

City of Burlington / CDBG 2012 Application Form

Eligibility _____ National Objective _____ NRSA _____
 (Office Use)

Project # _____
 (Office Use)

Project Name: Preservation and Creation of Permanently Affordable Housing

Project Location/Address: various

Organization: Champlain Housing Trust

Mailing Address: 88 King Street, Burlington, VT 05401

Contact: Chris Donnelly Title: Dir. Community Relations Phone #: 862-6244

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I. CDBG Funding Request: \$ 85,000

II. Project Summary: Briefly describe the project or program to be funded with CDBG. (Please use a one or two sentence description – there is room in Section IV for more detail.)

This program includes the completion, lease up phase and beginning of warranty period for 33 affordable apartments on North Avenue (Avenue Apartments), completing rehab of 30 apartments scattered across the Old North End and King Street neighborhoods (City Neighborhoods), initiating a development project and rehab of existing building on Bright and Archibald Streets, engaging in the preservation of 148 affordable apartments at South Meadows, and working with developers of new housing at Brown’s Court to create new affordable options in the downtown.

III. Description of Organization: Describe the capacity of your organization to successfully carry out the program activities. What is your mission, and how do the proposed activities fit with your mission?

The Champlain Housing Trust is a community land trust that supports strong, vital communities in northwest Vermont through the development and stewardship of permanently affordable homes and associated community assets. CHT has been a partner in the City’s community development and affordable housing programs since 1984. We provide affordable rental and homeownership programs through multi-family property management and production, homebuyer education and counseling, cooperative housing governance support, resident services, rehab loans, and real estate development. Our community land trust model, which was formed by and has been nurtured by Burlington as a way to implement the City’s housing priorities, was recognized with a United Nations World Habitat Award in 2008. The award recognizes innovation, sustainability and replicability of housing models.

Our fifteen member Board is made up of one-third resident, one-third public and one-third general/at-large members. In this way, we maintain a commitment to and a balance of the needs of our residents, our communities and the people who live there. The Board is elected by the full membership at an annual meeting.

Our portfolio is a large part of Burlington’s rent stabilized housing stock, has contributed to the revitalization of the Old North End and includes permanently affordable rental and homeownership opportunities on the waterfront. In all, 5% of rental households in the City live in CHT housing, and 3% of owner occupied homes are permanently affordable through CHT. Lastly, we also steward several commercial properties, a number of which provide essential services to low-income residents: COTS, Vermont Legal Aid, the McClure Multigenerational Center, and the Chittenden Emergency Food Shelf, to name a few.

IV. Project Description:

- a. Describe the specific activities to be carried out by your project with CDBG dollars and the accomplishments you plan to achieve. Please distinguish the total number to be served from the number of Burlington clients to be served. Be specific about the tasks / work that CDBG will pay for. Use the table below, adding rows if necessary. You may add narrative below the table if needed for further description.

Specific Service / Activity:	CDBG will pay for:	Unduplicated Total # of Households /	Unduplicated Total # of Burlington	Outcome(s) to be Achieved:
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		Persons to be Served in this Service / Activity:	Households / Persons to be Served:	
City Neighborhoods scattered site rehab and energy efficiency improvements	Soft costs (Property management, development and financial staff)	40 households	30 households	Assembling 14 scattered apartment buildings owned by CHT in Burlington and Winooski into a tax credit financed project preserving long-term affordability, rehab and upgrade the units, make them energy efficient.
Avenue Apts new construction rental development	Soft costs (development staffing, property management and financial staff)	33 households	33 households	Development and property management activities for 33 family rental apartments in the New North End as part of a larger development project that includes 60 units of senior housing, market rate apartments and commercial space.
Bright Street/114 Archibald	Soft costs (Property management, development and financial staff)	30 households	30 households	Purchase of property with two buildings on Bright Street, exploration of purchase of other properties, community engagement, assembling properties with existing CHT property at 114 Archibald for larger development project.
South Meadows	Soft costs (assessing buildings, assembling financing)	148 households	148 households	Laying the groundwork to prevent these affordable apartments from turning into market-rate and displacing residents. Financing needs to be lined up for this 2013 project.
Brown's Court	Soft costs (pre-development)	30 households	30 households	CHT is working with the developer of this site, the former Eagle's Club, and the Ethan Allen Club to satisfy inclusionary zoning requirements.

b. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) described above. All staff that appear in the salary / benefits line items in your budget (Section XV) must be described below. Add rows if necessary.

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
City Neighborhoods	Dir of Real Estate Development	Overall project coordination, assembling financing, hiring and oversight of contractors	12	75%
City Neighborhoods	Dev. Administrator	Day-to-day interaction with contractors and tenants	16	75%
City Neighborhoods	Project Manager	Assessment of physical structures and construction	10	75%
City Neighborhoods	Property Manager	tenant relations and relocation	8	75%
City Neighborhoods	Controller	accounting	2	75%
City Neighborhoods	Senior Accountant	accounting	2	75%
City Neighborhoods	COO/CFO	oversight, problem solving	2	75%
Avenue Apartments	Dir of Real Estate Development	Overall project coordination, overseeing contractors, requisitioning funds	6	100%
Avenue Apartments	Dev. Administrator	Assistance to Dir. of Real Estate Development	4	100%
Avenue Apartments	Controller	accounting	1	100%
Avenue Apartments	Senior Accountant	accounting	1	100%
Bright St/Archibald	Dir of Real Estate Development	Overall project coordination, assembling financing, comm. outreach, permitting, hiring and	6	100%

		oversight of contractors		
Bright St/Archibald	Dev. Administrator	coordination of contractors	2	100%
Bright St/Archibald	Project Manager	Assessment of physical structures and construction	2	100%
Bright St/Archibald	Property Manager	tenant relations and relocation	1	100%
Bright St/Archibald	Controller	accounting	2	100%
Bright St/Archibald	Senior Accountant	accounting	2	100%
Bright St/Archibald	COO/CFO	oversight, problem solving, community outreach	4	100%
Bright St/Archibald	CEO	Resource development	1	100%
South Meadows	Dir of RE Development	assembling financing	2	100%
South Meadows	Project Manager	assess physical structures	1	100%
South Meadows	Property Manager	tenant relations/outreach	1	100%
South Meadows	COO/CFO	viability, resource development	8	100%
Brown's Court	Dir of RE Development	Developing potential site plan	2	100%
Brown's Court	COO/CFO	Project assessment, resource development	5	100%

V. Beneficiary Information

- a. For each service / activity you identified in Section IV, please project how the Burlington residents will break out into the following income categories. Use the Income Table at http://www.cedoburlington.org/cdbg/income_limits.htm.

Service / Activity:	Unduplicated Total # of Burlington Households / Persons to be Served:	# Extremely Low-Income (30% or less)	# Low-Income (30% to 50%)	# Moderate-Income (mostly at 60% or less)	# Above Moderate-Income (above 80%)
City Neighborhoods	30	10	11		6
Avenue Apts	33	2	5	20	6
Bright St/Archibald	30	12	5	10	3
South Meadows	148		40	108	
Brown's Court	30	In planning			

- b. Please provide a single unduplicated total beneficiary count below:

Unduplicated Total # of Burlington Households / Persons to be Served:	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
271	24	61	138	15

- c. How will/do you document beneficiary income levels?

All prospective and current residents of rental apartments must meet strict federally established and enforced income limits to be eligible. We utilize a rigorous procedure for determining eligibility, which includes verification of income through federal income tax forms and verification of current income through employers and/or through social service agencies and local housing authorities. Renter incomes are recertified annually. Many of our renters receive a Section 8 voucher from the Burlington Housing Authority. These households are extremely low-income.

VI. Problem Statement

- a. What particular problem or need will this project address?

This project both preserves existing and creates new affordable apartments for Burlington residents unable to access market rate housing. Burlington's rental market is extremely tight by industry standards, with very few vacancies. And in CHT's portfolio of about 500 apartments, we currently have zero available. County-wide, we have seven available out of approximately 1,200 apartments.

The lack of stock is a significant driver of high rents. In 2005, the HUD Fair Market Rent for our region was \$810; this year it is \$1,200 – and increase of 41% over the six years or about 7% average increase. At the same time, nine of the ten most prevalent jobs in the state do not pay enough to make the average rental affordable.

In addition to providing decent, affordable homes for Burlington residents, this project has additional value to the City. Affordable housing development creates and sustains jobs – for every 100 apartments we build, 120 direct construction and construction-related jobs are added, and thirty more are sustained after construction by the economic activity of the people living there and in the management and upkeep of the property. In this way, our work is also an economic development activity.

Lastly, our development work makes significant, smart investments in environmentally-sound and energy efficiency technologies and products and they are developed with smart growth ideals in mind. As a result, our buildings and residents consume less energy while we spend less on energy costs – helping the City meet its sustainability goals.

b. How was this need identified?

We utilize a variety of sources for data to identify the housing needs of our communities and the region. We track Allen and Brooks' research, work with the VHFA and other housing agencies, and track the number of people coming into our office each day. In 2012, we had 1,255 people submit applications for our rental housing.

Before embarking on any new construction, we conduct a market analysis to not only ensure that we're expending our energy in the right place but to encourage investment by financing institutions. As part of this process, we also engage members of the community to assess their needs.

In regards to rehabbing our own portfolio, we conduct Capital Needs Assessments (CNAs) to ensure that we maintain the integrity of the structures and the inhabitability of the apartments. The most significant repairs are done immediately, and – as with City Neighborhoods – when there are more significant needs, we assemble a new financing package that both ensures long term affordability, livability and physical integrity going forward.

c. Why is this a funding priority for Burlington?

All of CHT's programs and activities support the goals of the City of Burlington's Consolidated Plan, which prioritizes the production of safe, decent, and affordable homes and decreasing poverty among low-income households, as well as the repair of the city's older housing stock. Our development activities also aim to increase residential density by utilizing infill sites and underdeveloped properties in Burlington. Most of these are in the Old North End, in the downtown district and King Street neighborhood, helping the City revitalize neighborhoods while avoiding gentrification. These capital investments contribute to the city's economic vitality by developing a permanent community asset of perpetually affordable homes for the citizens of Burlington today and for future generations. We also create and steward a significant stock of affordable housing in the surrounding cities and towns to meet other Plan goals.

VII. Program Goals: How will this project reduce the number of people living in poverty? Will it help people move out of poverty? Prevent people from entering poverty? Address basic needs of people living in poverty?

Our project serves low income households by developing, managing and providing stewardship for housing that meets the family's ability to pay for it. Almost all of our apartments are for individuals and families earning less than 60% of the median income. In fact, 40% of our renters earn less than 30% of the median income (or \$15,900 for an individual), and two-thirds earn less than 50% (or \$26,500 for an individual). Many of these people would be homeless or living in substandard dwellings if not for our programs. Affordable rents help people to move out of poverty by assuring there is income left to pay for other essentials after paying the rent. Secure, affordable housing also provides stability to neighborhoods.

a. Are you targeting any specific disadvantaged population/group of people? If so, who are they? (i.e., people with disabilities, minorities, women with children living in poverty, people with limited English proficiency, at-risk youth, etc.)

While we do not target any specific population, overall more than a quarter of our rental housing has a non-white head of household, and 16% has a female head of household with children.

In addition, we do serve a wide range of disadvantaged populations in our rental housing. We manage several properties in collaboration with service agencies such as the new group home we developed on St. Paul Street for the 16 Howard clients facing displacement by the sale of the Diocese property to Burlington College, or the nine youth served by Spectrum at our property on Maple Street. We have a social worker on staff that works closely with these agencies and others.

VIII. Equal Opportunity/Accessibility:

a. How do you make sure your programs are accessible to all, inclusive and culturally appropriate?

Affordable housing is one of the most heavily regulated industries in the country and 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 must report on this compliance annually, and for some funding sources, more frequently. As part of our mission, we are committed to providing opportunity for all in our housing, staff, volunteer committees and Board of Directors.

We have developed and continue to provide specialized housing designed specifically for homeless women, at risk youth, people with physical and mental disabilities and people living with HIV. With the exception of this specialized housing mentioned above, our housing and housing programs are accessible to all and serve a broad diversity of citizens including minorities, female-headed households and the disabled, who are more highly represented in our housing than they are in the general population. In our rental housing, approximately 26% of the heads of household are non-white. Our HomeOwnership Center also strives to meet the needs of numerous refugees and new Americans by translating of our course materials and documents for the increasing number of refugees seeking homes.

In addition, we have instituted policies for use of translation services and other relevant policies to ensure that we are providing the type of service that is appropriate to our customers. We also actively recruit minorities for staff positions and for vacancies on our Board of Directors. Our Board, comprised of one third residents, is elected by our membership and reflects the population our programs serve.

b. Describe the diversity status of (i) your staff for this program and (ii) your Board. How does that compare with the diversity status of the clients of the program / project you're requesting funding for?

Of the eight staff working on this program, five are female (including the program lead) and three are male. All are white. Our Board is elected by the membership. One is African American, fourteen are white. There are four females and 11 males.

c. Describe the diversity / cultural competency trainings that your staff and Board have participated in during the last year.

CHT holds quarterly staff meeting and reserve one meeting per year to include diversity and cultural competency training. Our most recent meeting in October featured a training provided by attorney Kerin Stackpole.

IX. Impact and Evaluation:

a. How do you define success? How do you measure it? How many of your beneficiaries achieve it?

We define success in both short and long term ways. We believe that the ability of our beneficiaries to achieve stability in their housing opens the doors to so many opportunities. We don't experience a lot of turnover, and have virtually no vacancies – in fact, zero in Burlington out of about 500 apartments. That speaks to the need for housing, but also to the quality of our housing.

The CHT Board developed and approved a three year strategic plan in they summer of 2010 with specific numerical targets to achieve which will ensure that CHT remained accountable to communities we serve. We review our progress quarterly.

Being able to fulfill our mission is dependent upon having a strong and effective organization. In April, 2011 CHT underwent a full program review by NeighborWorks® America, a national partner and funder. This review included assessment of our property management systems, real estate development effectiveness, financial reporting accuracy, homeownership promotion ability and communications strategies. We just received reaffirmation of our “exemplary” rating, its highest ranking.

We also strive to conduct a survey annually of our residents. The last one was in 2009, and we are in the midst of receiving responses now. The survey provides an avenue for direct feedback on our housing and programs.

b. If this is an existing project:

1. What were your projected accomplishments for your most recent completed funding period or fiscal year?

- City Neighborhoods – Assembling 14 scattered apartment buildings owned by CHT in Burlington and Winooski into a tax credit financed project to preserve long-term affordability, rehab and upgrade the units and make them more energy efficient.
- Thayer School (now called Avenue Apartments) – Pre-development activities for 33 family rental apartments in the New North End as part of a larger development project that includes 60 units of senior housing, market rate apartments and commercial space.
- 114 Archibald Street – Securing funding to ideally demolish and rebuild this building that houses clients from the HowardCenter; temporary relocation services will be provided while construction is underway. HUD’s 811 funding program has been challenging to access.
- South Meadows – Laying the groundwork to prevent these affordable apartments from turning into market-rate and displacing residents. Financing needs to be lined up for this 2013 project.
- New Street—GAIN – The interior of a block bordered by Intervale, Archibald, Bright and Riverside has the potential for a significant community development effort that we are beginning to explore.

2. What were your actual accomplishments for that period? If you did not meet projections, please explain (i) why and (ii) how you will overcome that issue in the future.

- City Neighborhoods – Construction is underway, should be completed in the summer of 2012.
- Thayer School (now called Avenue Apartments) – Construction is underway, completion in the summer of 2012.
- 114 Archibald Street – Our Section 811 request to HUD was not funded. We are purchasing a nearby property on Bright Street and may assemble other parcels and pull this property into a redevelopment of a good portion of this whole block.
- South Meadows – We have had several productive discussions with stakeholders and are prepared to increase our activity when the time is appropriate.
- New Street—GAIN – See Archibald description above. We have just been given approval by our Board to purchase a 0.8 acre property on Bright Street.

X. *Community Participation & Partners*

a. How are the community and/or program participants involved in decision-making and in identifying the program need, design and/or evaluation?

The structure of our Board and the Committees of the Board ensure active community engagement in our decision-making and evaluation. Our Board consists of fifteen members; five are CHT residents, five represent municipalities in our service area, and five represent the community at-large. This ensures that all stakeholders have a seat at the table, though no stakeholder controls more votes than any other. The Board meets monthly as a whole, and also has organized several committees of the Board that line up with our staffing structure: Homeownership, Property Management, Cooperative Housing, Real Estate Development, Community Relations, Finance and Executive. Non-board volunteers also serve on these committees. The Board is elected for three year terms (there is a three-term term limit) by the membership at an Annual Meeting. The Annual Meeting is generally attended by 150 to 200 members. Our residents are surveyed annually to provide feedback on both our programs and our service.

b. Who do you mainly work with (i.e., what partners) to get the outcomes you want for your clients?

To develop the housing, we work with a number of different partners including funders, the City, Housing Vermont (which brings equity and additional development experience) and others. Once the housing is occupied, we work with a range of housing and service agencies such as the Burlington Housing Authority, COTS, HowardCenter and others to ensure that our residents succeed.

XI. Sustainability

a. How will this project have a long-term benefit to the City of Burlington?

Preserving and expanding the number of permanently affordable rentals provides access to safe and secure housing. Providing stability in housing allows individuals and families to retain jobs, attain education and otherwise succeed. This stability, in turn, helps create safer and more vibrant neighborhoods. The mechanisms that we use to ensure permanent affordability in our housing also recycles the funding that creates the housing in the first place, preserving public resources for public benefit forever.

There are specific benefits beyond the creation or preservation of the affordable housing in each one of our proposed activities. City Neighborhoods is preserving some historic buildings while making energy efficiency improvements. Avenue Apartments is part of a significant community development activity that also includes market rate rentals, senior housing with services and commercial space in the NNE. This project will also attract investment into one of the neediest blocks in the City (Bright Street) and increase housing options and density in our downtown (Brown's Court).

b. If the project ends, will that benefit continue?

Yes, all of these benefits will continue.

c. If CDBG funding ends, will the project be sustainable (i.e., 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.

XII. Consistency

a. What Consolidated Plan objective does this project support?

CHT shares the City's vision as expressed in its Consolidated Plan: a vibrant downtown, accessible transportation infrastructure, a clean environment, and thriving, mixed-income neighborhoods. More specifically, CHT will be a partner in virtually all of the priorities listed in Chapter Three (the Strategic Plan) in the Consolidated Plan. Table 2A3/2C1 Housing, Homeless and Special Needs Objectives (page 3-29) matches closely to our development pipeline. This project accomplishes and supports the following objectives listed in the 2008 Action Plan:

- OBJECTIVE DH-2.1: Develop 128 new units of affordable rental housing over the next five years
- OBJECTIVE DH-3.1: Preserve 427 units of affordable housing over the next five years
- OBJECTIVE DH-3.2: Rehab 74 units of rental housing over the next five years
- OBJECTIVE DH-3.4: Help 3,585 residents each year over the next five years to remain housed and living independently

Furthermore, CHT works closely with the City and other partners to achieve the additional objectives:

- OBJECTIVE DH-2.2: Develop 41 new units of affordable owner housing over the next five years
- OBJECTIVE DH-2.3: Help 120 low- and moderate-income residents purchase a home over the next five years
- OBJECTIVE DH-3.3: Rehab 33 units of owner housing over the next five years
- OBJECTIVE DH-1.1: Produce 36 new units of transitional housing over the next five years to help homeless residents move towards permanent housing
- OBJECTIVE DH-1.2: Develop 88 new units of permanent supportive / special needs housing over the next five years
- OBJECTIVE DH-3.5: Reduce lead hazards in 180 housing units over the next three years

b. What other City plans, if any, does this project support or complement?

CHT works closely and very successfully with the City on a variety of projects that advance the Legacy Plan goals and objectives. In addition, CHT also partners with the City in its activities connected to the Neighborhood Stabilization Program, the Inclusionary Zoning ordinance and others.

XIII. Readiness to Proceed

a. Is the project ready to begin July 1, 2012 and be completed by June 30, 2013?

Yes, though some of the real estate development refinancing projects may depend on construction scheduling and financing available that will impact start and completion dates. We have close to a 30 year track record of achieving our production goals in the City.

b. If not, what are the expected start and completion dates?

c. Are there any other conditions (i.e., obtaining permits, the availability of other funding, etc.) that may affect your ability to begin or complete this project?

The only contingency is funding.

XIV. Financial Narrative

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

Other sources of funds for this project are primarily capital sources and do not pay for all of the staffing involved in bringing development from concept to completion.

b. Describe your use of community resources. For example, will your project be matched or leveraged with other funding sources or resources (such as volunteers) that don't appear in the budget summary below?

Over 140 volunteers provide more than 2,000 hours of service to CHT and approximately 500 people contribute to CHT annually to support affordable housing with gifts of \$10, \$25 and \$50 or whatever they can afford. CDBG dollars give us tremendous leverage with other state, federal and private funders and investors in affordable housing in the region. In Burlington alone, with \$85,000 in CDBG dollars next year, we will leverage nearly \$13 million in other funds.

c. Has your organization had any significant changes in funding levels over the last year? If so, please describe.

Yes, we have seen a drop of about 10% in funding overall in the last year. The federal budget cuts are having a tremendous impact on our work, as are the economy and real estate market. This trend will continue, though we are competitive within our national networks for funding and hope we can slow down the loss of revenue. We are working to adapt and adjust our programs accordingly, and are very active advocates at all levels. Tropical Storm Irene may also result in a diversion of funding as well.

d. What percent of Agency funds are used for administration vs. program costs?

In our most recently completed fiscal year, 4.7% went to administration, 4.7% went to fundraising costs, and 90.6% went to program costs

XV. Budget

a. Summary

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$ 70,074	\$ 85,000	\$ 70,074	\$ 85,000
State	\$2,222,445	\$1,395,000	\$5,075,114	\$2,495,000
Federal	\$3,349,521	\$740,000	\$5,846,499	\$1,292,000
United Way	0	0	0	0
Private	\$13,031,296	\$11,140,000	\$21,742,596	\$15,428,000

Program Income	0	0	0	0
Other	\$173,000	\$75,000	\$359,095	\$75,000
Total	\$18,846,336	\$13,435,000	\$ 33,093,378	\$ 19,375,000

* Must match your CDBG request amount on Page 1.

** Must match in all three boxes on Pages 7 and 8.

b. Proposed Project Budget Sources

CDBG	\$ 85,000
Other Federal – please specify funder and program (i.e., HUD – Emergency Shelter Grant, etc.)	
HOME	\$ 500,000
NeighborWorks	\$ 240,000
State – please specify funder and program (i.e., Department of Health – AIDS Prevention, etc.)	
Vermont Housing and Conservation Board	\$ 1,350,000
Efficiency Vermont	\$ 45,000
United Way of Chittenden County	\$
Private – please specify (i.e., individual donations, foundations, faith-based organizations, etc.)	
Tax credit equity	\$ 5,000,000
Mortgage loans	\$ 5,140,000
Other – please specify (i.e., fee-for-service, etc.)	
Burlington Housing Trust Fund	\$ 75,000
Federal Home Loan Bank – Affordable Housing Program	\$ 1,000,000
TOTAL	\$13,435,000

c. Proposed Budget Uses

<u>Line Item</u>	<u>CDBG</u>	<u>Other</u>	<u>Total</u>
Acquisition		\$ 800,000	\$ 800,000
Construction		\$ 9,300,000	\$ 9,300,000
Soft Costs	\$ 85,000	\$ 3,250,000	\$ 3,335,000
TOTAL	\$ 85,000	\$13,350,000	\$13,435,000

* Must match your CDBG request amount on Page 1.

** Must match in all three boxes on Pages 7 and 8.