because this project will be able to meet the Inclusionary Zoning (IZ) requirements of the new neighborhood, the developer is selling us the site with permits and infrastructure for a reduced price. Through the use of affordable housing funding, we will be able to leverage that reduction in price to make these homes more affordable than required by the IZ ordinance including the set aside of 18% for homeless households and the provision of on-site support services.

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

This project will add a significant number of new affordable rental apartments to the City's stock of affordable apartments. Safe, decent, affordable housing is critical in combating poverty. Without an affordable home, poor families spiral into deeper poverty with devastating effects on health, educational achievement and overall well-being. Dr. Megan Sandel of Children's HealthWatch, has documented the housing issues that contribute to poor health in children. She found links between moving two or more times and the increased risk of chronic diseases like Type 2 diabetes. Dr. Sandel also found increased risk of low birth weight, autism and congenital defects for children of mothers who were homeless during the prenatal period. We are committed to targeting 18% of the new apartments to households who are currently or are at risk of homelessness and will be providing on-site support.

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

There has been a lengthy and robust public process to develop the overall concept for Cambrian Rise which included regular participation by the major partners: Eric Farrell, The City of Burlington, the Vermont Land Trust and the Champlain Housing Trust. There was an initial public forum held in the summer of 2015 with site designers and tours of the land to solicit input from the community. The designs that responded to that meeting were shown at subsequent public meetings as well as at NPA meetings for Wards 2/3 and 4/7. The City Council voted unanimously in favor of the development agreement which detailed the development goals for the property including the purchase of 12 acres of the property by the City for use as a park. Multiple public hearings were held as part of the permitting process including three presentations before the Design Advisory Board and multiple presentations before the Development Review Board. Additional public hearings were held as part of the State's Act 250 permit process.

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?

The outcome of this project will be 76 new apartments providing safe, decent affordable homes to 76 households initially and hundreds more over the years to come. People who have a safe, affordable home can operate from a base of security and are better able to reach their financial and life goals.

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

CDBG funding from the City supports the extensive amount of work and risk that goes into developing new affordable housing. The following benchmarks have been met or will be met in order to make this new 76-unit apartment building (that will initially serve an estimated 190 individuals) a reality:

Negotiate site control and development parameters with owner; work with project partners on community design process and finalizing site design; develop initial budgets and financing

strategy; hire architect and design team and work to develop schematic building designs; meet with funders to discuss financing scheme; submit tax credit, VHCB, and City funding applications; undertake HUD Environmental Review and coordinate all necessary environmental consultants; work with design team on permit drawings and participate in local permit process; submit second round of funding applications; hire Construction Management firm to participate in finalizing construction drawings and updating construction cost estimates; participate in State permit process; finalize construction drawings; solicit final construction bids; complete all funding requirements in order to close on financing; coordinate purchase and closing on financing; begin construction and participate in construction oversight; complete construction; coordinate turn-over from contractor to property management; market and lease-up apartments.

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. ***

We assess our impact in a variety of ways. Through a number of studies, we know that providing affordable and stable housing is a platform for achieving other desirable outcomes whether it's related to public health, asset building, education or civic engagement. While it's too simple to just count how many people move into one of our apartments, that is one indicator of progress.

As a function of compliance, we collect household income and resident demographic information. We have learned that our residents are more likely than the general population to have special needs (12%), are non-white (23%) and New Americans (17%). Serving these populations is an important piece of our mission and the City of Burlington's.

- 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 2017 (or June 2016). For non-CDBG participants – report on your achievements from the previous year.**

We don't count beneficiaries until project completion, but CHT has a 30+ year track record of providing high-quality, affordable rental housing in Burlington in both new construction and rehabilitation projects. This property will provide 76 new apartments housing an estimated 190 people at initial occupancy.

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 provide additional affordable apartments to the Burlington market.

- 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 four years. Our lead real estate developer, Amy Demetrowitz, has been working at the organization for 24 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 reflect that diversity and be highly attuned to unconscious bias and all forms of discrimination. We provide a minimum of annual full staff trainings about diversity and cultural competency issues. A goal identified in our current strategic plan is to continue to increase the diversity of our staff through more targeted employment outreach and new apprentice and intern positions in partnership with the Refugee Resettlement Program and AALV.

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. 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/2017-HUD-Income-Limits>

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
New Construction- affordable rental housing	76 HH/ 190* persons, est.	19 HH/ 47	47 HH/ 117	8 HH/ 20	2 HH/ 5

*assumes an average of 2.5 persons per household.

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, 2018?

Yes NO Not Serving Limited Clientele (public facilities only)

2. 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?

The project targets low-income residents in need of affordable housing. 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.

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

We have a strong 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. This building will be designed with 10% fully ADA compliant units and the balance will be adaptable to meet the needs of disabled people. We regularly respond to requests for accommodations in our apartments to meet the needs of disabled tenants.

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 process of developing affordable housing takes two or more years from inception to completion, and CDBG funding has been critical in supporting that lengthy and risky process. The City of Burlington has determined that CHT is eligible for up to \$300,000 in total CDBG funds to assist in the development of the Laurentide project and has previously allocated \$50,000 in CDBG funding to support the project. We are requesting a 2018 CDBG allocation of \$130,000 which, if awarded, will bring the total to \$180,000. We will likely come in next year for the remainder. The awards are made on a performance based contract that allows us to draw the money as we meet specific agreed to benchmarks that show progress on moving the development of the affordable housing ahead. As individual benchmarks are completed, this grant supports the staff work that it took to meet them. Specifically this year, the benchmarks will incorporate all of the milestones it took to be able to begin construction on the building including all of the design work, financing applications, permits, legal work and bidding. We are planning on construction beginning in May with approximately 14 months for completion.

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 and not for staff hours.

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 and 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, 2018? ___Yes ___No X Not funding salaries

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
Acquisition	\$0	\$698,500	\$698,500
Construction	\$0	\$16,265,701	\$16,265,701
Soft Costs	\$300,000	\$4,395,465	\$4,695,465
Total	\$300,000	\$21,359,666	\$21,659,666

4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$50,000	\$300,000	\$130,000	\$130,000
State (specify) VT Housing & Conservation B. (VHCB)	\$1,400,000	\$1,400,000	\$100,000	\$100,000
Federal (specify) HOME Neighborworks National Housing Trust Fund	\$395,000 \$492,000 \$355,000	\$395,000 \$492,000 \$355,000	\$185,000	\$140,000
United Way	\$0	\$0	\$0	\$
Private (specify) Tax Credit Equity Bank Debt Contributions	\$13,247,666 \$5,000,000	\$13,247,666 \$5,000,000	\$190,550	\$205,000
Program Income	\$0	\$0	\$9,424,371	\$10,815,837
Other (specify) Energy Rebates Burlington Housing Trust Fund Program/Capacity grants	\$170,000 \$300,000	\$170,000 \$300,000	\$46,500 \$1,228,261	\$44,781 \$607,219
Total	\$21,409,666	\$21,659,666	\$11,304,682	\$12,042,837

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

$$\frac{\$ 300,000}{\text{CDBG Funding}} \div \frac{\$ 21,659,666}{\text{Total Program/Project Costs}} = \frac{1.4}{\text{Percentage}} \%$$

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

$$\frac{\$ 21,659,666}{\text{Total Program/Project Cost}} \div \frac{190}{\# \text{ Total Proposed Beneficiaries}} = \frac{\$ 113,472^*}{\text{Cost Per Person}}$$

$$\frac{\$ 300,000}{\text{Total Amount of CDBG Funding}} \div \frac{190}{\# \text{ Total Proposed Beneficiaries}} = \frac{\$ 1,579^*}{\text{Cost Per Person CDBG Investment}}$$

*This number reflects only the first group of tenants to occupy the apartments. The homes will serve multiple low-income households over the life of the property.

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 design 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 types of 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. Our development projects have a very high leverage of CDBG dollars. In this case, CDBG funding accounts for 1% of the total 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 represents a strong public/private partnership involving Eric Farrell, the City of Burlington, The Vermont Land Trust, Housing Vermont and Cathedral Square. Together these partners have worked on a broad vision for this property in a process of collaboration and compromise. The Cambrian Rise neighborhood will be one of the most economically diverse neighborhoods in the City with affordable family and senior rental housing, market-rate rental housing and affordable, market-rate and high-end condominiums. All buildings will be built to a very high level of energy-efficiency and sustainability and 12 acres along the waterfront including the beach have been conserved by the City.

This same group of partners came together to develop Thayer Commons – the neighborhood in the New North End that includes affordable family and senior apartments constructed by CHT and Cathedral Square and market-rate apartments built by Eric Farrell. This project developed a successful mixed income, smart growth center with affordable housing for families and seniors, all in close proximity to stores, schools, parks, bus route, the bike path and recreational activities.

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

The Champlain Housing Trust has been the preeminent developer of affordable family housing in the Burlington area since its founding in 1984 with the financial backing of the City of Burlington. There are other non-profits in Burlington that develop specific types of affordable housing, but none whose primary mission is developing new affordable family housing. For this project, we are again partnering with Cathedral Square Corporation who will develop affordable senior housing on an adjacent site. We are modeling this co-location of family and senior housing on other similar successful projects including Thayer Commons, Harrington Village in Shelburne and the Farrell St. neighborhood in South Burlington.

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

We had originally expected that we would need to construct Laurentide Apartments in two phases in order to line up with the limited funding available for affordable housing in the State. The available sources for funding affordable housing are very limited and require us to design projects with an average size of 40 units. We worked very hard to convince funders to stretch their financing to allow us to build all 76 apartments at once which will save an estimated one million dollars in construction and design costs.

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?

The 76 affordable homes built in this project will remain under CHT management in perpetuity serving multiple generations of low-income residents with an affordable and secure home-base from which to live their lives.

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 the gap it would create in our organizational budget, thereby taking focus away from moving this critical project forward.

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

We would need to scramble to fill the gap this would create in our organizational budget.

X. 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, I certify that this project is ready to proceed as of July 1, 2018.


Signature of Authorized Official


Name of Authorized Official


Title


Date