

**CITY OF BURLINGTON**  
**COMMUNITY DEVELOPMENT BLOCK GRANT - 2021 APPLICATION**

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

Project Name: Cambrian Condominiums – Affordable Homeownership

Project Location / Address: specific site tbd – Cambrian Rise, North Ave, Burlington, VT

Applicant Organization / Agency: Champlain Housing Trust

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

Physical Address: 88 King St.

Contact: Amy Demetrowitz Title: COO Phone #: 862-6244


Web Address: www.getahome.org E-mail: amyd@champlainhousingtrust.org

EIN #: 22-2536446 DUNS #: 868151226

<p><b>CDBG Funding Request: <u>\$125,000</u></b></p> <p><b>Total Estimated Program/Project Cost: <u>\$8,525,000</u></b></p> <p><b>Grant Duration:</b> mark one <input type="checkbox"/> <u>1 Year</u> <input type="checkbox"/> <u>2 Year</u> <i>(Only Public Service programs with a focus on Housing or Homelessness are eligible for 2 year grant this year )</i></p> <p><b>Development:</b> mark one <input type="checkbox"/> <u>Economic Development</u> <input type="checkbox"/> <u>Construction</u></p> <p><b>Public Service:</b> <input type="checkbox"/> <u>Housing</u> <input type="checkbox"/> <u>Homelessness</u> <input type="checkbox"/> <u>Health</u> <input type="checkbox"/> <u>Econ Opportunity</u> <i>Mark one</i></p>
--

1. **Type of Organization**
- |   |  |
|---|--|
| <input type="checkbox"/> Local Government         | <input checked="" type="checkbox"/> Non-Profit Organization (please provide copy of your IRS 501(c)(3) tax exemption letter) |
| <input type="checkbox"/> For-Profit Organization  | <input type="checkbox"/> Institution of Higher Education   |
| <input type="checkbox"/> Faith-Based Organization |  |

**Certification**  
To the best of my knowledge and belief, data in this proposal are true and correct.  
I have been duly authorized to apply for this funding on behalf of this agency.  
I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.  
  
I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator. In addition, this project is ready to proceed as of July 1, 2021.

 _____ Signature of Authorized Official	Amy Demetrowitz _____ Name of Authorized Official
Chief Operating Officer _____ Title	January 25, 2021 _____ Date

## ***I. Demonstrated Need***

---

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

Construction of new affordable condominiums will increase the availability of affordable, permanent housing for low and moderate income households. CHT is committed to affirmatively marketing the homes to Black, Indigenous and People of Color. The homes will be built to high energy-efficiency standards and in a location to promote the use of public transportation and alternatives to private vehicle ownership.

DH 1.3 - Create New Affordable Housing  
DH 1.4 – Promote New Homeownership Buyer Assistance  
AFH Support Fair Housing Ed-Equity Outreach

## ***II. Program/Project Design***

---

### **1. Give us a short summary (2 sentences) that describe the program/project.**

The Champlain Housing Trust is negotiating with the developer of Cambrian Rise on a project to build 24 new, affordable shared-equity condominiums in this new neighborhood on the edge of the Old North End. The CDBG grant will support CHT's predevelopment work on the project including negotiating a site purchase, building design, permitting, assembling financing and subsidy sources, and marketing.

### **2. Explain why the program activities are the right strategies to use to achieve the intended outcomes. Why is the program designed the way it is? (cite evidence, best practices, or community input)\***

This project seeks to develop 24 affordable homes for sale in the new Cambrian Rise mixed-income neighborhood on the Waterfront. Financing new construction homeownership projects is extremely challenging due to the high cost of new construction and the lack of available subsidy. CHT is pioneering the use of a new source of financing for homeownership – New Market Tax Credits – in a project under development in Winooski and hopes to replicate that effort at Cambrian Rise. This new source, coupled with subsidy from the Vermont Housing and Conservation Board and the Vermont Homeownership Tax Credit, will bring the per unit cost of \$350,000 down to an affordable \$175,000 price for buyers earning less than 100% of median income. At least half of the homes will be targeted to buyers earning less than 80% of median income. CHT is committed to affirmatively marketing the homes to BIPOC residents who have historically been denied access to homeownership through institutional racism in the real estate industry. The homes will be kept permanently affordable through CHT's award-winning shared-equity homeownership program.

### **3. How will this program/project contribute to the City's anti-poverty strategy?**

Shared-equity homeownership assists low and moderate income renter households to become homeowners with no downpayment required. The subsidy provided by CHT typically reduces the purchase price by a minimum of 20% thereby reducing the monthly mortgage costs. The new homeowner gains the stability of owning a home and their housing payments start to build wealth

by paying down their mortgage rather than paying a landlord. While the owner retains 100% of the mortgage pay-down, through the shared-equity program they agree to share the market-rate appreciation when they sell and pass the home on to a new low-income buyer at an affordable price. CHT stewards over 630 shared-equity homes and has facilitated over 570 resales.

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

CHT's Board is made up of 1/3 municipal members (with a representative from the City), 1/3 from the general public, and 1/3 residents of our housing. The Board is elected by the membership, and all 4,000+ adults who live in our housing are members of the organization. All of our development activities are approved by the Board. We will be consulting with AALV, the Racial Justice Alliance and the City's Office of Racial Equity, Inclusion, & Belonging on the design and development of this project as we seek to increase access to homeownership for BIPOC communities.

### ***III. Proposed Outcomes***

---

**1. What are the intended outcomes for this project/program? How are people meant to be better off as a result of participating?**

This project will develop 24 new, affordable condominiums for sale to low and moderate income people. Homeownership provides housing stability and wealth building.

**2. List your goals/objectives, activities to implement and expected outcomes (# of units, # of individuals, etc.)**

The requested CDBG funding will be used to support CHT's capacity to development 24 new homes for sale at an affordable price. Development is a multi-step process that includes: negotiating a site and price; assembling funding sources including gaining access to the New Market Tax Credit for this site and applying for other subsidy sources; consulting with AALV, the Racial Justice Alliance and City's Office of Racial Equity, Inclusion, & Belonging on expanding access to homeownership for BIPOC people; hiring an architect for design and permitting; hiring and overseeing a contractor; marketing and selling the homes.

### ***IV. Impact / Evaluation***

---

**1. How do you assess whether/how program participants are better off? Describe how you assess project/program outcomes; your description should include: what type of data, the method/tool for collecting the data, from whom you collect data, and when it is collected. \***

CHT has completed two in-depth studies of our shared-equity program, one in 2003 and one in 2009, and are currently working on our third. All of our homeowners provide detailed income and asset information in order to qualify for the program and for a mortgage. We also collect information about the equity the owner has earned when they sell. Our last study in 2009, found that the average CHT homeowner, reselling after 5 ½ years gained on average \$12,000. The majority of homeowners, 67.4%, went on to use this wealth to purchase market-rate homes.

**2. How successful has the project/program been during the most recent reporting year for your CDBG project? Report the number of beneficiaries you intended to serve with which activities (as noted in your last Attachment A) and your final outcomes (as noted**

**on your Attachment C) from June 2019 (or June 2018). For non-CDBG participants – report on your achievements from the previous year.**

Not applicable.

## ***V. Experience / Organizational Capacity***

---

### **1. What is your agency’s mission, and how do the proposed activities fit with your mission?**

The Champlain Housing Trust is a Community Land Trust that supports the people of Northwest Vermont and strengthens their communities through the development and stewardship of permanently affordable homes. Our vision is that all communities in our service area will be diverse and inclusive with safe, decent, affordable, and attractive housing choices for all people. Shared-equity homeownership has been the core program of our organization since its founding in 1984. In 2008, the program won the United Nations World Habitat Award as an innovative model to provide permanently affordable homeownership.

### **2. Explain how your agency has the capacity to carry out the proposed activity (i.e. staff qualifications, years of experience related to this type of activity, etc.)\***

The Champlain Housing Trust was founded in 1984 to develop shared-equity homeownership and soon added other types of affordable housing and non-profit facilities development. The Cambrian Rise Condominium project is complicated due to the New Market Tax Credit funding and will take an organizational focus to bring to fruition. This project will involve our CEO, Michael Monte with over 35 years of community development experience; our COO, Amy Demetrowitz, who has been developing projects at CHT for 27 years and Rob Leuchs, the Director of the Homeownership Center, who has been developing and marketing shared-equity homes for 13 years.

### **3. What steps has your organization/board taken in the past year to address racial equity, inclusion, and belonging internally? What new commitments have been made to address racial equity, inclusion, and belonging internally in the year ahead?**

After the killing of George Floyd in June 2020, CHT’s Board of Director’s passed a resolution dedicating the organization to change internally and to call for change in our communities. The resolution affirmed and reaffirmed CHT’s commitment to fight racism and to the principle that Black lives matter in its policies, programs, and employment and in all aspects of its work and committed to a broader action plan that includes:

- To continue to ensure that the number of people served by our programs will meet and exceed the percentage of Black, Indigenous, and People of Color (BIPOC) in our community who are in need;
- To continually review internal policies and screen them for racial bias, including the use of criminal history and credit ratings;
- To continue to review our actions that may cause people to lose their housing such as evictions that have been known to disproportionately impact BIPOC;
- To commit to strengthening our partnerships with organizations serving BIPOC and other historically disadvantaged groups;
- To ensure BIPOC representation on our Board of Directors and continue to work toward having staff reflect not just the community, but the people we serve.

The Board and staff are diligently working on these and other related goals. The staff provides a monthly update to the Board on progress and the Board is participating in monthly discussions about broader issues of institutional racism and how we can respond and address it.

4. Have you received Federal or State grant funds in the past three years?  Yes  No
5. Were the activities funded by these sources successfully completed?  Yes  No  
If No, please explain:

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

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

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

2. a. For your proposed project, please estimate how the Burlington residents will break out into the following income categories during the total grant period. Use the Income Table at <https://www.burlingtonvt.gov/CEDO/2019-HUD-Income-Limits>

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low-Income (30% median)	# Very Low-Income (50% median)	# Low-Income (80% median)	# Above Income Limits (above 80% median)
New Construction	24/48	0 HH	0 HH	13 HH	11 HH

- b. All CDBG grantees serving limited clientele will be required to use CEDO’s *CDBG Beneficiary Self-Certification* form to collect beneficiary data including race, ethnicity, annual income, and family size. Is your organization willing and prepared to add this documentation to the intake process for your CDBG funded program by July 1, 2021?  
 Yes                       NO                       Not Serving Limited Clientele

**VII. Commitment to Equity, Inclusion and Belonging**

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

The project will serve households earning less than 100% of AMI with half targeted to those earning less than 80% AMI. Within our current portfolio, the average household income is 70%. We are very committed to reducing the historic barriers to homeownership for Black, Indigenous and People of Color. Over the past 5 years, 25% of CHT homebuyers have been from BIPOC communities and we will affirmatively market these homes to those populations.

2. Describe the steps you take to ensure the project/program is accessible, inclusive, addressing racially equity, and culturally appropriate for the target population.

We will do targeted outreach to residents from low-income census tracts and to organizations serving BIPOC communities. We will be consulting with the Racial Justice Alliance, AALV and the

City's Office of Racial Equity, Inclusion, & Belonging for input in design and marketing and to identify and address barriers within our programs and mortgage lending. One step we are currently working on is to identify sources of Sharia-compliant lending as that has been identified as a barrier for some communities. We will also be reviewing our homeownership trainings to assure they are culturally relevant and appropriate and will be translating them into various languages.

**VIII. Budget / Financial Feasibility**

**1. Budget Narrative: Provide a clear description of what you will do with CDBG's investment in the project/program. How will you spend the money? Give specific details.**

CDBG funds have historically supported CHT's development capacity so that we are able to respond to multiple development opportunities that are important to the City including this type of affordable housing production project. The CDBG funds requested as part of this application will be used to support CHT staff as we work through the predevelopment steps of this project.

The benchmarks for this project will identify the specific work to be completed, the proposed schedule for completion and a specific dollar amount of CDBG funding tied to those benchmarks. Once CHT can demonstrate that we've achieved a specific benchmark, we will submit a request for the fee from CDBG funds. This project will take multiple years to complete, but for this grant, we will include benchmarks that are achievable by June 30, 2022. This will include: obtaining site control; conceptual design; developing a marketing and outreach plan for the BIPOC community; developing an initial feasibility budget; exploring the NMTC funding opportunity. We likely would not be under construction until Fall of 2022 at the earliest.

**2. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) in your Project/Program Design.**

As with past projects, CHT will be paid based on achievement of specific benchmarks, not based on staff time.

a.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific Service / Activity to be paid with CDBG

b. All CDBG grantees that use CDBG funds for salaries must submit timesheets that capture total time and effort of staff members funded with CDBG. These timesheets must record CDBG hours worked, other hours worked, all funding sources, and a narrative for all CDBG and non-CDBG funded activities, and they must be signed by the employee and supervisor. Does your organization have the ability to implement a timekeeping system for CDBG funded staff that meets these requirements by July 1, 2021?  Yes  No  Not funding salaries

**3. Program/Project Budget**

Line Item	CDBG Funds	Other	Total
New Construction	\$0	\$ 8,400,000	\$ 8,400,000
CHT Predevelopment	\$125,000	\$	\$ 125,000
	\$125,000	\$ 8,400,000	\$ 8,525,000

#### 4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$	\$ 125,000	\$ 150,000	\$ 125,000
State (specify) VT Housing and Conservation State Homeownership Tax Credits		\$1,200,000 \$1,200,000	\$106,000	\$161,000
Federal (specify) Neighborworks PPP Loan VCDP Loan Program capacity CHDO capacity			\$175,000	\$375,500 \$1,188,035 378,600 20,000
United Way			\$0	\$0
Private (specify) Buyer mortgages New Market Tax Credit Equity Contributions		4,200,000 1,800,000	\$300,000	\$704,833
Program Income			\$13,980,227	\$15,074,575
Other (specify) BHTF Program/Capacity grants			\$50,000 \$700,750	\$40,000 \$1,158,993
<b>Total</b>	\$	\$ 8,525,000	\$ 15,461,977	\$ 19,226,536

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

$$\frac{\$ \underline{125,000}}{\text{CDBG Funding}} \div \frac{\$ \underline{8,525,000}}{\text{Total Program/Project Costs}} = \underline{1.5\%} \text{ Percentage}$$

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

$$\frac{\$ \underline{8,525,000}}{\text{Total Program/Project Cost}} \div \frac{\underline{48}}{\# \text{ Total Proposed Beneficiaries}} = \underline{\$177,604} \text{ Cost Per Person}$$

$$\frac{\$ 125,000}{\text{Total Amount of CDBG Funding}} \div \frac{48}{\# \text{ Total Proposed CDBG Beneficiaries}} = \frac{\$2,604}{\text{Cost Per Person CDBG Investment}}$$

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

CHT has relied on CDBG funding for the past 30 years to support the staff capacity that allows us to take on these types of projects. We are regularly in conversation with City leaders, Directors of non-profits and private developers about development needs and opportunities. CDBG funding has been critical to our ability to respond.

**8. Describe your use of community resources, including volunteers. Include any resources not listed in your budget. Will CDBG be used to leverage other resources?\***

We receive the assistance of more than 150 volunteers per year and that has been more important than ever this year to help us respond to the pandemic. We have organized meals and food delivery at a number of our housing sites with the help of volunteer cooks and delivery. We also raise contributions and secure grants to fund our programs and services that help people to succeed in their housing, such as our credit counseling and social work staff. This year our property management department helped our tenants access over \$1.4 million in Covid-related rental payment assistance.

This year’s budget is higher than typical due to the receipt of a PPP loan and high development fees related to the purchase of three hotels to serve the homeless during the pandemic. Half of the development fees will be used to fund property reserves for those hotels for future maintenance needs.

**IX. Collaboration/Efficiency**

**1. Give 1 or 2 examples of key successful collaboration(s) between your program/project and another agency/program/group to address the needs of the people you serve.**

**1. Do identical or similar community programs exist? How does this program complement or collaborate rather than duplicate services? What makes this program unique?**

Green Mountain Habitat for Humanity is a similar organization that provides affordable homeownership, but doesn’t have the capacity to take on a project of this scale. We will be collaborating with Evernorth Rural Ventures on the New Market Tax Credit program and with the Vermont Housing Finance Agency and Vermont Housing and Conservation Board on financing structure. We will also be partnering with AALV to tailor our homebuyer trainings to be culturally relevant and appropriate for various groups of New Americans and to market homes to their clients.

**3. Provide 1 example of how your agency has become more efficient in achieving your outcomes or managing your project/program.**

In response to the Covid pandemic, we have started providing virtual tours of our homes for sale. This allows potential buyers to pre-tour homes in which they may be interested and then only have an in-person showing once they are sure. This reduces the intrusion for the homeowner and CHT staff time spent at open houses and showings.



## **X. Sustainability**

---

### **1. How will this project have a long-term benefit to the City of Burlington? If this program/project ends, how will that benefit continue?**

This project will provide 24 perpetually affordable condominiums to the Burlington housing portfolio. CHT currently stewards a portfolio of 630 shared-equity homes in our service area and through resales of those homes has served 1,200 total households. The shared-equity program creates a resource that is available for future generations of homebuyers with no additional public investment required.

### **2. CDBG funding is intended for new or expanded services. If CDBG funding ends, will the project be able to continue?**

CHT has benefitted from CDBG funding support for the past 30 years. This on-going and consistent funding has been critical to the success of CHT and allows CHT to have the capacity to respond to multiple development opportunities that are important to the City. This specific project will develop 24 new affordable condominiums, but the development capacity that is supported by the grant allows us to pursue new housing projects, assist the City administration in policy review and development, consult with non-profit partners on space and housing needs and otherwise be available to help move ahead projects that improve the community.

### **3. How will you prioritize the proposed project activities if you do not receive the full amount requested?**

This project is a priority for CHT. The impact of not receiving the requested CDBG funding would be on our organizational budget and ability to support the staff required to take on these types of projects.