

CITY OF BURLINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT - 2019 APPLICATION

*Application must be no more than 9 total pages (including cover page) with 12 point font.
Refer to NOFA for required information for each question.*

Project Name: Laurentide Apartments (AKA: Cambrian Rise)

Project Location / Address: 351 North Ave.

Applicant Organization / Agency: Champlain Housing Trust

Mailing Address: 88 King St., Burlington, VT 05401

Physical Address: same as above

Contact: Amy Demetrowitz Title: Director of Real Estate Development Phone #: 802-862-6244

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EIN #: 22-2536446

DUNS #: 868151226

CDBG Funding Request: \$100,000

Total Estimated Program/Project Cost: \$21,037,000

Grant Duration: mark one X **1 Year** **2 Year**

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

Development: mark one **Economic Development** X **Construction**

Public Service: **Early Childhood Ed/Childcare** **Youth Services** **Health** **Econ Opportunity**
Mark one

1. Type of Organization

 Local Government

 For-Profit Organization

 Faith-Based Organization

 X Non-Profit Organization (please provide copy of your
IRS 501(c)(3) tax exemption letter)

 Institution of Higher Education

Certification

To the best of my knowledge and belief, data in this proposal are true and correct.

I have been duly authorized to apply for this funding on behalf of this agency.

I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.

I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator. In addition, this project is ready to proceed as of July 1, 2019.


Signature of Authorized Official

Amy Demetrowitz
Name of Authorized Official

Director of Real Estate Dev.
Title

1/14/19
Date

I. Demonstrated Need

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

Laurentide Apartments is the 76-unit affordable apartment building currently under construction in the new Cambrian Rise neighborhood 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. The City of Burlington's Housing Action Plan has identified affordable housing as one of the City's most significant challenges. The Plan cites the Downtown Housing Strategy Report from 2014 as identifying that Burlington renters spend on average 44 percent of their income on housing, one of the highest ratios of any American city and that it is lagging behind the region and peer cities in the production of new downtown housing. The December 2018 Allen, Brooks and Minor Report on the Chittenden County market found that the apartment vacancy rate is back down to a very unhealthy 1.7% rather than the target of 5%. This imbalance in supply continue to put upward pressure on rents – with another 3.5% average rent increase in 2018.

Laurentide Apartments will be complete in late Summer 2019 and will provide 76 new affordable apartments 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 years of development work that will result in the addition of 76 highly energy efficient, accessible, affordable apartments being ready for occupancy in late Summer 2019.

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, mid-range and affordable condos, affordable senior housing as well as this affordable family rental property and a range of privately-owned rental apartments. 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 for the new neighborhood, the developer sold us the site with permits and infrastructure for a reduced price. Through the use of affordable housing funding, we are able to leverage that reduction in price to

make these homes even 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. 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. We will be providing free wi-fi hotspots in the building to help assure residents have internet access and making connections between the community gardens next door and the cooking kitchen available in the building's common room.

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 has historically been a significant component of the financial support the City provides to the Champlain Housing Trust so that we can spend years on 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 a reality:

Negotiated site control and development parameters with owner; worked with project partners on community design process and finalizing site design; developed initial budgets and financing strategy; hired architect and design team and worked to develop schematic building designs; met with funders to discuss financing scheme; submitted tax credit, VHCB, and City funding applications; undertaken HUD Environmental Review and coordinated all necessary environmental consultants; worked with design team on permit drawings and participated in local permit process; submitted second round of funding applications; hired Construction Management firm to participate

in finalizing construction drawings and updating construction cost estimates; participated in State permit process; finalized construction drawings; solicited final construction bids; completed all funding requirements in order to close on financing; coordinated purchase and closing on financing; began construction.

Benchmarks for this grant round include: participate in construction oversight; complete construction; coordinate turn-over from contractor to property management; market and lease-up apartments; complete all funding reporting and on-going monitoring.

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 2018 (or June 2017). 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. The homes will be perpetually affordable and will serve thousands of people in the years to come.

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

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

The demographic mix of CHT residents is more diverse than the Burlington population and it is critical that our staff be highly attuned to unconscious bias and all forms of discrimination. Our Director of Human Resources has been participating in a program sponsored by NeighborWorks called Race, Equity, Diversity and Inclusion that is focusing on imbedding racial and cultural diversity in the organization. Our staff regularly participates in trainings focused on cultural awareness and all staff receive Fair Housing Training on their first day of work as part of new hire orientation. We continue to focus on increasing the diversity of our staff through targeted outreach and mentorships.

4. Have you received Federal or State grant funds in the past three years? ☒ Yes ☐ No

**5. Were the activities funded by these sources successfully completed? ☐ Yes ☐ No ☒ N/A
If No, please explain:**

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

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

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

☐ Abused Children ☐ Elderly (62 years +) ☐ People with AIDS
☐ Battered Spouses ☐ Homeless Persons ☐ Illiterate Adults
☐ People with Severe Disabilities

2. a. For your proposed project, please estimate how the Burlington residents will break out into the following income categories during the total grant period. Use the Income Table at <https://www.burlingtonvt.gov/CEDO/2018-HUD-Income-Limits>

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low- Income (30% median)	# Very Low- Income (50% median)	# Low- Income (80% median)	# Above Income Limits (above 80% median)
New Construction- affordable rental housing	76 HH/ 190* persons, est.	19 HH/ 47	47 HH/ 117	8 HH/ 20	2 HH/ 5

b. All CDBG grantees serving limited clientele will be required to use CEDO's *CDBG Beneficiary Self-Certification* form to collect beneficiary data including race, ethnicity, annual income, and family size. Is your organization willing and prepared to add this documentation to the intake process for your CDBG funded program by July 1, 2019?

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

3. Who is the project/program designed to benefit? Describe the project/program's target population, citing (if relevant) specific age, gender, income, community/location or other characteristic of the people this program is intended to serve. How do you select and reach your target population?

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 as well as advertising and our website. All people seeking housing from us must fill out the same application.

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

We have a strong working relationship with AALV, the Refugee Resettlement Program, the Hindu Temple, 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 \$180,000 in CDBG funding to support the project. We are requesting a 2019 CDBG allocation of \$100,000 which, if awarded, will bring the total to \$280,000. Because the project will be complete this year, we do not expect to request the full \$300,000 for which the project is eligible. 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 project ahead. As individual benchmarks are completed, this grant supports the staff work that it took to meet them. Because the project is now under construction with completion in late-summer/early-fall, the benchmarks this year will be construction and occupancy related.

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, all funding sources, and a narrative for all CDBG and non-CDBG funded activities, and they must be signed by the employee and supervisor. Does your organization have the ability to implement a timekeeping system for CDBG funded staff that meets these requirements by July 1, 2019? ☐ Yes ☐ No ☒ Not funding salaries

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
Acquisition	\$0	\$773,500	\$773,500
Construction	\$0	\$16,086,337	\$16,086,337
Soft Costs	\$280,000	\$3,897,163	\$4,695,465
Total	\$280,000	\$20,757,000	\$21,037,000

4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$180,000	\$280,000	\$130,000	\$130,000
State (specify) VT Housing & Conservation B. (VHCB)	\$1,600,000	\$1,600,000	\$100,000	\$106,000
Federal (specify) HOME Neighborworks National Housing Trust Fund	\$495,000 \$492,000 \$355,000	\$495,000 \$492,000 \$355,000	\$140,000	\$150,000
United Way	\$0	\$0	\$0	\$
Private (specify) Tax Credit Equity Bank Debt Contributions	\$12,420,000 \$4,100,000	\$12,420,000 \$4,100,000	\$205,000	\$250,000

Program Income	\$0	\$0	\$10,815,837	\$13,187,234
Other (specify)				
Energy Rebates	\$190,000	\$190,000		
Burlington Housing Trust Fund	\$400,000	\$400,000	\$44,781	\$46,500
Program/Capacity grants			\$607,219	\$722,000
Developer Loan	\$700,000	\$700,000		
Total	\$20,937,000	\$21,037,000	\$12,042,682	\$14,591,734

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

$$\frac{\$ \underline{280,000}}{\text{CDBG Funding}} \div \frac{\$ \underline{21,037,000}}{\text{Total Program/Project Costs}} = \underline{1.3} \% \text{ Percentage}$$

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

$$\frac{\$ \underline{21,037,000}}{\text{Total Program/Project Cost}} \div \frac{\underline{190}}{\# \text{ Total Proposed Beneficiaries}} = \frac{\$ \underline{110,721}}{\text{Cost Per Person}}$$

$$\frac{\$ \underline{280,000}}{\text{Total Amount of CDBG Funding}} \div \frac{\underline{190}}{\# \text{ Total Proposed Beneficiaries}} = \frac{\$ \underline{1,473}}{\text{Cost Per Person CDBG Investment}}$$

7. Why should CDBG resources, as opposed to other sources of funding, be used for this project?

The project makes use of a wide range of various affordable housing sources, but CDBG funding provides critical support that 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, especially in the early, most risky stages 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 1.3% 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 has saved 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.

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.