

City of Burlington / 2016 CDBG Application Form

Project Name: Affordable Rental Development and Preservation

Project Location / Address: various

Applicant Organization / Agency: Champlain Housing Trust

Mailing Address: 88 King Street, Burlington, Vermont 05401

Physical Address: same

Contact: Chris Donnelly Title: Dir. of Community Relations Phone #: (802) 862-6244

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EIN #: 22-2536446 DUNS #: 868151226

CDBG Funding Request: \$130,000

Check ONE: XX **1 year** **2 years**
(Equal Access, Health, (Housing, Homeless, Hunger)
Development Projects)

1. Type of Organization

- Local Government Non-Profit Organization (please provide copy of your
 For-Profit Organization IRS 501(c)(3) tax exemption letter)
 Faith-Based Organization Institution of Higher Education

2. Conflict of Interest: XX Please complete and sign attached form.

3. List of Board of Directors: XX Please attach.

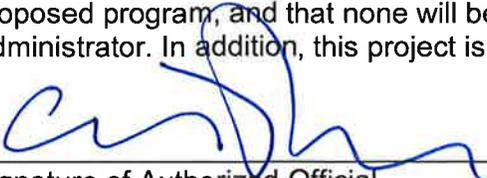
Certification

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, 2016.



Signature of Authorized Official

Chris Donnelly

Name of Authorized Official

Director of Community Relations

Title

January 14, 2016

Date

(Refer to NOFA for required information for each question.)

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 program addresses a significant need for affordable housing in Burlington by both the construction of new rental apartments and extending affordability in existing apartments for low-income households. There is a well-documented shortage of housing in Burlington and surrounding communities, with nearly 60% renters paying more than 30% of their incomes on housing (the amount considered to be affordable). It's also becoming more understood that kids will grow up healthier and be better able to learn in school when living in housing that's affordable.

More recent studies show that providing housing stability for pre-natal and post-natal mothers and their babies has long term benefits in health and welfare. Stable and affordable housing is, as Dr. Megan Sandel puts it, a vaccine. We think of increasing affordable housing as having an impact on all other indicators of community health – lower poverty rates, more access to education and job training, better nutrition, improved physical and mental health, and an increased opportunity for asset building.

II. Program/Project Design

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

The program will support the development of new housing or preservation of existing affordable housing at four locations that will ultimately result in 224 new affordable apartments and 85 preserved apartments. These include:

- South Meadow. We are renovating the 116 apartments at South Meadow, and creating a new partnership to expand the number of affordable apartments from 40 to 64 (though the unrestricted ones are priced affordably, too). This expansion of affordable rentals in the South End is important to ensuring a mix of housing for all incomes.
- Bright Street. We are under construction with a new 40 home affordable co-op on Bright and Archibald streets in the Old North End. We anticipate occupancy by the fall of 2016.
- Scattered Site Reinvestment and Extending Affordability. We own 45 apartments in several buildings scattered across the Old North End which house 124 primarily extremely low- or very-low income residents. We will extend affordability and make capital improvements while investing in the energy efficiency of these apartments.
- Burlington College. We are a development partner with Eric Farrell, the Vermont Land Trust and the City on the development and conservation of the land surrounding Burlington College. Our portion of the project includes the construction of up to 160 affordable rentals on a parcel fronting North Avenue. This year we are applying for financing and permits for the first phase of our project that will include 36 affordable apartments.

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]

We feel a sense of urgency to create and preserve affordable housing in Burlington. We have 140 households submit full applications for rental housing every month to our office, when our average number of vacancies is approximately 20. That means that we're turning away six out of seven applicants solely because of the lack of housing stock. That's frustrating, and why we feel an urgent need to create more.

The lack of options for low income households is well documented and the market is not going to solve the problem. Our project include a mix of preserving existing affordable housing and building new. Both strategies are critical to address the lack of affordable units. We must maintain what we have while at the

same time producing new units. The cost of preserving existing units is much lower than needing to the replace those units with new construction.

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

Creating affordable housing for low-income households is central to the City's anti-poverty strategy. The apartments that have affordability extended and that are newly-developed are a significant piece of achieving the City's affordable housing development goals. Without affordable housing, low-income people are either spending far too much of their income on rent, jeopardizing their ability to buy food, medicine and other necessities – or they become homeless.

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

CHT's Board is made up of one-third municipal members (with a representative from the City), one-third from the general public, and one-third residents of our housing. In that 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. Before these get to the Board, we always engage in a public process to gain local approval. We often – if not always – seek additional public input and guidance through community or neighborhood meetings before proceeding with a development activity. All new construction projects also go through the rigorous permit process which includes ample opportunity for community input.

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? [UWCC]

This project will help up to 185 households secure safe, decent, energy efficient, affordable apartment in the City of Burlington over the new few years, as well as setting the stage for up to another 130 more on the former Burlington College land. In the four developments in our efforts, we are planning to set aside about 15 (give or take) permanent homes for people escaping domestic violence through an agreement to support the homeless families supported by Women Helping Battered Women. Providing affordable apartments for people whose income cannot cover basic needs prevents homelessness and avoids some dilemmas people face, such as making "heat or eat" decisions.

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

We aim to meet the following benchmarks in order to make progress towards the goal of creating or preserving about 185 affordable apartments in Burlington:

- South Meadow (64 apartments). December 2016 – Construction complete.
- Bright Street (40 cooperative homes). August, 2016 – Construction complete.
- Scattered Site (45 apartments). July, 2016 – Tax Credit application submission; Sept, 2016 – permit application compete; November, 2016 – construction closing, begin first temporary relocations, construction start; March, 2017 – 50% construction and URA complete
- Burlington College (phase I – 36 apartments). January 2016 – Tax Credit application submission; April 2016 – permit applications submitted; December 2016 – majority of funding committed; June 2017 – construction start.

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. [UWCC]

We assess our impact in a variety of ways. Through a number of studies, we know that providing affordable and stable housing in the first place 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. We track a number of other indicators to make sure people are stable – for example, in our 2,000 apartments we only evicted four households last year. We track a significant number of other indicators monthly that assess property financial health and essentially tell the story of the tenants as a whole.

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.

We participate in a community-wide effort to address and reduce homelessness. Through the local continuum of care, we work closely to evaluate how our efforts dovetail with those that also share our goals of moving people out of homelessness and into stable housing.

In addition, our Board has committed to conducting a resident survey every other year. This will happen again this year. Primarily a satisfaction survey, it also gives us meaningful information on how stable people feel in their housing.

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 2015 (or June 2014). For non-CDBG participants – just report on your achievements from the previous year.

We don't count beneficiaries until project completion. Recently completed projects include Avenue Apartments with 33 new apartments; Rose Street Artists Coop renovations that houses 12 households and our Housing for Homeless project that houses 39 individuals in four buildings. We have begun exterior repairs and painting of the buildings in the South Meadow property which include 116 occupied apartments.

The Bright Street Housing Cooperative will include 40 new apartments and while construction won't be complete until September 2016, we have begun the resident selection process as we organize the coop structure. To date we have approved eight households and expect the selection committee will continue to interview 6-8 households per month until all units are filled.

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

Every home renovated or built is a beneficial outcome – another low-income household has a safe, decent affordable place to call home. Housing development projects by their nature take multiple years to complete as the financing, permitting and construction processes can be lengthy. The Burlington College site has the potential for 160 affordable apartments but will take 6-8 years to be fully built-out and occupied due to limited resources for affordable housing construction. We are constantly tailoring our project pipeline to available resources.

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 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 22 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.

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." Every three years, as part of our strategic planning process, we hire a consultant to survey a number of partners to help inform our programs and plan goals. That survey will be done this spring.

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

We provide training annually for our full staff at one of our quarterly staff meetings.

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

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

N/A

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 <https://www.burlingtonvt.gov/CEDO/2015-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	40 HH/90 people	4	11	19	6
South Meadow	64/140	31	10	15	8
Scattered site rental	45/136	31	12	2	0
BC rental	36/80	9	11	11	5
Total		75	44	47	19

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]

The project targets low-income residents in need of affordable housing. Beyond that, we have reached out specifically to a few community organizations to assist with the special needs of the people they serve or represent. With the Bright Street Co-op, we've worked with the Association of Africans Living in Vermont (AALV) to address what they see as a shortage of larger apartments with more bedrooms. We added four bedroom apartments to our mix in response to this need.

We are currently pulling together an agreement with Women Helping Battered Women (WHBW) to set aside approximately 15 apartments in these developments to be used for families moving out of transitional housing after escaping violence. There has been a bottleneck in their transitional housing for lack of affordable rentals, so our partnership will not just provide a permanent home for these families, but also make available space in the transitional housing for those in need.

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

As noted previously, we have many more applicants for our housing than we can help directly with an apartment. People learn primarily through word of mouth or direct referral from partner agencies; some learn about us from media stories. 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. [UWCC]

We have a good working relationship with AALV, the Refugee Resettlement Program, Vermont Center for Independent Living and others to serve the people they work with. We've beefed up our translation services in previous years, and conducted targeted outreach to organizations like these to ensure that we're inclusive and meeting the needs of all people 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 program. How will you spend the money? Give specific details. [UWCC]

With direction and support from HUD, CHT and CEDO have moved away from having CDBG funding directly reimburse the hours spent on specific activities; rather, we've identified a series of benchmarks for each of our four development projects described in this proposal, and a corresponding payment schedule. Once we demonstrate that we've achieved the benchmark, CHT will submit a request for CDBG funds. In this way, CDBG funds will correlate more directly with progress on projects.

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 no longer be requisitioning based on staff time. Instead CDBG funds will be used for benchmarks as described above.

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
Acquisition		\$7,928,052	\$7,928,052
Construction	\$	\$8,286,768	\$8,286,768
Soft Costs	\$130,000	\$2,766,687	\$2,896,687
	\$130,000	\$18,981,507	\$19,111,507

4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$ 100,000	\$ 130,000	\$ 100,000	\$ 130,000
State (specify) Vermont Housing Conservation Board REEP	\$3,427,748	\$990,000	\$6,953,863	\$1,863,000
Federal (specify) HOME HUD NeighborWorks	\$5,043,937	\$1,995,000	\$6,096,937	\$1,995,000
United Way				
Private (specify) Tax Credit Equity Bank loans Private grants (FHLB, TDBank)	\$17,732,858	\$15,796,507	\$32,831,262	\$22,469,657
Program Income				
Other (specify) Burlington Housing Trust Fund Project Reserves	\$600,000	\$200,000	\$600,000	\$200,000
Total	\$26,904,543	\$19,111,507	\$46,582,062	\$26,657,657

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

$$\frac{\$ \underline{130,000}}{\text{CDBG Funding}} \div \frac{\underline{\$19,111,507}}{\text{Total Program/Project Costs}} = \underline{0.7\%} \text{ Percentage}$$

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

$$\frac{\underline{\$19,111,507}}{\text{Total Program/Project Cost}} \div \frac{\underline{446^*}}{\text{\# Proposed Beneficiaries}} = \underline{\$42,851} \text{ Cost Per Person}^*$$

*This reflects just the first tenants. The homes are perpetually affordable and will serve multiple households over the coming years.

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 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.

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

We have not experienced significant changes in funding levels, though most – if not all – seem to be slowly getting smaller overall over the past eight to ten years. Many seem continually at risk or need advocacy to secure each year. The potential elimination of HOME funding in 2015 is an example, which was fortunately averted in the federal budget agreement.

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

We are very frugal with each dollar we earn, receive as a grant or charitable donation. Federal program resources have been cut or level funded for several years, meaning we need to make sure every nickel is well spent. We monitor our department income and expenses compared to budget monthly and make adjustments as needed. Our Board reviews financials quarterly. Our annual budgeting process starts about five months before the end of our fiscal year and goes through a rigorous staff review before evaluation by the Finance Committee of the Board and then the full Board (reviewed at two meetings before approval). In the past three years, our variance from budget has not strayed more than 3%, with two of those years at 1% or less.

For development projects, we make a case-by-case decision on items like what materials to use or efficiency measures to include when we pursue developments. We assess long-term benefit (and not just economic, we also take into consideration environmental impact) versus short-term costs and don't necessarily use today's cheapest options instead of more durable or longer-term impactful ones.

VIII. Collaboration/Efficiency

1. Share specific examples of how your agency collaborates with other programs or agencies to address the needs of the people you serve. Do not just list organizations with whom you collaborate. [UWCC]

All of our work takes collaboration. Each of our real estate development efforts involve partnerships with the City of Burlington, Housing Vermont, and numerous funders, and in many cases a private developer as with the Burlington College property. But the building of affordable housing is only the start of our collaborative activity. An example of this is with three properties being developed as described in this application that will provide housing for families moving from transitional housing with the help of WHBW.

This is just the latest of our collaboration with other nonprofit service agencies. We work with several organizations to ensure services and beds are available at Harbor Place in Shelburne, and we're working closely with health sector organizations to create Beacon Apartments for people who are chronically

homeless with medical vulnerabilities and who were identified through the 100,000 Homes campaign effort last fall.

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

In the last two years, we've invested in software for property management and finance to replace two old pieces of software that necessitated duplicate data entry and manipulation of data to create monthly reports. The new software took a significant investment of time and resources in the conversion phase (which is almost done), but we have not had to add additional finance staff as we've added new apartments over the last few years as we managed to a day where we'd see efficiencies. This has allowed us to invest instead in staffing that directly works with residents in activities like developing community gardens or other community building efforts, as well as social workers to connect people to needed services and a shared position to address the needs of people who have challenges with housekeeping issues.

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

The Burlington Housing Authority has developed some housing, and COTS is developing 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

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 work we are unable to cover in our capital budgets. We don't 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.