



## ***I. Demonstrated Need***

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

The Champlain Housing Trust's work to create and preserve affordable housing contributes to each of the three national objectives. One of the basic needs of people living in poverty or working to step out of poverty is having an affordable home, which provides a base from which to seek or secure employment, get education, training, build a savings plan and budget, and all of the other things that can add to stability in one's life.

The challenge is that too many find it difficult to secure an affordable home. Rental vacancy rates in Burlington and Chittenden County fall between 1% and 2% (a healthy market is typically thought of as 5%). Fair Market Rents, set by HUD, have gone up by 65% in the last decade, a 6.5% increase per year. It's no wonder that a study done by the Federal Reserve Bank of Boston found that Chittenden County had the highest number of cost burdened renters – those who pay more than 30% of their income for housing – of any other county in New England, save two counties on Cape Cod which has little rental stock.

At the Champlain Housing Trust we see, on average, more than 100 applications a month. A recent count found that people speaking fifteen different languages walked through our front doors over a thirty day period. People are not just looking for affordable apartments, but our homeownership programs and, increasingly, our credit counseling services like Ready, Set, Rent, our credit repair and rebuilding program that gives people the tools they need to fix bad credit or establish good credit in the first place.

A lot has been written about the loss of Section 8 vouchers in the State and cuts to programs like CDBG and HOME that fund the construction and preservation of affordable housing. Our work to address the shortage of the stock of housing is pressing – we must increase housing opportunity for people who cannot access the market. Additionally, preserving the housing we already have is much cheaper than trying to replace it, but more importantly, it prevents homelessness. Our application describes how we're using these two strategies to help alleviate and prevent poverty.

## ***II. Program/Project Design***

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### **1. Describe the program/project activities. [UWCC]**

CDBG funding is being requested to support the staffing necessary to create and preserve affordable rental and cooperative housing for extremely low-, low-, and moderate-income households in Burlington. CDBG funding will assist with the creation of 66 new affordable apartments and cooperative homes in the City, and will preserve affordability of 171 others.

New affordable apartments include new construction on Bright Street with new cooperative housing and expanding affordability from 40 to 64 affordable apartments at South Meadow in the south end. Preserved apartments include existing affordable and unrestricted apartments at South Meadow, some of which will be pulled into a new tax credit partnership and to extend affordability, working with 12 households and 24 residents at Rose Street Artists' Coop to preserve the affordable homes there, refinancing and extending affordability at Pearl-Union SRO with 13 extremely low-income households (out of 15 total), and rehab and refinancing of two scattered site partnerships housing 52 households and 144 individuals.

For new construction, the activities include working with people in neighborhoods where new housing is proposed, securing funding and financing, coordinating the development and working through the permitting process, overseeing construction, marketing and lease-up. For preservation activities, the program includes working with residents, regulators and existing funders to develop a path to extend affordability, securing tax credits and capital to make needed repairs and release investors, temporary relocation of tenants while rehab is underway, and overseeing contractors.

### **2. Why is the program/project designed the way it is? Explain why the program activities are the right strategies to use to achieve the intended outcomes. [UWCC]**

As described earlier, CHT's focus is on both preserving the affordability of existing multifamily properties as well as creating new affordable housing because of the extremely challenging economic climate and rental market we face in Burlington.

Resources are extremely limited, and the market has not and will not offer housing opportunity to the vast majority of households who earn less than 80% of median. Creating new housing targeted at this population is needed in this market, as is preserving the existing housing as we risk more homelessness if we don't.

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

Affordable housing has always been a priority of the City's anti-poverty strategy, and working with CEDO, private developers and other nonprofits, CHT is proud to have played a role in making Burlington the livable city it is. There's more work to do, and even though unemployment rates are low, more and more people are earning less than what it costs to live in the City. This is partly due to the fact that many of the new jobs created are in the service sector and pay lower wages, and partly due to the increasing real estate values and ability of owners to charge higher rents. Creating more and preserving existing affordable housing will provide opportunity for people to secure a stable place to live.

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

Whenever we develop new housing we always seek input from the neighborhood first. For example, when contemplating assembling properties to develop on Bright Street we heard from people that they would love to have more homeownership. When we explained it was financially unfeasible to create affordable homeownership there, a housing co-op was a strong second choice, aided by the fact that another co-op (Thelma Maple) was nearby. We have presented multiple times at the Ward 2/3 NPA on this effort.

It should also be noted that our 15 member board includes one-third resident, one-third municipal and one-third general members. This gives each of our primary stakeholder groups equal say over decisions and policies of the organization, including which development opportunities to pursue. This structure keeps the organization connected to our mission and relevant to the communities we serve.

***III. Proposed Outcomes***

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

The intended outcome is to prevent people from entering poverty and to provide an opportunity for people pull themselves out of poverty. By creating and preserving the housing, we stabilize people's monthly housing costs at a level they can afford – leaving resources left over for needed expenses like food, utilities, health care, transportation and others. If not kept in check, housing costs will eat up a significant amount of a family's or individual's income. There are longer term benefits to having a secure home that help both residents and the neighborhood and community in which they live. Stable residents create more stable communities – they're more engaged and support the local and neighborhood economy.

We expect that directly, 581 individuals will benefit from this program. Indirectly, all people in Burlington benefit from having housing options for people of all incomes.

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

- Bright Street Co-op – We plan on breaking ground in the fall of 2014 on a new housing co-op with 42 apartments on a 1.5 acre lot accessed by Bright and Archibald Streets in the Old North End. Four distressed buildings will be torn down to make way for the co-op. This development just won a TD Bank Housing for Everyone Award, and a \$100,000 grant that went with it. Ultimately, we estimate 90 people will live in this new housing.
- South Meadow – rental. CHT purchased South Meadow Apartments in November. The development has 148 apartments, 40 of which are affordable to those earning 50% of AMI or less. Many residents, however, live in this neighborhood with the assistance of a Section 8 voucher. Our plan over the next few years is to expand the affordability from 40 to 64 apartments and create 32 homeownership condos in addition to keeping 52 apartments available with no restrictions or to those with a voucher. We'll do this over time and invest capital to rehab and update the apartments as we go along.

- Rose Street Artists Co-op. This co-op with 12 households is approaching the end of its low income housing tax credit compliance period and the members need to refinance to preserve affordability and attend to current and future capital needs. We are working with them through this process.
- Pearl Union SRO. This SRO (single room occupancy) is in a partnership that has significant debt and needs refinancing likely with tax credits. It also needs to address its capital needs to preserve long term affordability for the 15 extremely low income individuals.
- ONE Housing. This scattered site rental development with 19 apartments is at the end of its tax credit compliance period and needs reinvestment to preserve affordability and to pay for needed rehab work.
- Burlington Rental Housing Improvement Project (BRHIP). Like ONE, this scattered site rental development is also at the end of its tax credit compliance period and needs reinvestment to preserve affordability and to pay for needed rehab work. BRHIP is home to 33 households.

#### ***IV. Impact / Evaluation***

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**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. [UWCC]**

We do so in a few ways, and we've just begun participating in the last year in a new effort to more effectively understand the impact that we have in neighborhoods that may be translatable to other areas in which we are working.

First, our Board has committed to conducting a resident survey every other year. We typically do this through the mail with a web survey component available. We are doing that this spring. We ask direct questions on the quality of our service and property management and maintenance for tenants, but also we ask questions about how safe they feel or what added activities we could initiate, such as community gardens.

Second, our new effort was developed by a national network in which we're members (NeighborWorks America) and included collaborating with students taking a course in UVM's Community Development and Applied Economics department. We conducted a door-to-door resident satisfaction survey in several blocks of the Old North End, roughly in a wedge between Elmwood and North Winooski Ave heading north from North Street. The students knocked on hundreds of doors at various times of day to get surveys filled out last spring. Coupled with a follow-up electronic version, we collected about 220 surveys and are analyzing the data now with NeighborWorks' "Success Measures" program. We will repeat this survey in the same manner in 2015 or 2016 to see what impact we've made in the neighborhood.

**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 2013. For non-CDBG participants – just report on your achievements from the previous year.**

We have made a lot of progress on the activities outline in last year's application, and all of them are moving forward on schedule. Housing for Homeless is now complete, which serves 15 extremely low-income individuals.

CDBG funds are not sufficient to cover all of the activities that we outlined and they have been targeted to three of them: preserving the long-term affordability at Rose Street Co-op, refinancing and rehabbing several buildings in a scattered site development called BHRIP, and developing new housing on Bright/Archibald streets. These are all progressing and underway. These types of developments can take several years to become completed, therefore we have not reported the number of beneficiaries yet.

Two recent completed developments, though, demonstrate our ability to complete complex, multi-year projects because of CDBG funding: Avenue Apartments, which serves one extremely low-income, seven low-income, 20 moderate income and five middle income households; and City Neighborhoods, which serves 26 extremely low-income, eight low income, four moderate income and two middle income households.

**3. How does this data reflect beneficial outcomes of this project/program? Has this impacted your program planning at all? [UWCC]**

The data collected from our resident survey helps us better serve the needs of the people living in our housing. The Old North End survey work also provides this snapshot in time of how satisfied people are in the neighborhood, and conducting it again in three years will provide a longer term look at what impact we are having through development and stewardship of our housing in making the neighborhood more livable, safe and affordable.

***V. Experience / Organizational Capacity***

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**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 towards achieving both the development and stewardship of permanently affordable homes.

**2. Please describe any indications of program quality, such as staff qualifications and/or training, adherence to best practices or standards, feedback from other programs or organizations you partner with, etc.**

We have been developing affordable housing in Burlington for thirty years. Our lead real estate developer, Amy Demetrowitz, has been working at the organization for 20 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.

We are a member of a national network of housing organizations called NeighborWorks America. Each year members are assessed, and we have consistently been rated “exemplary.” CHT has won numerous awards, including a World Habitat Award from the United Nations and national recognition for our Board of Directors from BoardSource, a premier Board technical assistance organization.

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

In the past year, we have included cultural competency training at one of our four quarterly all staff meetings, and had additional training for managers to ensure consistent application of our values (and adherence to Fair Housing laws) across the organization.

Our Board just approved a new three year strategic plan which includes a commitment to training staff to be more culturally competent and in developing materials and programs that are accessible to all. These efforts are primarily, but not exclusively, led by our Property Management and HomeOwnership Center teams. As a start to this effort, we attempted better understand how we communicate with non-English speaking residents, applicants, customers and clients. We tracked the number of languages spoken at our reception desk in Burlington by visitors and people calling (15 different ones) and did an organization-wide scan of the translation services staff is using to better formulate a cohesive, inclusive policy. In the coming months we will use this information for formulate curriculum for orientation of new staff and Board, establish a policy to give clear expectations of staff, contract with services and develop materials so that we are a model of inclusiveness.

**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:**

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

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**1. Will the program target a specific (solely) group of people? If so, check ONE below:  
No.**

2. 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 <http://www.burlingtonvt.gov/CEDO/CDBG/2013-HUD-Income-Limits/>.

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
Bright Street	42 HH / 90 people	4	12	20	6
South Meadow (rental)	116 / 308	57	33	17	9
Rose Street Artists Co-op	12 / 24	2	6	4	0
Pearl Union SRO	15 / 15	13	1	1	0
ONE Housing	19 / 45	13	4	2	0
BRHIP	33 / 99	21	9	3	0
<b>Total</b>	<b>237 / 581</b>	<b>110</b>	<b>65</b>	<b>47</b>	<b>15</b>

3. a. **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. [UWCC]**

This program is designed to serve extremely low-, low- and moderate-income households.

- b. **How do you select and reach your target population?**

We advertise our properties in a variety of ways, but in this market with vacancy rates so low and rents out of reach for so many, we don’t have any issue finding qualified applicants for our apartments. We work closely with several agencies such as HowardCenter, the Refugee Resettlement Program, United Way, COTS, CVOEO and others to accept referrals for our apartments. We’ve also created a program called Ready, Set, Rent! to provide credit counseling to those whose we’ve denied due to poor credit – we’ve secured housing for about 150 families through this program, and found that nearly half of the participants were homeless or precariously housed previously.

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

All of our public funding sources require that our programs and housing meets stringent guidelines for accessibility and non-discrimination, including our employment practices and governance procedures. We report on this compliance annually, and for some funding sources, more frequently. As part of our value statement, we are committed to providing opportunity for all in our housing, staff, volunteer committees and Board of Directors.

We provide translation services to any applicants, residents or others accessing our programs as needed. We are developing materials in other languages to be more inclusive. With our Bright Street development in particular, we are reaching out the Association of Africans Living in Vermont to work with them on design – specifically making sure we include larger units with more bedrooms – and on how to make that co-op more inclusive to non-English speakers.

## ***VII. Budget / Financial Feasibility***

1. **Budget Narrative: Provide a clear description of what you will do with CDBG’s investment in the program. How will you spend the money? Give specific details. [UWCC]**

CDBG’s investment will fund a portion of the staffing hours necessary to move each development project along towards its completion. Our Director of Real Estate Development, for example, will spend 25 hours per week on CDBG-eligible activities spread out over the six different development activities. These hours are tracked bi-weekly and are an average over the course of the year. The chart below describes the roles of each staff person.

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.

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>Bright Street</b>	Director of Real Estate Development	Project coord, hiring architects, financing, outreach	6	100%
	Development Assistant	Assistance w/permits, relocation and funding	2	100%
<b>South Meadow – rental</b>	Director of Real Estate Development	Overall project coordination, securing financing, hiring and oversight of contractors	10	100%
	Property Manager	Tenant relations and relocation	4	100%
	Development Assistant	Working with contractors, assistance to project lead	4	100%
	Ass. Dir. of Finance	accounting	1	100%
<b>Rose Street Artists Co-op</b>	Director of Real Estate Development	Overall project coordination, developing budgets, securing financing	2	100%
<b>Pearl Union SRO</b>	Director of Real Estate Development	Project coordination, assessment of options, securing financing	3	100%
	Development Assistant	Assistance to project lead	2	100%
	Assistant Dir for Tenant Services	Tenant communication	2	100%
<b>ONE Housing</b>	Director of Real Estate Development	Project coord, securing financing	2	100%
	Development Assistant	Hiring/oversight of contractors, assisting tenants	4	100%
	Ass. Dir. of Finance	accounting	1	100%
	Property Manager	Tenant relations and relocation	3	100%
<b>BHRIP</b>	Director of Real Estate Development	Project coord, securing financing	2	100%
	Development Assistant	Hiring/oversight of contractors, assisting tenants	4	100%
	Ass. Dir. of Finance	accounting	1	100%
	Property Manager	Tenant relations and relocation	3	100%

3. Program/Project Budget

Line Item	CDBG	Other	Total
Acquisition		\$15,529,985	\$15,529,985
Construction	\$	\$ 3,328,000	\$ 3,328,000
Soft Costs	\$ 85,000	\$ 2,110,799	\$ 2,195,799
	\$	\$	\$
	\$	\$	\$
<b>TOTAL</b>	<b>\$ 85,000</b>	<b>\$20,968,784</b>	<b>\$21,053,784</b>

#### 4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$70,000	\$85,000	\$70,000	\$85,000
State (VHCB)	\$2,185,148	\$1,717,000	\$6,137,817	\$3,762,697
Federal (HOME, HoDag, NeighborWorks America)	\$1,482,937	\$4,998,000	\$4,041,916	\$5,499,000
United Way	0	0	0	0
Private (Tax Credit equity, Mortgage loans, AHP)	\$12,143,876	\$13,453,784	\$24,079,176	\$23,374,188
Program Income	0	0		0
Other (property reserves, sale of property)	\$25,000	\$800,000	\$211,095	\$800,000
<b>Total</b>	<b>\$ 15,906,961</b>	<b>\$21,053,784</b>	<b>\$34,540,004</b>	<b>\$33,520,885</b>

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

$$\frac{\$85,000}{\text{CDBG Funding}} \div \frac{\$21,053,784}{\text{Total Project Cost}} = \frac{0.004\%}{\text{Percentage}}$$

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

$$\frac{\$21,053,784}{\text{Total Project Cost}} \div \frac{581}{\text{\# Proposed Beneficiaries}} = \frac{\$36,287}{\text{Cost Per Person}}$$

*(It may be appropriate to note that for this application, the cost per household, or unit of housing, maybe more instructive: for the work described here, it'll cost about \$88,800 to create or preserve each home as affordable)*

**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 neighborhood conversations and permitting all the way to financing and construction. As stated earlier, we have a tremendous need for more housing and we can't afford to lose existing affordable housing. We have no other significant source of funding 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 100 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.

CDBG leverages a significant amount of support for us as shown in the budget, but not just monetarily. That the City of Burlington's Citizen Advisory Board recommends funding for us is often part of our narrative when speaking with donors and grant makers.

**9. If your organization has experienced any significant changes in funding levels during the past year, please explain.**

We have not had significant changes in funding levels.

**10. What cost-cutting measures has your organization implemented?**

The lion's share of our operating budget is spent on staffing (and related costs such as benefits and taxes). After consummating a significant merger seven years ago, we underwent two to three years of first evaluation, and then reorganization, of all of our functions and departments. We scaled back by 13 staff people even as we added additional homes to our portfolio and new services in our programs. This was due to the efficiencies

we created. We slightly increased the cost-share for health insurance, though we are still considered generous. For two years we were unable to offer cost of living increases and salaries were level funded. The past year has seen some growth in our staff due to property acquisition (South Meadow's 148 apartments and Harbor Place, temporary emergency housing – formerly the Econo Lodge) and program expansion (adding Support and Services at Home program to Grand Isle and the Old North End).

### ***VIII. Collaboration/Efficiency***

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**1. Please describe other organizations/programs you work with to achieve outcomes for your program participants. How does your program collaborate with other programs, organizations, or services to address the needs of the people you serve? [UWCC]**

We work with lots of organizations – too many to list – to help our residents and the people we serve. These organizational relationships take many forms: we almost always partner with Housing Vermont when we develop Low Income Housing Tax Credit financed housing (which most of this is), we collaborate with service agencies like Spectrum and HowardCenter to develop housing and manage properties where they can provide services to their clients, we team up with COTS to attempt to rapidly house people who are homeless who have case management services, we've worked with the United Way, Fletcher Allen, CVOEO, Women Helping Battered Women and others to create a new emergency temporary housing facility with services, and we work with a number of organizations in coalition to provide financial literacy and credit counseling to help people succeed.

**2. Describe your agency's efforts at becoming more efficient in achieving your outcomes or managing your project/program.**

We often review our program's practices and work to measure the efficiency of achieving our outcomes. We seek feedback from not only our residents as describe earlier, but from our staff at all levels of the organization. One example of this in action is our practice of bringing in property management and maintenance in at the early stages of design to make sure that we are taking in consideration future costs of maintaining the property. It may be a little more expensive at the outset to put down more durable floors instead of carpet, for instance, but our experience in needing to replace or clean them multiple times as well as the easier marketing of those apartments makes the initial invest worth it.

**3. What other agencies provide similar services or programs? [UWCC]**

The Burlington Housing Authority has developed some housing, and we know COTS is proposing to develop affordable rentals at their property on North Avenue. They partner with Housing Vermont to carry out those projects. No other organizations have the depth of expertise in the development and the stewardship of affordable multifamily housing in Burlington.

### ***IX. Sustainability***

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

CHT develops housing that is permanently affordable, so future generations of Burlington residents will reap the benefits of these projects.

**2. If CDBG funding ends, will the project be able to continue?**

CDBG funding supports the costs we are unable to cover in our capital budgets. We don't currently have a source to replace CDBG funding and would have to try to secure one. At best, assuming we would be successful in securing replacement support, there would be a delay which may result in losing opportunities that exist today.