

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

APPLICANT ORGANIZATION Champlain Housing Trust
CONTACT NAME Chris Donnelly
DAYTIME PHONE & E-MAIL (802) 861-7305 / chris@champlainhousingtrust.org
NAME OF PROJECT Champlain Housing Trust Capacity Grant Application
AMOUNT REQUESTED \$ 46,500
ESTIMATED CONSTRUCTION START DATE (FOR FEASIBILITY/PREDEVELOPMENT GRANTS) October 1, 2020 (FY start)
ESTIMATED COMPLETION DATE September 30, 2021 (FY end)
TOTAL ESTIMATED PROJECT COST \$18.5M

Is the applicant a 501(c)(3) tax-exempt, nonprofit corporation organized and operated for the purpose of creating or preserving housing for very low, low and moderate income households?

- Yes
 No

Would the requested grant support the staffing, training, planning, fundraising or on-going operations of a nonprofit corporation, thereby increasing that corporation's capacity to create or preserve housing for very low, low and moderate income households?

- Yes
 No

Is the applicant a corporation, partnership or individual who is delinquent, at the time of application, in the payment of property taxes or impact fees to the City of Burlington, who have been convicted of arson, who have been convicted of discrimination in the sale or lease of housing under article IV of this chapter or under the fair housing laws of the State of Vermont, or who have pending violations of current city electrical, plumbing, building or housing codes or zoning ordinances?

- Yes
 No

Project Narrative

Funding priority goes to projects which respond to requirements of the Housing Trust Fund and the City of Burlington's affordable housing priorities. The Housing Trust Fund Administrative Committee (HTFAC)

uses the attached criteria to score projects. Scores are tallied and ranked high to low. The HTFAC funds projects at its discretion.

Please provide the information below in the space provided. It is important to complete all fields. If you need additional space, attach separate pages to your application and title them as indicated below.

Project description *(Please briefly describe your project. Specifically describe how Housing Trust Funds would: a) support your organization's ongoing operation and/or b) support the assessment of structural and financial feasibility of new affordable housing.):*

Support from the Housing Trust Fund allows CHT to staff our community relations, advocacy and fundraising functions. These activities have become even more important in the last year, both with the response to the pandemic and the call for racial equity.

Our participation in public education and advocacy campaigns have resulted in significant resources coming to Burlington and Chittenden County more broadly. The work through the Building Homes Together Campaign, along with dedicated advocacy by CHT staff, made the difference in the recent \$37M housing bond passed by the State allowing for both Laurentide Apartments and Juniper House to be built at Cambrian Rise – plus additional housing in South Burlington and elsewhere. There is some discussion about another significant investment as part of a state economic stimulus package.

Similarly, the direct advocacy this year by CHT staff led the State legislature to allocate critical resources to the pandemic response -- \$90 million all told in a combination of housing relief for individuals, capital resources, rental rehab grants, and supportive services.

Some of these dollars were used as capital to replace the existing and create a permanent warming shelter in Burlington; a new, expanded domestic violence shelter for STEPS; permanent housing for 68 households experiencing homelessness; and a quarantine/isolation facility to help prevent the spread of the coronavirus. These capital dollars awarded added up to roughly two-thirds of the \$34 million in capital available across the State.

Also included in the coronavirus relief package was support for renters and homeowners unable to pay their housing costs due to loss of or reduced hours – almost 400 CHT renters have received assistance with about \$1 million in rental relief from the State's program, and hundreds of other renters who were out of work were supported.

There are likely to be additional federal aid packages coming at some point to the State. It's critical that CHT staff continue to engage to ensure that the low-income citizens of Burlington and Chittenden County benefit from these programs, and Housing Trust Fund support of CHT allows us to dedicate the staffing to do so.

Additionally, to address the needs of our tenants, we are looking to ramp up our social and resident services. This will be paid for largely through charitable dollars and we are preparing for a fundraising campaign to raise the necessary funds. This will necessitate further staffing investment in our resource development staff to secure these contributions.

Lastly, we are committed to, from top to bottom in the organization, assess and review our programs as they address issues of race and equity. Roughly 37% of our tenants are non-White, and 13% of our homeowners are BIPOC (though in the past 5 years, 25% of our buyers have been people of color). We have committed time and resources to support our Board and leadership already to learn together, and will commit staffing time to participate externally in policy conversations as we collectively move to reverse and undo housing, economic and social barriers to achieving equity. Our Board has approved a list of twenty goals to pursue, and is currently reviewing a draft amendment to our Strategic Plan to codify our responses and ensure that the organization has clear and transparent goals and benchmarks, and that we're accountable to the community.

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

CHT recently completed the construction of 76 new apartments at Cambrian Rise called Laurentide Apartments and is wrapping up a significant scattered site rehab project with twenty buildings and 62 apartments throughout the Old North End and King Street neighborhoods.

In addition:

- We are working with Eric Farrell at Cambrian Rise to construct shared equity condominiums.
- We are in communication about playing a role in other various inclusionary zoning requirements of proposed development, including downtown, and potential for future development in Burlington.
- We are working on six homes that had been rentals that we are converting to permanently affordable shared equity homeownership in the Old North End, and will affirmatively market these homes to BIPOC households to increase homeownership opportunity for low income people of color.
- We are providing State grant funding to a landlord with four unoccupied apartments to rehab and rent to people earning less than 80% AMI, with a preference on people experiencing homelessness.
- We are investing in the capital needs of two co-ops: Rose Street Artists Cooperative and Thelma Maple to ensure long term affordability.

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

This application for capacity support of CHT enables us to support the following priorities:

Goal 1: Expand and Strategically Apply Municipal Resources to Support New Low- and Moderate-Income Housing Construction and Better Assist Those Ineligible for Subsidy but Unable to Compete in Burlington's Housing Market.

1. Preservation. Our work in the Old North End refinancing and rehabbing BRHIP and ONE partnerships directly support this goal. This work ensures the properties will continue to serve low- and moderate income families and individuals well into the future. This work takes in consideration an evaluation of the buildings to understand rehab needs as well as creating a partnership that works well financially to ensure the housing will be permanently affordable.

4. Inclusionary Zoning. CHT staff have worked with other stakeholders through the process to update the IZ ordinance. We also help implement the ordinance by partnering with private developers to achieve its goals.
5. Energy Efficiency. We invest significant resources each year in improving the energy efficiency of our properties. We partnered with f

Goal II: Consider Regional Land Use Approaches and Reduce Regulatory Barriers and Disincentives to New Housing Production.

1. Regional Housing Initiatives. We initiated and are staffing (with CCRPC and Evernorth) and providing leadership to the Building Homes Together campaign that has organized over 100 stakeholders in the county. We'll continue to engage individual communities with support to increase the production of housing in the region. CHT participates in the Mayor's Land Use committee as well.

Goal IV: New Approaches to Homelessness in Our Community

1. Housing First. CHT is fully on board with the Housing First strategy. Our creation of apartments at the Bel Aire is a tangible example, one that brought new resources and partners. At the Laurentide Apartments, we housed 14 formerly homeless households. We are on the right path; we need to keep pushing in this direction. The revelation of the full extent of homelessness was made apparent this year with the pandemic, and we are providing housing for about 80 households experiencing homelessness just this fall.
2. Low-Barrier Shelter. We provided support to ANEW to purchase the Champlain Inn, and in fact, successfully advocated for the funding need for this purchase and rehab, including provisions to allow allocation of resources to properties to make homeless shelters CDC-compliant.

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

Our work supports the following priorities of the 2018-2022 Consolidated Plan, including the 2019 draft Action Plan submitted to HUD:

SP-10: Geographic Priorities

1. Neighborhood Revitalization Strategy Area. Our preservation work will rehab homes in Census tracts 3, 4, and 10.
2. City-wide. The new development at Cambrian Rise will addresses this geographic priority. We have homes and apartments throughout the city.

SP-25 Priority Needs

CHT's work supports the following HIGH priority needs of the consolidated plan:

1. AFH - Maintain or Preserve Affordable Housing
2. AFH - Increase Affordable Housing Opportunities
3. AFH -Housing Resources to LMI residents, homeowner
9. Provide Public Services to At Risk Population
10. Protect the Vulnerable

SP-40 Institutional Delivery System

CHT is listed as one of only two institutional delivery partners in the plan (Burlington Housing Authority is the other) and is the only one of the two that is currently an active developer of affordable housing in the City.

In addition, CHT's work supports many of the pieces of the plan as they relate to public facilities and providing public services through our creation and management of the Old North End Community Center in the past several years.

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

There are only three public capacity grants that are available to CHT – Burlington's Housing Trust Fund, the Vermont Housing and Conservation Board, and NeighborWorks America. While combined these amount to less than 2% of our budget, without them and the other support they leverage we'd run a deficit. It should also be noted that we have a budget that proposes almost doubling our community fundraising this year to cover the added expenses related to hiring social workers and responding to the coronavirus that aren't reimbursable but necessary for the security and safety of our tenants and others – yet we haven't been able to fundraise in the same way as we have in the past and are exploring new strategies to meet this stretch goal.

That's how tight our budget is. Even though there is growth in our annual budget, virtually 100% of that growth is tied to operating properties that are serving people experiencing homelessness and are break even activities.

We need these flexible funds from the Burlington Housing Trust Fund to carry out our public education and advocacy work, to underwrite our fundraising initiatives, and to deploy staff in unfunded areas such as our participation in the Chittenden County Homeless Alliance, Building Homes Together campaign and other statewide coalition efforts that attract resources to Burlington and heighten public awareness of the need for more affordable housing.

We've reduced our request from last year's \$50,000 award back to the level that we had seen between 2009 and 2019 in an understanding that the City's budget didn't allow for increased investment in the trust fund this year. Housing and homelessness challenges haven't gone away, though – in fact, people on the economic margins are living in even more precarious situations.

The budget documents also demonstrate how thin the margin is on our budget. When looked at as a whole, we expect *net revenue of only \$366,700 on an \$18.5 million budget* – or less than a 2% margin. This leaves no room for any bumps in the road.

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

As mentioned above, this is just one of three capacity grants we receive each year so it is a critical component of our ability to pursue our mission. It is unlikely that funding could be replaced resulting in a decision to reduce or eliminate staffing. This staffing reduction would be likely in our fundraising, advocacy or coalition participation such as the homeless alliance. We would have to evaluate which

of these areas to sacrifice. Any of the choices would cause a ripple effect to our ability to fulfill our mission.

If we reallocated fundraising staffing, we may have to also reduce some of the financial literacy and home education programming as that position brings in resources for those programs. We also won't be able to raise the funds needed to hire additional social workers to serve our most vulnerable residents or support homeless households secure housing. Cutting back on advocacy and outreach could result in the loss of capital dollars, putting future real estate development in Burlington at risk. Pulling back from our participation public policy discussions could mean a loss of our direct experience being considered as Burlington grapples with how to make the City more affordable and inclusive to all.

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

Our purpose is to support underserved and vulnerable populations and capacity funding from the Housing Trust Fund enables us to pursue our mission. This funding supports our ability to create and preserve new housing for these populations. It supports our work to ensure that there is a continued focus on creating permanent supportive housing for people experiencing homelessness, and supports our advocacy to make Burlington and the region more affordable for all.

Signature Page

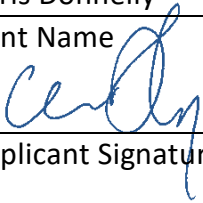
Please check each box that applies:

- Good Standing:** I certify that I am in "good standing" with respect to, or in full compliance with a plan to pay any and all taxes due to the City of Burlington.

- Certification:** Under penalties of perjury, I declare that the information I have provided, to the best of my knowledge and belief, is true, correct, and complete.

Chris Donnelly

Print Name



Applicant Signature

November 23, 2020

Date

CHT Overall 8/31/2020 2021 Budget	Version dated :							8/31/2020	
	8/31/2020	8/31/2020	8/31/2020	8/31/2020	8/27/2020	8/31/2020	8/31/2020		
	01 Admin	02 COOP	03 HOC	04 PM	05 Owned Properties	06 Com	07 Dev		CHT Total
Grant Revenue	1,439,855	0	631,780	73,333	0	246,500	120,000		2,511,468
Gain on Resale of Property									
Sale of Property	0	0	4,400,000	0	0	0	0		4,400,000
Cost of Property Sold	0	0	3,405,800	0	0	0	0		3,405,800
Additional Appreciation Subsidy	0	0	869,200	0	0	0	0		869,200
Total Gain on Resale of Property	0	0	125,000	0	0	0	0		125,000
Rental Income and Related Items									
Tenant Rent	0	0	0	0	6,613,007				6,613,007
Vacancy	0	0	0	0	(350,364)	0	0		(350,364)
Commercial Rent	0	0	0	0	965,587	0	0		965,587
Other Rental Income	0	0	0	0	424,216	0	0		424,216
Total Rental Income and Related Items	0	0	0	0	7,652,446	0	0		7,652,446
Revenue from Properties									
Fees for Maintenance	0	0	0	1,859,651	(341,211)	0	0		1,518,440
Admin Fees				468,306					468,306
Social Service Fees				488,822					488,822
Property and Asset Management Fees	0	0	0	3,663,599	(419,038)	0	0		3,244,561
Incentive Fees	0	0	0	693,000	0	0	0		693,000
Total Revenue from Properties	0	0	0	7,173,378	(760,249)	0	0	0	6,413,129
Coop Fees	0	66,752	0	0	0	0	0		66,752
Home Ownership Fees	0	0	521,332	0	0	0	0		521,332
Interest Income	0	8,700	12,000	0	2,508	120	246,144		269,472
Development Fees	0	0	116,100	0	0	0	892,900		1,009,000
Technical Assistance Fees	99,087	39,750	0	0	0	0	0		138,837
Miscellaneous Fees	0	0	3,100	0	0	109,500	0		112,600
Donations	0	0	0	0	0	430,000	0		430,000
Sponsorship			1,500						1,500
Total Revenue	1,538,942	115,201	1,410,812	7,246,711	6,894,705	786,120	1,259,044	0	19,251,536

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	8/31/2020	8/31/2020	8/31/2020	8/31/2020	8/27/2020	8/31/2020	8/31/2020		
	01	02	03	04	05 Owned Properties	06 Com	07 Dev		CHT Total
Personnel and Consultants									
Salaries and Wages	1,348,196	56,141	609,313	3,514,318	0	217,709	185,739		5,931,416
Taxes and Benefits	561,054	23,359	253,513	1,466,384	0	90,586	77,281		2,472,179
Training Costs	58,612	4,500	25,500	30,745	0	4,700	3,000		127,057
Temp /Americor Services and Recruiting	10,480	0	13,100	5,000	0	0	0		28,580
Total Personnel and Consultants	<u>1,978,342</u>	<u>84,000</u>	<u>901,426</u>	<u>5,016,448</u>	<u>0</u>	<u>312,995</u>	<u>266,021</u>	<u>0</u>	<u>8,559,232</u>
Occupancy	67,667	8,508	102,132	287,128	0	25,536	17,028		507,999
Office Expenses									
Supplies and Non-Capital Equipment	40,898	0	2,000	6,640	0	180	0		49,718
Local Mileage and parking	3,000	300	10,650	57,396	0	2,700	1,500		75,546
Postage and Courier Service	31,200	0	300	0	0	900	0		32,400
Telephone	32,700	0	0	4,200	0	0	0		36,900
Printing and Copying	1,200	500	200	0	0	300	0		2,200
Dues & Subscriptions (and Lobbying)	19,770	150	4,235	1,980	0	8,850	4,500		39,485
Equipment Repair and Maintenance	0	0	0	0	0	0	0		0
Bank Fees/Finance Charges	13,000	0	6,090	240	0	2,600	0		21,930
Total Office Expenses	<u>141,768</u>	<u>950</u>	<u>23,475</u>	<u>70,456</u>	<u>0</u>	<u>15,530</u>	<u>6,000</u>		<u>258,179</u>
Technology Expenses									
Equipment Leases	61,584	0	0	0	0	0	0		61,584
Computer Equipment and Supplies	100,262	0	10,800	375	0	8,348	0		119,785
Technology Consulting	150,372	0	0	0	0	0	0		150,372
Internet access	16,164	0	600	2,508	0	324	324		19,920
Shared Expenses	(257,119)	3,149	34,182	197,153		12,213	10,420		(0)
Cell Phones	<u>9,888</u>	<u>480</u>	<u>4,992</u>	<u>38,216</u>		<u>1,440</u>	<u>960</u>		<u>55,976</u>
Total Technology Expenses	81,151	3,629	50,574	238,252	0	22,325	11,704	0	407,637
Allocated Administrative Costs	(1,970,785)	24,140	262,004	1,511,157	0	93,615	79,868		(0)
Property Management Expenses									
Truck Maintenance	0	0	0	12,000	0	0	0		12,000
Other	0	0	0	81,240	0	0	0		81,240
Total Property Management Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>93,240</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>93,240</u>
Total Rental Property Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,506,149</u>	<u>0</u>	<u>0</u>	<u>0</u>	6,506,149

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	01	02	03	04	05 Owned Properties	06 Com	07 Dev		CHT Total
	Admin	COOP	HOC	PM					
Outreach									
Advertising/Public Relations	0	600	8,100	1,200	0	9,400	0		19,300
Donor Cultivation	0	0	0	0	0	43,000	0		43,000
Membership Expenses	0	0	0	0	0	34,700	0		34,700
Special Events	0	0	0	0	0	0	0		0
Organizing	0	0	0	0	0	12,500	0		12,500
Communications	0	0	0	0	0	13,000	0		13,000
Total Outreach	0	600	8,100	1,200	0	112,600	0		122,500
Screening/Home Ownership/Counseling Expenses									
Workshops	3,300	0	24,420	0	0	0	0		27,720
Tenant Screening	0	0	13,950	0	0	0	0		13,950
Lending	0	0	300	0	0	0	0		300
Total Screening/Home Ownership/Counseling Expenses	3,300	0	38,670	0	0	0	0		41,970
Professional Services	83,800	4,400	66,875	122,100	0	9,500	18,500		305,175
Board and Staff Expenses	38,195	1,020	1,250	4,700	0	0	0		45,165
Other Sources (Uses) of Funds									
Insurance	50,400	0	0	11,700	0	0	0		62,100
Project Expenses	0	0	19,200	0	0	0	30,000		49,200
Interest Expense	3,600	8,700	0	1,320	0	0	325,704		339,324
Other	1,193,435	1,400	6,000	2,400	0	1,200	2,400		1,206,835
Total Other Sources (Uses) of Funds	1,247,435	10,100	25,200	15,420	0	1,200	358,104		1,657,459
Total Expenses	1,670,874	137,348	1,479,707	7,360,101	6,506,149	593,301	757,225	0	18,504,704
Operating Income	(131,932)	(22,146)	(68,895)	(113,390)	388,556	192,819	501,819	0	746,832
** The operating income (\$371,825) remaining in Owned properties only St Joes (\$8,473) can used for CHT operations									380,083
** Less : Owned Property Operating Income **									
Net Available Operating Income									366,749