

REQUEST FOR PROPOSALS

for

Availability of City of Burlington, Vermont HOME-ARP Funding for the Development of New Affordable Housing

I. Date Issued: July 27, 2023

II. Submittal Deadline: There shall be a priority deadline for submissions of June 30th, 2024. All submissions received before that date will be given priority consideration. Should eligible funds remain after June 30th, 2024 any proposal received after that time will be given full consideration.

III. Purpose

The City of Burlington Community & Economic Development Office (CEDO) seeks proposals from non-profit affordable housing agencies for funding the development of new affordable housing projects located in Burlington, Vermont and containing permanent housing for homeless individuals in accordance with the City's HOME-ARP Allocation Plan approved by U.S. Department of Housing & Urban Development (HUD) on January 24, 2023.

IV. Background Information

On March 11, 2021, President Biden signed the American Rescue Plan (ARP), of which the City of Burlington received \$1,500,494 to support the homeless via the Home Investment Partnership (HOME) program through HUD. HOME-ARP allocations were made on September 20, 2021. HUD published CPD Notice 21-10 on September 13, 2021, outlining the process that the City is required to follow in order to receive and spend HOME-ARP funds. The notice also outlines the process through which the City needs to allocate funds, known as the Allocation Plan. The City's Allocation Plan was approved by HUD on January 24, 2023. The City seeks to award its HOME-ARP funds to eligible projects as soon as possible per the criteria below.

V. Overall Funding available: ONE MILLION ONE HUNDRED TWENTY FIVE THOUSAND THREE HUNDRED SEVENTY AND 50/100 DOLLARS (\$1,125,370.50)

VI. Prerequisites for Bidding

In order to be qualified to submit a proposal, non-profit agencies must meet the following requirements:

- Demonstrated history of successfully developing HUD-funded, permanent, affordable housing located in Burlington, Vermont and containing permanent housing for homeless individuals as defined by the City's HOME-ARP Allocation Plan approved by HUD on January 24, 2023 (Appendix A)
- Ability to comply with the HOME-ARP regulation
- Ability to comply with the City's HOME-ARP Allocation Plan in Appendix A including, but not limited to, following the prioritization for HOME-ARP units to the Qualified Populations (QPs) identified therein
- Demonstrated experience reporting to a HUD-funded agency
- Ability to comply with cross-cutting federal requirements:
 - Uniform Relocation Act per 49 CFR Part 24
 - Environmental Review per 24 CFR Part 58
 - Uniform Requirements per 2 CFT Part 200 including Cost Reasonableness
 - Lead Safe Housing Rule per 24 CFR Part 35
 - Section 3 per 24 CFR Part 75
 - Debarment

VII. Proposal Requirements

Proposals must contain the following information:

1. Amount of HOME-ARP funds requested
2. The number of proposed HOME-ARP units in the project
3. Timeline of proposed project demonstrating readiness to proceed
4. State of Vermont Common Application. If this has already been submitted to CEDO for other funding, then this should be referenced.
5. Current proforma showing sources and uses of funds
6. Description of how the following requirements will be met:
 - a. The project must include the creation of new permanent rental housing and meet all HOME-ARP requirements.
 - b. Commitment to housing retention services and detailed provisions of those services during the 15-year HOME-ARP affordability period
 - c. The housing must remain affordable in perpetuity after the expiration of the HOME-ARP required period via Housing Subsidy Covenant
 - d. HOME-ARP assisted units must:
 1. To be considered for HOME-ARP funding, applications must be presented to the Chittenden County Homeless Alliance (CCHA) for feedback regarding the plan and commitment for referrals, coordination and partnership between developer, Continuum of Care, local housing authority, if any, and social service providers who work with the target population to serve homeless households. The presentation must make clear whether the Coordinated Entry system will be used for tenant selection, and if not, why and what

- other project-specific waitlist is proposed that still maintains the preferences described in Section F of the City's Allocation Plan in Appendix A.
2. Be leased to any of the HOME ARP QP's per the notice CPD Notice-21-10 and preferences described in Section F
 3. Referred through the local system of Coordinated Entry to housing or other referrals per the prioritization process described in Section F of the City's Allocation Plan in Appendix A.
- e. At least one of the City's Consolidated Plan housing priorities must be addressed
 - f. Reasonable expectation that the project will be ready to proceed within 12 months of the HOME-ARP agreement date.
 - g. Eligible activities to be conducted with the HOME-ARP funds and must certify that housing units assisted with the HOME-ARP will comply with HOME-ARP requirements.
 - h. All applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to ensure HOME-ARP assisted units will be available to all Qualifying Populations.

VIII. Criteria for the Evaluation of Proposals

All applications will be evaluated per the criteria below. In instances where there are competing applications, preference will be given to projects based on feasibility, timing, need, and impact.

1. The applicant's ability to obligate HOME-ARP funds and undertake eligible activities in a timely manner
 - a. Applicants will be evaluated on their development capacity; their experience with federal affordable housing programs; and their track record for developing projects within a reasonable timeframe.
2. The extent to which the project has Federal, State, or local project-based rental assistance so that the project can serve Qualifying Populations, who may have no income, and remain viable for the HOME-ARP compliance period.
 - a. While project-based rental assistance is not a HOME-ARP requirement, applications will be evaluated based on whether any of the units in the project, including the HOME-ARP units, will have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities. The type of project-based rental assistance and the length of commitment for the assistance will also be considered. In cases where project-based rental assistance will be provided for HOME-ARP, documentation will be required prior to final approval of HOME-ARP assistance.
 - b. Other mechanisms that ensure affordability for Qualified Populations (QPs), such as operating assistance reserves, will be considered.
 - c. Preference will be given to projects that demonstrate the ability to fund and provide services to the qualifying population during the 15-year compliance period.

3. The strength of the applicant's commitment to and plan for leasing all units designated to serve those who have experienced homelessness through the local Coordinated Entry System, unless otherwise approved by CEDO in consultation with the CCHA.
4. The duration of the units' affordability period for all HOME-ARP funded projects will be subject to a minimum 15-year affordability period.
 - a. After the expiration of the HOME-ARP period, all projects will be subject to perpetual affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement.
5. The merits of the application in meeting the priority housing needs as identified in the City's Consolidated Plan
6. The extent to which the application makes use of non-federal funding sources
7. The extent to which the project Affirmatively Furthers Fair Housing
8. The experience of the applicant with providing on-site services to vulnerable populations, including housing retention services
9. As referenced above, additional analysis will be performed by CEDO underwriting in accordance with CEDO's underwriting policy and procedures. The following will be assessed:
 - a. Development capacity and fiscal soundness of the applicant, and experience of the development team
 - b. Project location
 - c. Demonstrated need for Qualifying Populations, or Market demand for Low-income households
 - d. Budget documents
 - e. Plans and specifications
 - f. HOME-ARP and other applicable federal requirements
 - g. Developer/owner profit standard and evaluation

X. Proposal Submission

Proposals should be in the form of one or more PDFs. Agencies should submit their proposals by e-mail to:

Todd Rawlings
Assistant Director, Grants & Finance
CEDO, City of Burlington
trawlings@burlingtonvt.gov

Please feel free to contact me with any questions at **(802) 652-4209** or trawlings@burlingtonvt.gov

Section 3 businesses and disadvantaged business enterprises (DBE) are encouraged to apply.

**HOME-ARP Allocation Plan Draft
October 23, 2022
City of Burlington, Vermont**

Updated per “HOME-ARP Policy Brief Preferences, Methods of Prioritization, and Limitations” received on May 17

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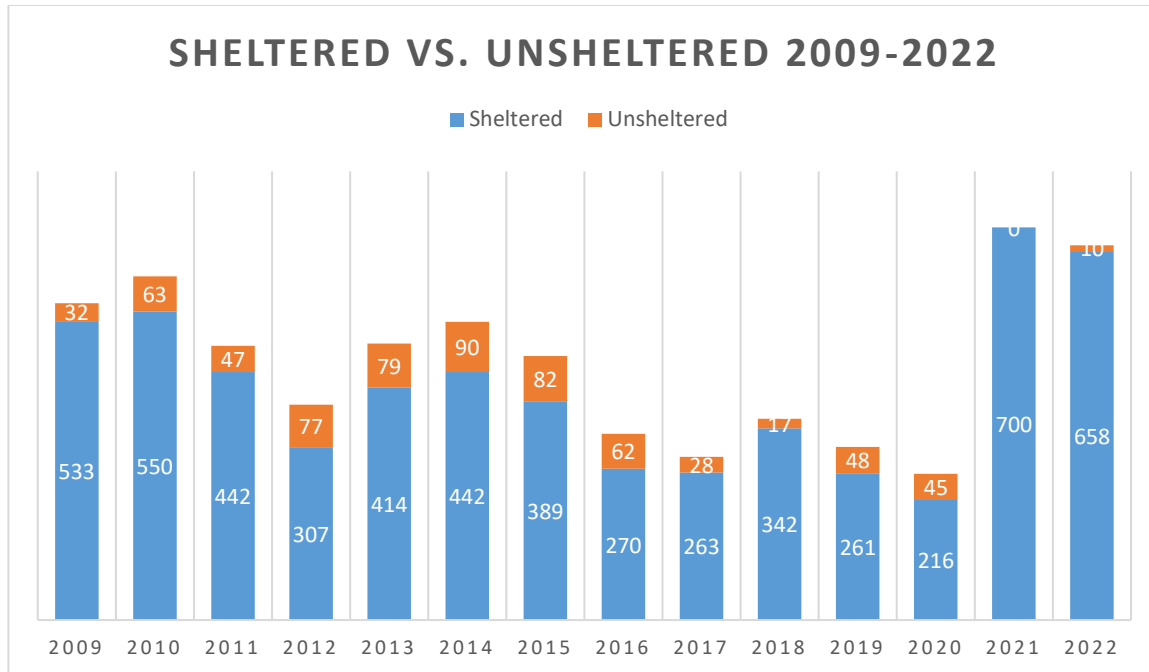
This document is available upon request in alternative formats for persons with disabilities.

Background:

Over the last decade, the City of Burlington, in close collaboration with its regional, State, and federal partners, has made significant progress in making homelessness brief and uncommon. Each year from 2009 to 2020 the Chittenden County Homeless Alliance (CCHA), the regional Continuum of Care (CoC),

conducted its one-day Point in Time (PIT) count. Over that period, the PIT count decreased from 565 persons experiencing homelessness to 261. The peak year of homelessness during the time period was 613 in 2010. This coordinated response resulted in a 53% decrease through 2020. 2020 data reflects PIT data from January, prior to the beginning of the COVID-19 pandemic.

By January of 2022, the picture of homelessness in Chittenden County looked radically different. According to the 2022 PIT count the number of persons experiencing homelessness in Chittenden County reached 668.



Data: 2009-2021 PIT Count Data, Chittenden County Homeless Alliance

The City’s response to the increase in homelessness caused by the effects of COVID-19 focused on a multi-pronged approach. On March 23, 2020, Mayor Miro Weinberger launched the Burlington COVID-19 Resource and Recovery Center (RRC) to offer quick frontline assistance and support on a wide range of issues to all Burlingtonians in need of help during the COVID-19 pandemic. The RRC has focused on ensuring Burlingtonians access to critical resources like health guidance, food, and shelter. Additionally, the RRC has been helping Burlingtonians with recovery efforts like connecting people experiencing homelessness with temporary shelter that meets social distancing safety measures, assisting laid-off workers with unemployment insurance applications, working with local small businesses to help them navigate federal and state resources, and coordinating the dissemination of health and other resource guidance in multiple languages to reach as many members of our community as possible.

More recently the City’s response to the increase in homelessness included the creation of the Community Resource Center (CRC). The CRC was conceived to meet the increase in homelessness caused by the effects of COVID-19. The CRC serves as a low-barrier daytime warming shelter providing food, coffee, and hygiene products while connecting guests with housing, emergency housing resources, and safe recovery resources. The CRC is open every day from 9:00 a.m. to 4:00 p.m.

In December 2020 the City partnered with ANEW Place, a non-profit that provides homeless services, to open an emergency shelter at the Champlain Inn in Burlington. ANEW Place converted the Champlain Inn into a low-barrier shelter with a 50-bed capacity. Prior to purchasing the Champlain Inn, ANEW Place partnered with the City and State to provide shelter at the North Beach Campground which provided shelter using leased campers. The program then moved to tents at the site, serving 30 people.

On March 11, 2021, President Biden signed the American Rescue Plan (ARP), of which the City of Burlington received \$1,500,494 to support the homeless via the Home Investment Partnership (HOME) program through the U.S. Department of Housing & Urban Development (HUD). HOME-ARP allocations were made on September 20, 2021. HUD published CPD Notice 21-10 on September 13, 2021, outlining the process that the City is required to follow in order to receive and spend HOME-ARP funds. The notice also outlines the process through which the city needs to allocate funds, known as the Allocation Plan. HOME-ARP funding can be used for four distinct activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. The allowable activities under HOME-ARP are:

- Development of new rental housing
- Tenant-based rental assistance (vouchers)
- Provision of supportive services
- Development of new non-congregate shelter units.

HOME-ARP funds are meant to primarily benefit one of the designated qualifying populations (QPs), which includes persons who are:

- Homeless (McKinney-Vento definition)
- At-risk of Homelessness (McKinney-Vento definition)
- Fleeing/attempting to flee Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking (VAWA Definition and Trafficking Victims Protection Act def.)
- Other populations where assistance would prevent the family's homelessness *or* serve those with the Greatest Risk of Housing Instability. This includes:
 - o Households who have previously been qualified as homeless
 - o Households who are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance, or some type of other assistance to allow the household to be housed; and
 - o Households who need additional housing assistance or supportive services to avoid a return to homelessness
- At-risk of Housing Instability includes a household that has:
 - o Annual income of < 30% of Area Median Income (AMI) and is experiencing severe cost burden (50% or more of income toward housing costs)
 - o Or Annual income of <50% and meets one the definition of at-risk for homelessness

The purpose of this Allocation Plan is to describe the City of Burlington's process for allocating and awarding HOME-ARP funds. In order to receive its HOME-ARP allocation, the City must complete the following steps. First the City is required to engage in consultation with the required organizations. Second, the City is required to provide for public participation, including a minimum 15-day comment period, and hold one public hearing. Last, the City must develop a plan that meets the requirements of HUD Notice CPD-21-10 (September 13, 2021). This plan includes descriptions of the following:

- A. Consultation
- B. Public Participation
- C. Needs Assessment and Gaps Analysis
- D. HOME-ARP Activities
- E. HOME-ARP Production Housing Goals
- F. Preferences
- G. HOME-ARP Refinancing Guidelines

The Community & Economic Development Office (CEDO) at the City of Burlington manages the City’s HOME program funds and will administer the HOME-ARP program.

A. Consultation

Before developing its plan, the HOME-ARP recipient (also known as the Participating Jurisdiction (PJ)) must consult with the CoC serving the jurisdiction’s geographic area, homeless and domestic violence service providers, veterans’ groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum.

In order to determine the best use of HOME-ARP funds in Burlington, City staff completed a consultation process that included the Burlington’s Continuum of Care, the Chittenden County Homeless Alliance, various homeless and domestic violence service providers, and a number of community and non-profit partners. The various agencies and organizations listed below were each provided with information about HOME-ARP, including eligible activities and Burlington’s HOME-ARP award. The agencies and organizations were asked about the biggest unmet needs regarding homelessness in Burlington, what other resources were available to meet those needs, and their recommendations regarding the City’s priorities for the HOME-ARP program. Initial outreach and information was provided during the December 2, 2021 CCHA meeting. CEDO staff gave a presentation on the basics of HOME-ARP and what timeline for the plan would be. All agencies were invited to meet with staff to discuss service gaps, housing needs, and funding priorities. Overall, CEDO staff held 18 meetings with community partners and organizations and consulted with 40 residents with lived experience.

During the consultation process three main priorities were indicated by those consulted:

- The vast majority of those consulted said that the first priority is the need for additional permanent affordable housing in the City of Burlington. Essentially all agencies stated that the need for additional units was the largest and perhaps most difficult component of the homelessness ecosystem. Without additional housing units, especially those set aside for the formerly homeless, the CoC cannot assist individuals to move from the shelter system into permanent housing.
- Similarly common was the need expressed for services to go along with the additional housing. Agencies and organizations stated that any new housing must be paired with medical, mental health, recovery, and housing navigation and retention services. CEDO heard that additional housing must have these supportive services to ensure that vulnerable populations can maintain housing.
- The third priority that partners referenced is the need for more non-congregate and low barrier/no-barrier shelter in the event that existing shelter capacity is reduced from current levels. Agencies suggested that this model of shelter has been successful in serving the increase in individuals experiencing homelessness during the pandemic.

Table 1.1 - HOME-ARP Outreach

Agency / Organization	Type	Method of Consultation	Feedback
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Chittenden County Homeless Alliance (CCHA)	CoC	Meeting	Need services, shelter, and housing. Housing is the most pressing issue.
Champlain Housing Trust (CHT)	Housing Non-Profit	Meeting	Housing is the priority. Expects the state to increase funding for services. Finding the capital for housing a larger issue. Need for new construction of mixed-income units with services attached including housing retention services.
Cathedral Square Corporation (CSC)	Housing Non-Profit/Seniors	Meeting	The biggest need is an increase in permanent rental housing units. CSC expects to development additional units for seniors. Also need to combine housing with services, and hopefully financial support from Support and Services at Home (SASH).
Committee on Temporary Shelter (COTS)	Homeless Services/Shelter	Meeting	While permanent housing is a priority, the investment should be made in non-congregate shelter (NCS) than can be converted into permanent housing. 20% of the funding should be dedicated to the support services necessary to run such a shelter.
Steps to End Domestic Violence	Domestic Violence/Service Provider	Meeting	Facing an affordable housing crisis, permanent rental housing is the biggest need. Some need for NCS, but would not want to oversupply and not have enough funding for permanent housing. Huge need for services to go along with new rental housing. Fund priority services for chronically homeless.
Burlington Dept. Of Racial Equity Inclusion and Belonging (REIB)	Racial Equity	Meeting	Need for additional rental housing.
Champlain Valley Office of Economic Opportunity (CVOEO)	Homelessness	Meeting	Improvements needed in Coordinated Entry (CE). Housing requires services to improve retention/resident success. Low-barrier, trauma informed shelter is the most needed. Increased staffing around case workers and outreach workers.
ANEW Place	Shelter/ Homelessness Services	Meeting	Short term priority is additional housing. Clients also in need of mental health services to stay in housing. Additional shelter capacity also a priority.
Spectrum Youth and Family Services	Youth and Family Services	Meeting	Permanent housing represents the greatest need. Second priority would be non-

			congregate shelter. Third would be additional services.
Pathways Vermont	Homeless Services	Meeting	The most successful approach is to make sure we have the right balance of services, housing, and subsidy. Housing access is at a critical low. More permanent housing is the top priority, but should be paired with services to ensure successful outcomes. Would like to see units housing formerly homeless in mixed income projects
Burlington Police Department (BPD)	Community Affairs Dept.	Meeting	Gaps in staffing and services, need family shelter units. Also need around low-barrier shelter units. More housing units to decreased time spent in CE.
Burlington Housing Authority (BHA)	PHA	Meeting	Need more permanent housing combined with supportive services, especially retention services. Greater need around mental health services needed. Improve landlord recruitment and outreach for voucher program.
Community Health and Centers of Burlington (CHCB)	Health	Meeting	Additional permanent housing is the biggest priority. Often unable to find units for voucher recipients. Second priority is additional service capacity around mental and medical services.
Veterans Administration - Vermont	Veterans	Meeting	Housing a major need for the veteran's community. Working on proposal for 30 modular homes to provide to homeless veterans.
Vermont Center for Independent Living (VCIL)	Advocacy, Services for Persons with Disabilities	No Response	Multiple attempts were made to contact the Vermont Center for Independent Living for consultation, but the City did not get a response. However, we successfully consulted agencies like the Burlington Housing Authority and the Veterans Administration - Vermont who address the needs of people with disabilities.
Vermont Legal Aid	Legal Services/Fair Housing/Civil Rights	Letter	Highest need is for new permanently affordable housing in high opportunity areas. Recommended that funds not be used for services.
Turning Point	Mental Health Services	Meeting	Main priority would be non-congregate shelter, with services. Noted an acute need around substance abuse services. Increase in those experiencing substance abuse issues during the pandemic.

Vermont Agency of Human Services	State Agency	Meeting	Main priority would be increasing the number of permanent rental units, but these need to be paired with services for them to be successful. Additional capacity for CE.
CVOEO – Fair Housing Project	Fair Housing	Meeting	Main priority is new permanent, affordable rental units. Currently unable to find units for voucher holders through the CARES program. In serious need of housing retention/tenant/landlord supports.
Persons with lived experience		Informal Consultation /Meetings	As well as input solicited through the CoC, CEDO staff had discussions with approximately 40 persons during the Point in Time count in late January. Among that group, the highest needs identified were new affordable housing, increasing availability of low barrier – no barrier shelter, and ease of access to services (e.g. through a permanent Community Resource Center).

B. Public Participation

PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJ’s must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of **no less than 15 calendar days**. The PJ must follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan. In addition, PJs must hold **at least one public hearing** during the development of the HOME-ARP allocation plan and prior to submission.

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

- The amount of HOME-ARP the PJ will receive; and
- The range of activities the PJ may undertake

Describe the public participation process, including information about the dates of the public comment period and public hearing(s) held during the development of the plan:

CEDO prepared a draft of this plan which was put out for public comment from March 1, 2022 through April 1, 2022. A public notice was published March 2, 2022. According to the City’s citizen participation plan the public comment period for this plan is 30 days. A properly noticed public hearing was held on March 17th, 2022 at the Community Development and Neighborhood Revitalization Committee (CDNR) meeting online. The notice for the public hearing, as well as the agenda for the hearing included language indicating how one can access materials in alternative ways. One comment was received during the public hearing.

Describe any efforts to broaden public participation:

A HOME-ARP information page is available through the City's website that outlines HOME-ARP information. This webpage includes links to HOME-ARP resources, plan drafts, data sources, and the ability to submit comments via email. CEDO held three sessions during CCHA Steering Committee meetings to discuss the HOME-ARP plan, prospective changes to the plan, and to ask for additional feedback. The CCHA approved the plan on April 7, 2022.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

Summarize the comments and recommendations received through the public participation process:

Summary of Comments Received:

13 members of the public attended the hearing on March 17, 2022. The hearing was held in person at 149 Church Street, Sharon Bushor Conference Room, Burlington, VT 05401 and virtually via Zoom. A recording of the hearing is available on CDNR's website.

One public comment was received during the meeting. The commenter asked CEDO to update the requirements of the plan to require the use of CE for HOME-ARP projects. *Response: CEDO staff accepted this comment. Based on this comment, as well as several others received during the planning process, the allocation plan has been updated to reflect a strong preference for the use of CE.*

CEDO also accepted comments via email, phone, or in person during the public comment period. Accepted comments are summarized below.

A comment submitted via email from a staff person at the Vermont Office for Economic Opportunity that strongly encouraged CEDO to require Coordinated Entry for HOME-ARP projects. They also stated that Vermont Housing Finance Agency (VHFA) and Vermont Housing Conservation Board (VHCB) are requiring Coordinated Entry for capital funding for homeless units. The commenter noted that Champlain Valley Office of Economic Opportunity is discussing a process whereby folks who request a waiver to the requirement need to consult with the CoC, with the funder holding decision-making on whether to waive. *Response: CEDO staff accepted this comment. After review and discussion with other CoC partners, the allocation plan has been updated to reflect a strong preference for the use of CE.*

A comment submitted via email from a staff person at Champlain Valley Office of Economic Opportunity included the following:

- Asked if the development of new affordable units be *exclusively* for homeless households, or if developers need to devote a *portion* of units to homeless.

Response: CEDO Staff accepted this comment. In the case of HOME-ARP funds, the HOME-ARP assisted units must serve folks who are currently or at risk of becoming homeless. Typically HOME does not require that 100% of the units within a project are encumbered with the HOME income/rent/occupancy limits and in Burlington it's typically 10% - 20% of the total units within a project. CEDO would expect the same to be true for HOME-ARP.

- Advocated that CEDO consider requiring CE for HOME-ARP projects. They argued that opting out of CE can cause conflicts within agencies and weakens the CE system as a whole.

Response: CEDO staff accepted this comment. After review and discussion with other CoC partners, the allocation plan has been updated to reflect a strong preference for the use of CE.

- Suggested that CEDO require housing providers to engage with the CoC (CCHA) by presenting their housing proposal to the CCHA as part of their funding application. This would enable clear

communication across the CCHA and foster partnerships between housing providers and non-profits.

Response: CEDO staff accepted this comment. The plan has been updated to require applicants to present their projects to the CCHA for feedback regarding their plan for referrals and the partnership between developers, CoC, local housing authority, and social service providers who work with the target population to serve homeless households.

A comment was submitted via email from a staff person at Cathedral Square Corporation that included the following:

- Request for CEDO to update the summary of outreach comments received during the outreach process to reflect SASH.

Response: CEDO staff accepted this comment and updated the language of the outreach section for Cathedral Square Corporation per the submitted comment.

- Request to edit second paragraph heading on page 15 “Other families requiring services” to “Other households and individuals requiring services”; and edit second line of second paragraph to “represents one of the greatest issues that families face in Burlington” to “represents one of the greatest issues that households and individuals face in Burlington”

Response: CEDO staff accepted this comment and the requested change was made.

- Request to change the requirement from asking to include proof of funding for housing retention services during the 15-year HOME –ARP Compliance period to instead outline the applicant’s dedication to providing housing retention services.

Response: CEDO staff accepted this comment, as the nature of the comment relates to the creation of the HOME-ARP plan. After review and consideration, CEDO staff updated the plan to reflect the comment. The plan asks for a commitment to services.

- Request to change the amount of time needed to begin working on a project from 18 months to 24 months.

Response: CEDO staff accepted this comment. After consideration, this change was not included in the plan as detailed in the comment. This criterion has been changed to reflect the HOME Partnerships Program regulation that construction projects must be able to begin work within 12 months of the signing of agreements.

- Request to change the application requirements from a commitment of project-based rental assistance to proof of submission of an application to the Burlington Housing Authority (or other agency, if appropriate) for a certain number of rental subsidies.

Response: CEDO staff have accepted this comment. After consideration, the plan has been updated to reflect this comment. The section has been change to request proof of an application for project-based rental assistance.

- Request to add evaluation criteria that reviews the experience of applicant/project sponsor with providing on-site services to vulnerable populations, including housing retention services.

Response: CEDO staff accepted this comment and added the review of an applicant's experience with providing on-site services to the evaluation criteria.

A comment was received from an individual at Pathways to update the language of their outreach section to reflect the need for subsidy rather than shelter. *Response: CEDO Staff accepted this comment and made the appropriate change the outreach section.*

Summarize any comments or recommendations not accepted and state the reasons why:

There were no comments received during the public comment period that were not accepted.

C. Needs Assessment and Gap Analysis

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services.

The following is the Homeless Needs Inventory and Gap Analysis using 2022 data for Chittenden County.

Table 1.2 - Homeless Needs Inventory and Gap Analysis													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at Least 1 Child)	Adult HH (w/o child)	Vets	Domestic Violence (DV) Survivors	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	59	21	15 4	N/ A	0								
Transitional Housing	2	1	6	N/ A	0								
Permanent Supportive Housing	5	2	10 7	N/ A	53								
Other Permanent Housing	21	7	10 4	N/ A	0								
Sheltered Homeless						142	516	14	65				
Unsheltered Homeless						1	9	0	0				
Current Gap										56	112	15 4	154

**No data available*

Data Sources: Housing Inventory Count 2022 (HIC), 2022 PIT data

1.3 – Housing Needs and Gap Analysis

(All numbers are based on best estimates)	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units*	10,619		
Rental Units Affordable to HH at 0% - 30% Area Median Income (AMI)	767		
Rental Units Affordable to HH at 31% - 50% AMI	767		
0%-30% AMI Rent HH w/ 1 or more severe housing problems**		2,845	
30%-50% AMI Renter HH w/ 1 or more severe housing problems**		1,415	
Currents Gaps			2,726

* Housing inventory numbers are from the 2015-2019 American Community Survey (ACS), the most recently available data.

** 2018 Comprehensive Housing Affordability Strategy (CHAS) data, the most recently available dataset

Describe the size and demographic composition of qualifying populations with the PJ's boundaries:

Homeless, as defined in 24 CFR 91.5 Homeless (1), (2), or (3): According to the 2022 PIT count, there were 668 persons experiencing homeless in Chittenden County. Of those 668 persons sheltered and unsheltered, there were 142 sheltered families with at least one child, and 1 family that was unsheltered at the time of the count. At the time of the count, there were 516 sheltered homeless adult households without children and 9 that were unsheltered. Included in overall count of 668 families and adult households were 14 sheltered homeless veterans, and 65 sheltered domestic violence survivors. The 2020 Count found 261 total between sheltered and unsheltered persons, suggesting that the rate of homelessness increased by 256% from 2020 to 2022. There were significant increases in homelessness among all subpopulations in 2022, with 152 persons listed as chronically homeless. The number of those experiencing serious mental illness increased from 95 to 199 in 2022, a change of 209%. The number of persons experiencing chronic substance abuse increased from 55 to 104, an increase of 189%. The number of veterans experiencing homelessness increased from 6 to 14, change of more than 233%.

At risk of Homelessness, as defined in 24 CFR 91.5 At risk of homelessness:

In Burlington, this population is somewhat harder to track. Our data sources address those who are currently homeless, as well as those entering and exiting the Coordinated Entry System, but do not address the needs of those with the greatest risk of housing instability. According to the definition, one of the main criterion

for the at-risk definition is the number of persons who have an annual income below 30% of median family income for the area. AMI for a 1- person household in Burlington in 2021 \$67,200 per year, making 30% of AMI in Burlington for that time period \$20,160. According to the ACS 2015-2019 data, more than 25% of households in Burlington were below 30% of AMI. Based on this estimate, it's clear that the at-risk of homeless population is substantial in size. When this estimate is compared to the number of shelter beds, transitional housing units, and affordable units available, it becomes clear that this population faces substantial hurdles in the City of Burlington.

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.

Between 2021 and 2022 there was a decline in the number of homeless individuals fleeing or attempting to flee domestic violence from 148 to 65. According to the PIT count, the COVID-19 pandemic has increased the number of persons experiencing domestic violence dramatically, while also reducing access to resources and support services. There is currently one domestic violence shelter that serves the City of Burlington. According to our outreach with the shelter provider, the greatest needs for this population is affordable housing, followed closely by the need for additional and ongoing services. While all persons experiencing domestic violence that were included in the PIT were sheltered, the end of the motel voucher program in Vermont will mean a significant increase in demand for the 28 DV beds currently available.

Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability.

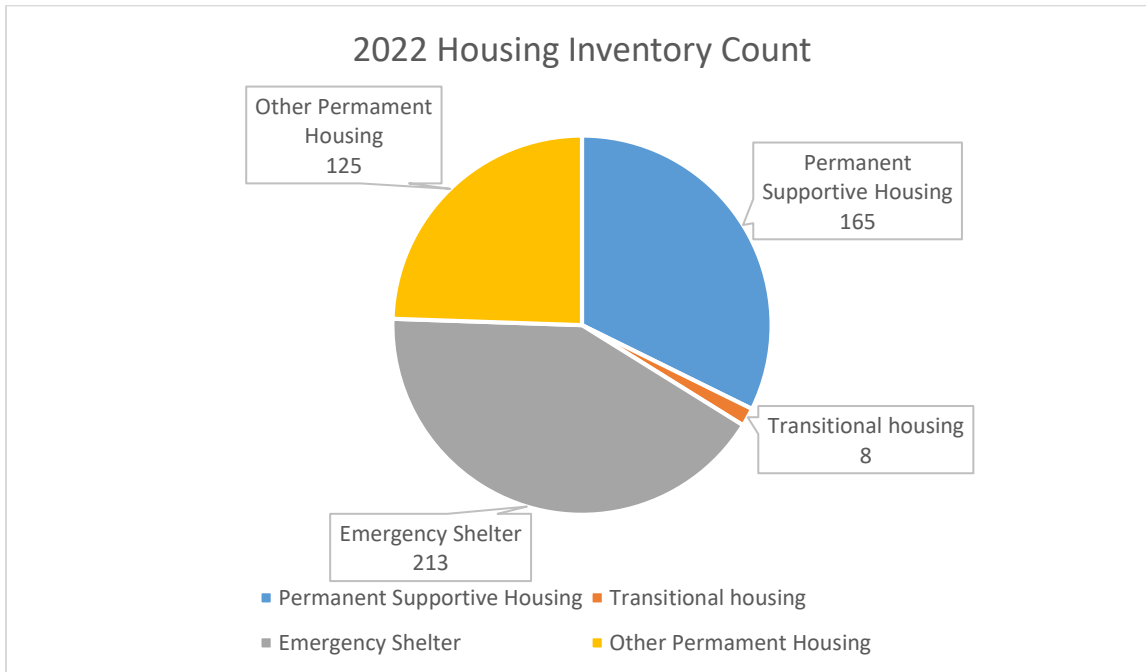
Similar to those at-risk individuals discussed above, the number of individuals and families where assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability can be difficult to quantify. According to Table 1.3, there are 2,845 renter households between 0%-30% AMI with 1 or more severe housing problems. The CHAS data also indicates that 2,350 households with an income less than 30% of AMI are cost burdened at the 50% level. This indicates a severe shortage of housing for individuals with incomes below the AMI. When paired with the low rate of vacancy in Burlington, our estimates suggest that the population of individuals and families in this category represents a very large portion of the population.

Describe the unmet housing and service needs of qualifying populations, including but limited to:

Sheltered and Unsheltered homeless populations:

As of the 2022 PIT count, there were 686 persons experiencing homelessness who were sheltered. The unsheltered count for 2022 was 10 persons. The increase to 686 of sheltered persons was a result of the State's expansion of the use of motel rooms as non-congregate shelter during the pandemic. Of the 686 persons counted, we estimate that 394 people in Chittenden County are currently receiving emergency housing through the motel voucher program using 239 rooms. The pandemic-era expanded program criteria came to an end on June 30, 2022, at which point, households were entered into a transitional housing program. This program will end on March 31, 2023. The State implemented a season-long adverse weather exemption for emergency shelter to allow more people to access shelter due to adverse weather. This exemption expires at mid-March 2023.

According to the most recent Housing Inventory County (HIC) for Chittenden County from 2022 there were a total of 511 available beds throughout the system. The system is comprised of 386 emergency shelter, safe haven, and transitional beds, with an additional 125 permanent housing beds. With the system operating at full capacity, we do not expect any of the additional persons in need of emergency shelter to have access through the current shelter inventory.



Those currently housed populations at risk of homelessness:

According to Table 1.3 – Rental Unit Analysis, there are around 10,619 rental units in Burlington. Based on an assessment of affordable units in Burlington, we estimate that there around 2,303 units affordable to someone making 0%-80% of AMI. This represents less than a 25% of all units in the city. Our assessment suggests that there are 1,534 units available for those making 0%-50% of AMI. Assuming that these are split equally between 0%-30% and 30%-50% AMI, each bracket would have around 767 units available. According to the most recently available CHAS data, there are 2,845 renter households between 0%-30% AMI with 1 or more severe housing problems. The CHAS data also reported 1415 renter households between 30%-50% AMI with 1 or more severe housing problems.

As defined by the United States Census Bureau, cost burdened households are those that spend more than 30% of their monthly income on housing. For renters in Burlington, among the most common housing problems is cost burden. According to the CHAS data, 3,170 of all renter households paid more than 50% of their monthly income toward housing. In addition, there were 2,250 renter households that spent between 30% and 50% of their monthly income on housing. Cost burdened households are at a significant risk for homelessness. According to the “Out of Reach 2021” report written by the *National Low Income Housing Coalition*, renters need a full-time, hourly wage of \$31.31 to afford a 2 BR unit in Burlington. The report also states that the rent affordable to an individual at 30% AMI is \$615, significantly lower than the average rent.

The issues of housing affordability and housing scarcity have been an issue in Burlington for some time. According to a July 2019 Allen & Brooks Report, Burlington’s rental vacancy rate is 1.4%. The low vacancy rate pushes demand for rental housing up which results in increased rental rates. 2020 and 2021 also saw

increased demand for apartments in Burlington, as well as major increases in median rent and median home sale price. Due to high rents, low vacancy rates, and an aging housing stock, Burlington residents of all incomes are at a higher risk of experiencing homelessness. High costs put many residents at greater risk of housing instability, putting residents in unstable housing situations.

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

There is currently one shelter that provides services specifically to those fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. While there are other agencies that serve this population as part of general homeless services, there are currently only 28 DV beds available for this population, significantly less than the number of individuals who were identified in the population during the 2022 PIT count. Motels are currently used as additional capacity for DV throughout Chittenden County.

Other households and individuals requiring services or housing assistance or to prevent homelessness: Housing cost, and subsequent lack of affordable housing units, represents one of the greatest issues that households and individuals face in Burlington. Additional units will be needed to meet the increased demand, but units also need to be affordable for low-income residents. Our consultations with service providers suggest that a number of households are not receiving the housing retention and navigation services that they need.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

In the face of an ongoing acute housing shortage, based on the above data in Table 1.2, the shelter system in Chittenden County provides 33 family shelter units and 262 additional shelter beds. While the motel program described above currently provides shelter for 394 people (301 adults and 93 children), the additional capacity is temporary. Community partners are expecting another 30 to 35 shelter beds to be available in the next year. There is also a push from the State of Vermont to develop new shelter capacity.

Identify any gaps within the shelter and housing inventory as well as the service delivery system:

Outreach to service providers suggests that the main needs in services are focused in two clusters: Health and Housing. A number of partners identified the importance and additional need for both mental health, recovery, and physical health services. Almost all providers identified housing services, such as outreach, retention, and navigation as current gaps in the system. Providers also identified current labor shortages as an urgent need contributing to current service gaps.

Identify priority needs for qualifying populations:

According to the gap analysis, housing inventory analysis, outreach with community partners, and review of demographic trends for each of the four qualifying populations, the priority needs are as follows.

For all four Qualifying Population's:

1. Additional affordable permanent rental housing units
2. Supportive services, especially around housing and health
3. Additional shelter capacity, especially low-barrier/no-barrier shelter

Explain how the level of need and gaps in its shelter and housing inventory and service delivery system based on the data presented in the plan were determined:

The level of needs and gaps in the shelter system, housing inventory, and service delivery system, were assessed in a multi-pronged approach. The first part of the analysis is based on data from HIC, CHAS, ACS, and CE data. These sources helped identify some of the housing inventory and shelter gaps that the CoC is facing. In addition, we used outreach to assess any current gaps in the service delivery system. The summary of responses is included in the outreach section above. Once data was aggregated, we reviewed outreach responses to rank the priorities of our partners. These two datasets were combined to develop the priorities of this plan.

As part of the outreach process, CEDO connected with partners to assess the current level of resources already available for HOME-ARP eligible projects. The majority identified funding for the creation of rental housing as the most pressing need, with additional funding also needed for supportive services.

D. HOME-ARP Activities

Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

Non-profit and for-profit housing developers seeking HOME-ARP dollars for eligible rental housing development projects will submit applications for funding to the CEDO using the Common Housing Application. A HOME-ARP application supplement will be available on CEDO's website and must also be completed and submitted with the application. Applications will be accepted on a rolling basis until all funding has been allocated. *Operating grant, Expansion grant, and service providers will submit a separate application along with HOME-ARP supplement.*

Projects will be evaluated by staff using CEDO's underwriting process. In consultation with CEDO staff, the CEDO Director will make final funding decisions. The following threshold criteria must be met by an application to be considered for a HOME-ARP award:

- 1) The project must include the creation of new permanent rental housing and meet all HOME-ARP requirements
- 2) Applications must demonstrate commitment to housing retention services and detail how they will plan to provide those services during the 15-year HOME-ARP affordability period
- 3) The housing must remain affordable in perpetuity after the expiration of the HOME-ARP required period via Housing Subsidy Covenant
- 4) HOME-ARP assisted units must:
 - o Be leased to any of the HOME ARP QP's per the notice CPD Notice-21-10 and preferences described in Section F
 - o Referred through the local system of Coordinated Entry to housing or other referrals per the prioritization process described in Section F below.
- 5) To be considered for HOME-ARP funding, applications must be presented to the CCHA for feedback regarding the plan and commitment for referrals, coordination and partnership between developer, Continuum of Care, local housing authority, if any, and social service providers who work with the target population to serve homeless households. The presentation must make clear whether the Coordinated Entry system will be used for tenant selection, and if not, why and what other or a project-specific waitlist is proposed that still maintains the preferences as described in Section F.
- 6) At least one of the City's Consolidated Plan housing priorities must be addressed
- 7) There must be a reasonable expectation that the project will be ready to proceed within 12 months of the HOME-ARP agreement date.

Applications must include a description of the eligible activities to be conducted with the HOME-ARP funds and must certify that housing units assisted with the HOME-ARP will comply with HOME-ARP requirements. All applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to ensure HOME-ARP assisted units will be available to all Qualifying Populations. All applications will be evaluated per the

criteria below. In instances where there are competing applications, preference will be given to projects based on feasibility, timing, need, and impact.

HOME-ARP Application Evaluation Criteria:

10. The applicant's ability to obligate HOME-ARP funds and undertake eligible activities in a timely manner
 - Applicants will be evaluated on their development capacity; their experience with federal affordable housing programs; and their track record for developing projects within a reasonable timeframe.
11. The extent to which the project has Federal, State, or local project-based rental assistance so that the project can serve Qualifying Populations, who may have no income, and remain viable for the HOME-ARP compliance period.
 - While project-based rental assistance is not a HOME-ARP requirement, applications will be evaluated based on whether any of the units in the project, including the HOME-ARP units, will have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities. The type of project-based rental assistance and the length of commitment for the assistance will also be considered. In cases where project-based rental assistance will be provided for HOME-ARP, documentation will be required prior to final approval of HOME-ARP assistance.
 - Other mechanisms that ensure affordability for Qualified Populations, such as operating assistance reserves, will be considered.
 - Preference will be given to projects that demonstrate the ability to fund and provide services to the qualifying population during the 15-year compliance period.
12. The strength of the applicant's commitment to and plan for leasing all units designated to serve those who have experienced homelessness through the local Coordinated Entry System, unless otherwise approved by CEDO in consultation with the CCHA.
13. The duration of the units' affordability period all HOME-ARP funded projects will be subject to a minimum 15-year affordability period.
 - After the expiration of the HOME-ARP period, all projects will be subject to perpetual affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement.
14. The merits of the application in meeting the priority housing needs as identified in the City's Consolidated Plan
15. The extent to which the application makes use of non-federal funding sources
16. The extent to which the project Affirmatively Furthers Fair Housing
17. The experience of the applicant with providing on-site services to vulnerable populations, including housing retention services
18. As referenced above, additional analysis will be performed by CEDO underwriting in accordance with CEDO's underwriting policy and procedures. The following will be assessed:
 - Development capacity and fiscal soundness of the applicant, and experience of the development team
 - Project location
 - Demonstrated need for Qualifying Populations, or Market demand for Low-income households
 - Budget documents
 - Plans and specifications

- HOME-ARP and other applicable federal requirements
- Developer/owner profit standard and evaluation

If any portion of the PJ's HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:

Not applicable, CEDO will be administering the program.

PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits. The following table may be used to meet this requirement.

Use of HOME-ARP Funding

	Funding Amount	Percent of Grant	Statutory Limit
Supportive Service	\$0		
Acquisition and Development of Non-Congregate Shelters	\$0		
Tenant Based Rental Assistance (TBRA)	\$0		
Development of Affordable Rental Housing	\$1,125,370.50	75%	
Non-Profit Operating	\$75,024.70	5%	5%
Non-Profit Capacity Building	\$75,024.70	5%	5%
Administration and Planning	\$225,074.10	15%	15%
Total HOME ARP Allocation	\$1,500,494.00		

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

The City's funding decisions are based also based on two key assumptions:

- 1) City designating American Rescue Plan Act funding received by the City from the Department of the Treasury for services, development of permanent housing, and shelter and;
- 2) Continued state funding for services and the motel program over the medium term until additional shelter and/or permanent units come online.

These sources were identified during the data collection and outreach process and have informed the decision to allocate the majority of funds to rental housing. If it is apparent that these assumptions are no longer reasonable, then we will reevaluate this plan and consider a different allocation strategy.

Table 1.3 indicates that affordable housing inventories remain at a critical low. If the City wants to address homelessness, the inventory of affordable units needs to increase significantly. This sentiment was echoed by virtually all community partners, who indicated that additional permanent affordable housing units are the highest priority. Our partners identified that services for these new units would be critical in their success. Burlington plans to allocate the majority of funding for the development of new units, with Non-

Profit Operating and Non-Profit Capacity Building funded to their maximum. These funds will be used to support non-profits and CHDOs completing HOME-ARP activities.

E. HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation

We expect that the proposed allocation of HOME-ARP funds will result in the creation of 5 HOME-ARP units that we expect will spur the creation of an additional 20 units of housing.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

The City also expects that HOME-ARP investment in rental housing will leverage additional local, state, and federal dollars, from both private and public sources. Specifically, HOME-ARP can be leveraged with tax-credit and ARPA-funded projects to increase the number of affordable units. We estimate that HOME-ARP funding will leverage an additional 20 affordable units. The leveraging of additional funds will help increase the inventory of affordable units which is one of the priority needs of the City.

F. Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

According to CPD notice 21-10: Final HOME-ARP Implementation Notice, the City is required to develop preference for HOME-ARP projects. HOME-ARP requires that funds be used to primarily benefit individuals and families in four designated Qualifying Populations. Preferences for HOME-ARP projects were developed in consultation with CCHA, community partners, and City staff. The order of preference for the QPs is as follows:

- 1) Homeless (HOME-ARP QP #1)
- 2) Fleeing or Attempting To Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking (HOME-ARP QP #3)

Currently the Continuum of Care that operates in Burlington does not cover all four of the QPs. Coordinated Entry through the CCHA covers homeless individuals and families (QP #1- Preference 1) and individuals or families fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking (QP #3 - Preference 2). According to Section IV(C)(2)(i) Coordinated Entry cannot be used if the CE does not include all HOME-ARP qualifying populations. Instead the City will utilize CE for Preference 1 and 2 and establish a waiting list for QP #2 and QP #4 applicants

Referrals for homeless individuals and families (preference 1) and individuals or families fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking (preference 2), will be made from Coordinated Entry. For the referrals that come from Coordinated Entry, the City will utilize the prioritization criteria applied by the CoC through Coordinated Entry.

Coordinated Entry priorities only apply to individuals and families referred to project and activity waitlists for preference 1 and preference 2. Referrals made to the waitlist for eligible applicants per QP #2 and QP #4 will come from outside agencies and will be given full access to placement on a separate wait list to be administered by CEDO. These households as described in QP #2 and #4 will be served on a first come first serve basis. The order of the individuals and families placed on the waitlist households will be established by the date of application or pre-application date.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:

The best way for the city to address the needs of homeless households is utilize the tools that the CoC already has in place. Our needs assessment indicates a lack of permanent supportive housing within Burlington. The preferences listed above ensure that those with the greatest housing and service needs are served first. These prioritizations also align with the results of the outreach process. According to our consultations, the greatest need among QPs is additional rental housing, specifically housing that includes services for households.

Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:

The City of Burlington does not intend to limit eligibility for HOME-ARP rental housing projects to any particular population or subpopulation of a QP identified in section IV.A of the Notice.

G. Refinancing Guidelines for HOME-ARP Projects

Burlington does not intend to use HOME-ARP funds to refinance existing debt on multi-family projects.