



## ***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.

For households earning 80% AMI or less, finding affordable housing is becoming more difficult. Burlington's vacancy rate is reported to be under 1%. At CHT, we have seen an increase from 59 rental applications a month in 2010 to 150 per month in 2014, an increase of 154% in four years. The Fair Market Rent for a two-bedroom, determined by HUD, has increased an average of 5% a year during that period. For Burlington renters, median income has remained stagnant, with only a slight (\$170 on approximately \$27,500) increase between 2005 and 2011, according to the American Community Survey.

It's no wonder we have the second most cost-burdened renters – those that pay more than 30% of their income for rent – than any other county in New England. And we're second to Barnstable County on Cape Cod with little rental housing.

Access to an affordable home means much more than just the four walls and a ceiling. Recent studies show that children in households that pay 30% of their income for rent do better in school. When housing costs are stabilized, higher education or job training is also achievable. Study after study also shows a correlation between good housing and better health outcomes.

Our work to address the shortage of the stock of housing is pressing. Homelessness increased 9% in Vermont last year. In addition to microscopic vacancy rates that we are addressing through new construction, we also have a significant stock of existing housing that needs the affordability preserved. This preservation activity is much cheaper than trying to replace it, but most importantly, it prevents additional homelessness, and we are working to convince the State to allocate more resources for this purpose. 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 is also being sought to help assess the conversion of a small number of rental homes to affordable homeownership that existing tenants can afford. This funding will assist with the creation of 66 new affordable apartments and cooperative homes in the City, and will preserve affordability of 155 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, a net gain of 24 affordable apartments. Preserved apartments working with 12 households and 24 residents at Rose Street Artists' Coop, and 19 apartments housing 39 people at Thelma Maple Co-op to preserve the affordable homes there, refinancing and extending affordability at Pearl-Union SRO with 19 extremely low-income households, and rehab and refinancing of two scattered site partnerships housing 48 households and 136 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. We applaud the renewed focus on the need for housing in Burlington and are committed to contributing our expertise to make the City remains affordable and vibrant.

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

CHT is a membership organization and all resident of our housing are members of the organization and can serve on the Board or committees of the Board. One-third of our Board is made up of residents of our housing, so we always have the consumer at the table. The other two-thirds are municipal representatives and the general public, our two other primary stakeholders.

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.

**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]**

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, 659 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 have secured permits to build a new housing co-op with 42 apartments (estimated 90 residents) on Bright and Archibald Streets. With a slight delay of financing, we are now projecting a Spring, 2015 groundbreaking. Demolition of some buildings to begin this winter.
South Meadow	CHT purchased South Meadow in November, 2012 and has been transitioning the property from 40 affordable and 108 market rentals to a mix of 64 affordable apartments, 52 market rate and 32 owner-occupied. We recently won a \$100,000 capital grant and will be working to secure the remaining financing in 2015 for the project.

Scattered Site Rental Preservation	CHT is currently assembling a scattered site multifamily preservation effort that includes 48 apartments in two separate partnerships. These 45 apartments 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.
Rental-to-Ownership	We have four rented properties (one duplex, three single-family homes) that we plan on working with existing tenants to assess a conversion to affordable homeownership. These properties are on North Street (2), Bright Street and Cottage Grove.
Co-op Housing Preservation	We now have clear guidance from the Vermont Housing & Conservation Board in how to proceed in preserving the affordability of both Rose Street Artists and Thelma Maple Co-ops, home to 31 households combined. It will likely mean more negotiation with this funder, but we're committed to keeping these co-ops affordable and will work with members to ensure they remain so.
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 19 extremely low income individuals.

#### **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 do so in a few ways. 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 completed this in the Spring of 2014. 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. The response lead to assessment of changes in property management practices and policies, as well as delivery of programs to residents.

Second, as part of the national NeighborWorks network initiative, we conducted a door-to-door survey in the ONE to assess resident satisfaction in the neighborhood. This survey will be completed again in the spring of 2016 to see what change there is in that neighborhood. It'll be an excellent opportunity to see what has changed in residents' perceptions of the ONE with the significant development on North Winooski and our co-op on Bright Street.

**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 2014 (or June 2013). For non-CDBG participants – just report on your achievements from the previous year.**

With CDBG funds, we focused on three of the six activities described in last year's request:

- Rose Street Artists Co-op: we worked with the Lead Program to complete lead work and replace some windows. We also worked with VHCB to develop a policy on how to treat their funding at time of reinvestment to ensure affordability and prevent displacement.
- BRHIP (scattered site rental preservation): We have assessed renovation needs, extended primary loans from VHFA and worked with VHCB to create a policy for refinancing their loans to preserve affordability. We are working with some tenants who wish to purchase their home. We will apply for tax credit financing soon.
- Bright Street: We have secured permits and have relocated almost all of the tenants in order to begin demolition. We have begun marketing the new co-op and held informational meetings for those who are interested. We have secured financing.

**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**

**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?**

We have implemented new policies and programs to ensure translation services are in place, and are currently translating all of our forms and applications. At a quarterly staff meeting we included a diversity/cultural competency training by Kerin Stackpole.

**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:**  
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/2014-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	121/334	38	50	11	22
Scattered site rental	48/136	32	14	2	0
Rental to homeownership	4/20	0	1	2	1
Co-op Preservation	31/60	11	16	3	1
Pearl Union SRO	19/19	13	6	0	0
<b>Total</b>	<b>265/659</b>	<b>98</b>	<b>99</b>	<b>38</b>	<b>30</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 get approximately 150 applications per month for rental housing. 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, and work closely with CVOEO’s Rent Right program.

**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 27 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 coordination, hiring/ oversight of contractors	8	100%
	Co-op Coordinator	organizing of co-op	5	100%
	Property Manager	lease-up	3	100%
	Dev. Assistant	relocation, funding	2	100%
<b>South Meadow</b>	Director of Real Estate Development	Overall project coordination, securing financing, hiring and oversight of contractors	8	100%
	Property Manager	Tenant relations and relocation	4	100%

	Dev. Assistant	Working with contractors, assistance to project lead	4	100%
	Ass. Dir. of Finance	accounting	1	100%
<b>Scattered site multi-family preservation</b>	Director of Real Estate Development	Project coordination, securing financing	2	100%
	Dev. 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>Rental-to-Ownership</b>	Director of Real Estate Development	Project coordination, securing financing	4	100%
	Dev. Assistant	Hiring/oversight of contractors, assisting tenants	4	100%
	Ass. Dir. of Finance	accounting	1	100%
	Property Manager	Tenant relations and relocation if necessary	2	100%
<b>Co-op Preservation</b>	Director of Real Estate Development	Project coordination, developing budgets, securing financing	2	100%
	Co-op Coordinator	working w/Co-op Boards	2	100%
<b>Pearl Union SRO</b>	Director of Real Estate Development	Project coordination, assessment of options, securing financing	3	100%
	Dev. Assistant	Assistance to project lead	2	100%
	Assistant Dir for Tenant Services	Tenant communication	2	100%

### 3. Program/Project Budget

<b>Line Item</b>	<b>CDBG</b>	<b>Other</b>	<b>Total</b>
Acquisition		\$ 15,999,985	\$15,999,985
Construction	\$	\$ 3,982,000	\$ 3,982,000
Soft Costs	\$ 85,000	\$ 2,210,799	\$ 2,295,799
<b>TOTAL</b>	<b>\$ 85,000</b>	<b>\$22,192,784</b>	<b>\$22,223,784</b>

### 4. Funding Sources

	<b>Project</b>		<b>Agency</b>	
	Current	Projected	Current	Projected
CDBG	\$85,000	\$85,000	\$85,000	\$85,000
State	\$2,505,748	\$1,570,000	\$6,031,863	\$1,930,000
Federal	\$1,378,937	\$4,865,000	\$2,431,937	\$4,865,000
United Way	0	0	0	0
Private	\$15,772,626	\$15,203,784	\$30,871,000	\$17,363,784
Program Income	0	0		0
Other	\$100,000	\$500,000	\$100,000	\$500,000
<b>Total</b>	<b>\$19,842,311</b>	<b>\$22,223,784</b>	<b>\$39,519,800</b>	<b>\$24,743,784</b>

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

$$\begin{array}{rcccl} \$85,000 & \div & \$24,743,784 & = & 0.003\% \\ \text{CDBG Funding} & & \text{Total Project Cost} & & \text{Percentage} \end{array}$$

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

$$\begin{array}{rcccl} \$24,743,784 & \div & 659 & = & \$35,547 \\ \text{Total Project Cost} & & \# \text{ Proposed Beneficiaries} & & \text{Cost Per Person} \end{array}$$

*(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 \$93,400 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?**

Our operations budget is largely made up in staff costs. For a few years recently (2011/2012) we did not include an across the board cost of living adjustment for staff due to rising health care costs and reduced revenue levels. We've shifted our health plan in recent years as well to a high deductible plan to keep that benefit affordable. We are slowly, strategically adding staffing as needed, though if anything staff are stretched to capacity in many areas so there is little to cut. Managers review financials each month to ensure that we remain on budget and flag issues if we stray.

For our development projects, we are frugal but make sure we develop high quality buildings that are durably constructed. These initial investments reduce need for costly repairs down the road.

## **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 review our program's practices often and work to measure how efficient we are at achieving outcomes. We seek feedback from not only our residents as describe earlier, but from our staff at all levels of the organization. We have developed several cross-departmental teams to make sure that we aren't duplicating efforts – and that we're getting good results. A good example of this was a team we put together of financial counselors and property managers to assess how Ready, Set, Rent! was working (our credit repair counseling program for denied rental applicants). Several improvements have been identified and are being implemented. We've also invested in technology in recent years to streamline operations and become more customer friendly.

**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.