

III. EXECUTIVE SUMMARY

91.200(c)

In order to facilitate citizen review and comment each year, the plan shall contain a concise executive summary that includes the objectives and outcomes identified in the plan as well as an evaluation of past performance.

91.215(a)(2)

Describe the basis for assigning the priority given to each category of priority needs.

Summary of Priorities and Use of Funds

Affordable housing continues to be the city's highest overall priority under this Consolidated Plan. In 2005, the Burlington City Council identified affordable housing as one of its top three priorities. Community-wide surveys conducted by Fletcher Allen Health Care, the United Way of Chittenden County and the Champlain Initiative in 2004 and 2006 consistently found that affordable housing is the major community problem. The local faith-based community, acting through Vermont Interfaith Action, has also brought an organized group of citizens into the debate over how to create housing that is affordable to low-income residents.

There are a total of 433 affordable units in the city whose affordability restrictions will expire in the next five years. Of those,

88 are at high risk of loss of affordability and six will be lost to the city's affordable inventory. Preserving as many affordable units as possible will be a core item on the city's housing agenda for the next five years. The city will continue a successful preservation initiative which has transferred hundreds of apartments from the private sector to nonprofit ownership, thus assuring their perpetual use as affordable housing. The Burlington Housing Authority has been designated by the City as the lead agency for this preservation initiative.

Other core housing agenda items are creation of new affordable housing (including units accessible to Section 8 participants), rehab activities and support of homeownership. And, the city views investment of CDBG resources into activities that help residents to become and/or remain housed and living independently as an effective investment.

The city uses its CDBG funds in the affordable housing arena principally to support "soft costs," i.e., project staff and predevelopment expenses. This use of funds best fits the city's housing objectives because (a) there are other, larger fund sources available for "hard" project costs, i.e., bricks and mortar; (b) there often are not other, or are insufficient, fund sources available to pay for program delivery costs; and (c) the amount of CDBG funds available is not large enough to accomplish much if used for hard project costs. The city does use CDBG funds for hard project costs on small housing rehab projects and emergency repairs, for access modifications, for free paint and for special projects (such as shelter renovations), where other funds are often not available. Funding for "hard" project costs for acquisition, new construction and large-scale rehab of affordable housing comes principally through the HOME program; the Low Income Housing Tax Credit (allocated through the Vermont Housing Finance Agency); the Vermont Housing & Conservation Board; the state Community Development Block Grant program; special needs HUD programs such as the 202 and 811 programs (for housing for the elderly and disabled); bank debt; and/or the Section 108 program (a federal loan program where in the addition to the property serving as collateral, the loan is guaranteed by the city's future CDBG allocations).

Economic opportunity is the city's next highest priority. As the state's largest city, Burlington must continue to be an economic engine for the region and for the state. At the same time, the city is also, by necessity, home to a concentration of residents living in economic insecurity – people in crisis or one step away from crisis; the working poor and the unemployed; families with children and the elderly struggling to make inadequate income meet rising expenses – all of whom need the affordable housing and social services which are also concentrated in the city. The city will continue to tap both local and national strategies to increase earned income to livable wage levels; to increase and protect asset accumulation; to reduce debt levels; and to help residents access income supports and overcome economic barriers.

CDBG is the city's principal economic development funding source. The city uses its CDBG resources in this area principally to support job creation and retention through technical assistance and gap financing for businesses, and to support low-income residents in business ownership through entrepreneurial training and loans. There are also opportunities for commercial “bricks and mortar” projects where it makes sense to invest CDBG dollars – usually a relatively small investment, but often a critical “gap closer” that allows a project to move forward. These uses of CDBG resources have proven to be effective and cost-efficient in creating and retaining businesses and jobs; in leveraging other resources; in increasing tax revenues to support city services; in supporting local ownership; and in revitalizing neighborhoods.

The city has also historically used CDBG resources to address barriers to economic opportunity, and will continue to do so. Affordable quality early care and education is one example; this is an identified community priority, and an activity which has multiple long-term impacts – the ability of parents to get and keep a job and be productive at work; children's success in school and, ultimately, the quality of the local workforce; and even public safety costs. There are other barriers as well, such as limited English proficiency, which will sometimes call for the investment of CDBG dollars. The city chooses to be flexible in its funding choices in this area in order to respond to shifting needs and resources, emerging opportunities and crises, and changing economic conditions.

A suitable living environment is the city's third priority overall. The city has a limited capacity to fund social services out of municipal resources, and has historically used the maximum (15%) available CDBG resources to support the provision of social services by local nonprofits. The city also uses CDBG to support public facilities and infrastructure, as well as nonprofit facilities, where there is identified community support for the project and where there are not other sufficient, more appropriate resources. CDBG is not a large enough pool of money to fund major projects, but it can play a vital role in:

- (a) Large infrastructure projects, such as the North Street Revitalization Project, where a relatively small investment of CDBG can leverage large amounts of state and federal funding, where the project significantly contributes to community revitalization, and where CDBG can effectively be used for program delivery costs.

- (b) Small resident-generated projects, which empower residents to come together to improve their neighborhoods. CDBG has been for many years an important resource for resident-generated traffic calming, tree planting and sidewalk improvement projects, but has become less important in those areas since the passage of dedicated streets and trees taxes in 2000. Based on grant application activity and on resident surveys, there has been less resident interest in recent years in physical neighborhood improvements and more interest in strengthening community connections and addressing social issues. However, CDBG continues to be a resource around which residents can coalesce to improve parks, playgrounds, community gardens and other neighborhood facilities.
- (c) Both new and improved public and nonprofit facilities, where a relatively small CDBG investment can fill a gap, leverage other funds, meet a renovation need which cannot be met with other funding, and/or support the continued provision of services which are vital to the community.

Finally, the redevelopment of brownfields is a priority for the city because it meets multiple objectives: it increases the tax base, reduces environmental hazards and, often, allows for the productive reuse of historic structures.

The city's annual CDBG allocation is now almost a quarter of a million dollars less than it was seven years ago. As federal and state resources continue to shrink, the city cannot make up the difference – not with public municipal resources and not through leveraging private resources, even though the city has always been highly successful in that area. The gap between needs and resources is simply too great, which means that some needs will go unmet. The challenge for the city's citizens over the next five years will be to make the hard choices among competing needs as they allocate funds through the citizen-based CDBG decision-making process. The challenge for the city and its partners, both private and third sector, will be to become even more creative in stretching resources and finding new solutions.

The Next Five Years

The chart that begins on page 10 summarizes the city's housing and community development goals, strategies, objectives, and outcomes for the next five years. For purposes of this Plan, a strategy is a collection of activities which includes the work of our partners and which we believe will create results that will move us towards our goals. Examples of such activities are included in the chart. Some, but not all, of these activities would be funded with CDBG and/or HOME dollars.

Under each strategy are one or more numbered objectives which define the targets we hope to achieve in the five-year period covered by this Plan. The objectives are numbered so as to correspond with HUD's national performance measurement system, which defines three outcome categories:

1. **Availability/Accessibility:** This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available

- or accessible to low-and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low- and moderate-income people where they live.
2. **Affordability:** This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
 3. **Sustainability:** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

When the outcomes are combined with the three statutory objectives – decent housing, economic opportunity and a suitable living environment – HUD is able to aggregate results across a broad spectrum of local programs so that the impact of housing and community development programs can be measured at the national level. This combination creates the following matrix, with a numbering shorthand system as follows:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

Objectives that correspond with one category of HUD’s performance measures occasionally appear under a different goal on our chart. For example, HUD considers emergency shelter to be part of a suitable living environment; we have, however, included emergency shelter as part of our housing tenure ladder. Homeownership is both a housing strategy and an economic opportunity strategy; we have chosen to include it as part of our housing goal.

The chart also shows local community indicators that guide the investment of our resources and that, in a global way, measure the progress we are making. These indicators respond to the actions of the city, other agencies and other sectors, but are also driven by external factors such as the national economy and the level of available resources. By regularly tracking these indicators, the city is able to shift investments over time and across activities in order to respond to changing community needs.

DECENT HOUSING

Goal: All Burlington residents have a range of housing options that offer them safe, decent, appropriate, secure and affordable housing

Community Indicators: Rental Vacancy Rate, Homeownership Rate, # of Foreclosures, # of Affordable Units, Level of Cost Burden, # of Homeless, Rates of Elevated Blood Lead Levels

Strategy: Produce new affordable rental housing

Objective DH-2.1: Develop 128 new units of affordable rental housing over the next five years

Activities:

Inclusionary zoning

Nonprofit housing development

Strategy: Promote homeownership

Objective DH-2.2: Develop 41 new units of affordable owner housing over the next five years

Activities:

Inclusionary zoning

Nonprofit housing development

New community land trust units

Objective DH-2.3: Help 120 residents purchase a home over the next five years

Activities:

Housing counseling

Down payment assistance

Section 8 homeownership

Strategy: Preserve and upgrade existing housing

Objective DH-3.1: Preserve 427 units of affordable housing over the next five years

Activities:

Acquisition and rehab of expiring subsidy units

Objective DH-3.2: Rehab 74 units of rental housing over the next five years

Activities:

Free paint program

Emergency repairs

Major and minor rehab

Objective DH-3.3: Rehab 33 units of owner housing over the next five years

Activities:

Free paint program

Emergency repairs

Major and minor rehab

DECENT HOUSING, CONT'D.

Strategy: Protect the vulnerable

Objective DH-3.4: Help 2,544 residents each year over the next five years to remain housed and living independently

Activities:

Homeless prevention/housing retention services

Utility assistance

Homesharing

Access modifications

Center- and home-based services for seniors and persons with disabilities

Objective SL-1.1: Provide 880 homeless residents with shelter and services each year over the next five years

Activities:

Emergency shelter

Case management

Housing placement

Objective DH-1.1: Develop 36 new units of transitional housing over the next five years to help homeless residents move towards permanent housing

Activities:

Transitional housing for victims of domestic violence

Transitional housing for veterans

Transitional housing for families

Objective DH-1.2: Develop 83 new units of permanent supportive / special needs housing over the next five years

Activities:

“Hard to House Initiative” for the chronically homeless

New HUD 811 housing for the disabled

New supportive housing for the elderly

Objective DH-3.5: Reduce lead hazards in 180 housing units over the next three years

Activities:

Lead hazard reduction

Testing of blood lead levels in children

Essential Maintenance Practices classes

<p>ECONOMIC OPPORTUNITY</p> <p>Goal: A prosperous Burlington economy provides all Burlington residents with access to livable wage jobs, to the education and training that qualify them for those jobs, to business ownership opportunities, and to the supports necessary to access those opportunities.</p> <p>Community Indicators: Unemployment Rate, # of Jobs in the City, Commercial Vacancy Rates, Sales and Entertainment Revenues, # of Preschoolers Enrolled in Accredited Programs, Children Ready for Kindergarten, Second Grade Reading Scores, Drop Out Rate</p>
<p>Strategy: Retain and increase the number of businesses and jobs in Burlington by providing technical assistance, information, entrepreneurial training and business loans</p> <p>Objective EO-1.1: Support the start-up of 60 new businesses, the retention/expansion of 60 businesses, the creation of 190 new jobs and the retention of 75 jobs over the next five years by providing technical and financial assistance, information and training to 166 customers each year</p> <p>Activities:</p> <ul style="list-style-type: none"> Entrepreneurial training Technical assistance Loans
<p>Strategy: Enhance commercial infrastructure to increase business opportunities and the city's tax base</p> <p>Objective EO-1.2: Support the development of 50,000 new sq. ft. and the retention/renovation of 150,000 sq. ft. of commercial space, the improvement of public infrastructure facilitating business development, and the collection of \$500,000 additional nonresidential property tax dollars over the next five years, with 1,750 associated construction jobs</p> <p>Activities:</p> <ul style="list-style-type: none"> Technical assistance, including assistance with the permitting process Transportation projects Telecommunications infrastructure Upper story accessibility Commercial acquisition/rehab
<p>Strategy: Reduce barriers to economic opportunity</p> <p>Objective EO-3.1: Help families access quality childcare/early education for 75 children each year over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Childcare / early education programs <p>Objective EO-1.3: Help 50 residents with improved access to economic opportunity each year over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> ESOL and other services for immigrants and refugees Financial education Job training / skills upgrading Social Equity Investment Project Free tax assistance to access the federal and state Earned Income Tax Credit

<p>SUITABLE LIVING ENVIRONMENT</p> <p>Goal: All Burlington residents enjoy livable, attractive neighborhoods, are assured of safety and quality of life in their neighborhoods and in their homes, and have the necessary community supports to thrive.</p> <p>Community Indicators: Crime Rates, Child Abuse and Neglect Rates, Participation in Youth Programming, Youth Substance Abuse Rates</p>
<p>Strategy: Provide access to services to stabilize living situations; enhance health, safety and quality of life; and improve youth development</p> <p>Objective SL-1.2: Help 2,000 residents access nutritious food each year over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Groceries, meals and snacks programs <p>Objective SL-1.3: Help 400 youth access after school and summer recreational and educational opportunities each year over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Nonprofit youth service providers <p>Objective SL-1.4: Help 400 residents access health and public safety services each year over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Prescription assistance Community public safety education and crisis/support services for victims of crime and domestic violence
<p>Strategy: Improve public facilities and public infrastructure to foster livable neighborhoods and access to public amenities</p> <p>Objective SL-3.1: Improve 10 public facilities over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Senior, youth and childcare centers Parks and playgrounds Community gardens <p>Objective SL-3.2: Improve the public infrastructure serving 39,815 residents over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Street improvements to upgrade access to the waterfront and downtown
<p>Strategy: Redevelop brownfields into productive use</p> <p>Objective SL-3.3: Redevelop 61.2 acres of contaminated sites into 4 new/renovated public facilities, 61 new units of affordable housing and 8 new/renovated commercial spaces over the next five years</p> <p>Activities:</p> <ul style="list-style-type: none"> Site identification, assessment, mitigation plans and redevelopment assistance

Past Performance

Under the previous Consolidated Plan, we have completed four of five program years. For affordable housing, we are exceeding our targets in creating new owner units for those at the 80% of median income level, for buyer assistance at all income levels, and for rental rehab at all income levels. We are behind in creating new rental units at all income levels, in creating new owner units at the lower income levels and at owner rehab at all levels. The creation of new units has been delayed in many cases by appeals by adjacent property owners. Legislative changes that were intended to make the appeal process more fair and timely have not yet proven to ameliorate a permit process that often takes years to negotiate and is both very costly and risky for developers. Declining CDBG resources, combined with the highly staff-intensive nature of small projects (necessary to ensure compliance with federal regulations), have meant that we have had to limit assistance for owner rehab and small rental rehab projects.

Household Income Level:	0 – 30% MFI	31 – 50% MFI	51% - 80% MFI	TOTAL	CDBG Funds	HOME Funds	Other Funds
New Rental Units: Five-Year Target	160	115	100	375	\$490,000	\$1,297,615	\$52,587,385
Completed	17	11	25	53	\$152,359	\$450,000	\$9,349,974
Predevelopment/Under Appeal	14	15	21	50	\$112,867	\$350,000	\$18,000,000
New Owner Units: Five-Year Target	20	15	25	60	\$0	\$0	\$8,700,000
Completed	3	5	14	22	\$36,963	\$357,400	\$2,740,897
Underway	1	0	40	41	\$51,569	\$261,000	\$12,562,216
Predevelopment/Under Appeal	0	0	15	15	\$19,500	\$60,000	\$5,336,000
Buyer Assist: Five-Year Target	10	13	35	58	\$20,000	\$250,000	\$8,294,000
Completed	11	44	46	101	\$15,901	\$102,001	\$13,705,030
Rehab Rental Units: Five-Year Target	135	90	100	325	\$200,000	\$625,000	\$5,000,000
Completed	211	122	117	450	\$178,127	\$1,277,655	\$9,833,550
Underway	0	8	3	11	\$0	\$103,216	\$749,952
Predevelopment/Under Appeal	12	20	17	49	\$0	\$0	\$5,800,000
Rehab Owner Units: Five-Year Target	40	26	60	126	\$100,000	\$250,000	\$250,000
Completed	7	12	19	38	\$106,090	\$76,601	\$134,817
Rental Lead Hazard Reduction: Five-Year Target	20	20	30	70	\$0	\$0	\$1,567,000
Completed	20	10	34	64	\$0	\$0	\$433,587
Underway	1	0	1	2	\$0	\$0	
Owner Lead Hazard Reduction: Five-Year Target	0	10	30	40	\$0	\$0	\$1,567,000
Completed	3	7	17	27	\$0	\$2,648	\$433,587
Underway	0	1	2	3	\$0	\$0	
Preserve/Expand Elderly/Frail Elderly Housing: Five-Year Target	20	34	26	80	\$15,000	\$125,000	\$4,750,483
Completed	31	46	20	97	\$15,000	\$150,000	\$10,837,409
New Permanent Supportive Housing: Five-Year Target	40	0	0	40	\$0	\$0	\$5,800,000
Completed	37	0	0	37	\$0	\$0	\$675,800
New Transitional Housing: Five-Year Target	24	0	0	24	\$0	\$0	\$3,480,000
Completed	10	0	0	10	\$0	\$0	\$825,000
Predevelopment	12	0	0	12	\$0	\$0	\$1,757,000
TOTAL: Five-Year Target	469	323	406	1,198	\$975,000	\$2,547,615	\$91,995,868
Completed	350	257	292	899	\$504,440	\$2,416,305	\$48,969,650
Underway	2	9	46	57	\$51,569	\$364,216	\$13,312,168
Predevelopment/Under Appeal	53	45	53	151	\$132,367	\$410,000	\$30,963,000

In the area of economic development, we are ahead on all of our targets:

Measure	Five-Year Target	PY03 Actual	PY04 Actual	PY05 Actual	PY06 Actual	Total To Date
Jobs Created (FTE)	100	82.25	155	245	412.5	894.75
Jobs Retained (FTE)	50	266.5	237	453.5	149	1,106
New Business Start-Ups	25	30	27	39	32	128
Businesses Retained/Expanded	10	17	32	39	20	108
New Commercial Space	65,000 sq. ft.	29,800 sq. ft.	62,300 sq. ft.	65,732 sq. ft.	69,722 sq. ft.	227,554 sq. ft.
Renovated Commercial Space	20,000 sq. ft.	62,000 sq. ft.	28,000 sq. ft.	46,060 sq. ft.	52,220 sq. ft.	188,280 sq. ft.
Business/Commercial Space Retained	25,000 sq. ft.	20,130 sq. ft.	22,000 sq. ft.	81,250 sq. ft.	43,095 sq. ft.	166,475 sq. ft.
Commercial Space Made Accessible	10,000 sq. ft.	0	7,000 sq. ft.	20,000 sq. ft.	0	27,000 sq. ft.
Lease Value of New, Renovated and Retained Commercial Space	\$1,000,000	\$2,591,100	\$23,860,000	\$8,036,100	\$5,092,407	\$39,579,607
Increase in Commercial/Industrial Grand List Value and PILOT	\$25,000,000	Not determinable	Not determinable	\$17,802,550	\$19,198,680	\$37,001,230
Increase in Property Taxes Collected	\$200,000	Not determinable	Not determinable	\$570,457	\$405,119	\$975,576
CDBG Funds		\$242,550	\$338,408	\$258,777	\$385,384	\$1,225,119
Other Funds		\$30,859,456	\$30,920,006	\$42,614,870	\$45,662,066	\$150,056,398

We are meeting and exceeding all of our public service targets except in youth programs. Youth service providers have had to meet the challenges of welcoming and integrating refugee children and youth (many with limited English and significant trauma history) into their programs, often without additional resources – straining their capacity, leading to staff turnover and causing some programming cancellations.

Measure	Five-Year Target	Actual	CDBG Funds	Other Funds
% of those served in funded programs who are “extremely-low income,” i.e., at or below 30% of median family income	At least 50%			
PY03		78.5%		
PY04		69.5%		
PY05		77.8 %		
PY06		72.5%		

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Measure	Five-Year Target	Actual	CDBG Funds	Other Funds
# of youth served annually in funded youth programs	At least 600			
PY03		529	\$19,800	\$304,488
PY04		571	\$18,500	\$228,683
PY05		669	\$18,358	\$233,942
PY06		371	\$16,000	\$282,300
TOTAL to date			\$72,658	\$1,049,413
# of children served annually in funded early education/childcare programs	At least 75			
PY03		140	\$25,000	\$1,039,707
PY04		123	\$20,500	\$1,111,514
PY05		88	\$14,431	\$759,480
PY06		88	\$14,900	\$881,431
TOTAL to date			\$77,831	\$3,792,132
# of seniors served annually in funded programs for seniors and persons with disabilities	At least 600			
PY03		1,227	\$22,650	\$406,200
PY04		697	\$17,700	\$310,356
PY05		701	\$17,563	\$337,883
PY06		1,727	\$16,500	\$535,119
TOTAL to date			\$74,413	\$1,589,558
# of residents served annually in funded health and public safety programs	At least 100			
PY03		416	\$11,000	\$387,783
PY04		1,099	\$15,000	\$614,921
PY05		918	\$14,431	\$576,792
PY06		647	\$8,500	\$587,094
TOTAL to date			\$48,931	\$2,166,590
# of residents served annually in funded food security programs	At least 1,000			
PY03		5,265	\$8,700	\$532,062
PY04		5,418	\$11,500	\$528,310
PY05		4,876	\$11,412	\$577,530
PY06		5,175	\$11,000	\$622,886
TOTAL to date			\$42,612	\$2,260,788
# of residents served annually in funded homeless and housing assistance programs	At least 1,000			
PY03		2,535	\$70,950	\$678,643
PY04		3,513	\$70,400	\$1,736,656
PY05		5,242	\$69,861	\$1,548,028
PY06		4,575	\$57,598	\$1,622,307
TOTAL to date			\$268,809	\$5,585,634

In the area of public facilities and brownfields, we are exceeding our targets in some areas and falling short in others. Redevelopment challenges have caused some projects to be delayed and have cancelled others.

Measure	Five-Year Target	Actual Completed To Date				
		PY03	PY04	PY05	PY06	Total to Date
# of new community facilities	3	2	2	0	0	4
recreation center	1	0	0	0	0	0
community gardens	2	2	2	0	0	4
# of improved community facilities	14	11	5	7	6	29
parks and playgrounds	8	8	2	2	2	14
community gardens	4	3	1	2	2	8
senior, childcare and youth centers	2	0	2	1	2	5
other	0	0	0	2	0	2
# of redeveloped brownfield sites	10	1	2	0	1	4
CDBG Funds		\$65,340	\$117,366	\$76,329	\$83,616	\$342,651
Other Funds		\$66,400	\$422,038	\$32,497	\$505,344	\$1,026,279