

**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: Volunteer Income Tax Assistance (VITA)

Project Location / Address: 255 S Champlain Street, Burlington, VT 04501

Applicant Organization / Agency: Chittenden Community Action (CCA), a program of CVOEO

Mailing Address: PO Box 1603, Burlington, VT 05402

Physical Address: 255 S. Champlain Street, Burlington, VT 05401

Contact: Travis Poulin Title: Director, CCA Phone #: 802-862-6248 x736

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EIN #: 03-0216837 DUNS #: 162200125

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|--|
| <b>CDBG Funding Request: \$ <u>10,000</u></b>  |
| <b>Total Estimated Program/Project Cost: \$ <u>54,994</u></b>  |
| <b>Grant Duration:</b> mark one <input checked="" type="checkbox"/> <u>1 Year</u> <input type="checkbox"/> <u>2 Year</u>   |
| <small>(Only Public Service programs with a focus on <u>Early Childhood Education, Childcare and Youth Services</u> are eligible for 2 year grant this year)</small>   |
| <b>Development:</b> mark one <input checked="" type="checkbox"/> <u>Economic Development</u> <input type="checkbox"/> <u>Construction</u>  |
| <b>Public Service:</b> : <input type="checkbox"/> <u>Early Childhood Ed/Childcare</u> <input type="checkbox"/> <u>Youth Services</u> <input type="checkbox"/> <u>Health</u><br>Mark one <input checked="" type="checkbox"/> <u>Econ Opportunity</u> <input type="checkbox"/> <u>Housing and Homelessness</u> |

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.

|  |   |
|--|---|
| <br>Signature of Authorized Official | <u>Travis Poulin</u><br>Name of Authorized Official |
| <u>Director, Chittenden Community Action</u><br>Title  | <u>1-25-2021</u><br>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?\***

CVOEO's Volunteer Income Tax Assistance (VITA) program addresses community needs by contributing to "asset accumulation and resident net worth<sup>1</sup>," a component of the City of Burlington's Consolidated Plan. Trained, IRS-certified tax preparers work with households to claim their Earned Income Tax Credits (EITC), apply for renter's rebates, and/or income-based property tax relief, money that households can use to help stabilize their housing, catch up on past due bills, or invest in their futures. The National Consumer Law Center (NCLC) says that "the EITC is the largest anti-poverty program for working families...<sup>2</sup>" The VITA program contributes to CDBG's national objective by reducing barriers, creating economic opportunities, and providing public services for the benefit of low and moderate income (LMI) persons or households. Approximately 26.4 percent of the City of Burlington's population lives in poverty<sup>3</sup> and almost "one-fourth of all renter households in the Burlington HMA experience severe cost burden<sup>4</sup>." In 2019, CVOEO's VITA program served 635 households. Due to COVID-19, the 2020 goal to serve almost as many households (600) was not met, but we expect to serve at least this many in 2021.

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

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

The VITA program serves households that earn \$56,000 or less, people with disabilities, and people whose second language is English and need help navigating the complicated U.S. tax system. IRS-certified volunteers provide free tax preparation and electronic filing to these households and coordinate care by screening households to see if they are eligible for other services such as 3SquaresVT or CVOEO's Financial Futures programs.

### **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)\***

The program is designed to assist LMI households to prepare and file their tax returns so they can save money in tax preparation fees and receive their tax refunds, credits, and/or rebates quickly. NCLC reports that "taxpayers just trying to get refunds they are owed face an obstacle course starting with incomprehensible forms and tax laws and ending with profit-seeking preparers and lenders looking to intercept a piece of their refunds<sup>5</sup>." The VITA program uses IRS-certified tax preparers who are equipped to navigate the complicated tax system. Since the service is free to consumers, the risk of households electing to get a Refund anticipation check (RAC) or Refund Anticipation Loan (RAL) is mitigated<sup>6</sup>. Tax preparers meet with consumers, review their tax forms to ensure the maximum refunds, credits, rebates are applied, and file the returns electronically which is the quickest way for the IRS to process returns<sup>7</sup>.

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

The VITA program contributes to the City's anti-poverty strategy by helping to increase household net worth and by protecting asset accumulation through EITC, renter's rebates, and tax refunds, "often amounting to thousands of dollars<sup>8</sup>." In addition, CVOEO and the VITA program are part of the nonprofit infrastructure the

<sup>1</sup> 2018 City of Burlington Consolidated Plan, 145

<sup>2</sup> <https://www.nclc.org/images/pdf/taxes/rpt-tax-time-jan2020.pdf>, 1

<sup>3</sup> The U.S. Census Bureau Quick Facts

<sup>4</sup> HUD Comprehensive Housing Market Analysis Burlington-South Burlington, Vermont 2019

<sup>5</sup> <https://www.nclc.org/images/pdf/taxes/rpt-tax-time-jan2020.pdf>, 1

<sup>6</sup> RACs and RALs reduce a consumer's refund because tax preparers charge fees that can be equivalent to a 232% APR ([www.nclc.org](http://www.nclc.org)).

<sup>7</sup> <https://www.cbsnews.com/news/how-to-tax-refund-soon-quickly-possible/>

<sup>8</sup> 2018 City of Burlington Consolidated Plan, 146

City has built to meet the needs of Burlington residents. CVOEO coordinates care within and outside of its agency so households that are eligible for the VITA program may also be eligible for other services like food or housing programs.

**4. How do you use community and/or participant input in planning the program design and activities?\***  
 Community and participant input are vital to the success of VITA and other CVOEO programs. We heard from working families that weekends and/or evening hours were necessary, and from two community groups that language interpreters were necessary. In addition, we received participant feedback about program design during planning sessions with the IRS Stakeholder, Partnerships, Education and Communication (SPEC) staff, CEDO, VT 211, local financial institutions, and the United Way of Northwest VT. Representatives of Burlington’s low-income population sit on CVOEO’s Board and help us to determine the best way to structure our programs to meet the most needs.

**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?**

By participating in this program people will be better off because:

- a) They will not have to pay tax preparation fees which average \$176 for a non-itemized federal and state tax return,<sup>9</sup> money that can help pay for things like gas, groceries, and other bills;
- b) Most of the people who participate in the VITA program qualify for tax credits and/or refunds. By filing electronically, the VITA program can help them get their refunds faster;
- c) By meeting with a VITA tax preparer who knows the tax laws and rules they will get the maximum refund available to them and will avoid the possibility of late filing fees;
- d) They will have access to other supportive services like 3SquaresVT, and CVOEO’s Growing Money program that teaches people how to save, pay off debt, and about credit and credit scores.

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

| Goal/Objective  | Activity Funded   | Expected Outcome  |
|---|---|---|
| Reduce barriers, create economic opportunities, and provide public services for the benefit of low and moderate income (LMI) persons or households. | VITA Site Coordinator who will supervise trained volunteers as they prepare taxes for Burlington residents. | 600 Burlington households will be served (approx. 800 individuals)              |
| Reduce barriers, create economic opportunities, and provide public services for the benefit of LMI persons or households                            | VITA Site Coordinator who will supervise trained volunteers as they prepare taxes for Burlington residents. | 100% of participants will save money by not paying tax preparation fees         |
| Reduce barriers, create economic opportunities, and provide public services for the benefit of LMI persons or households                            | VITA Site Coordinator who will supervise trained volunteers as they prepare taxes for Burlington residents. | 90% of participants will receive a tax refund                                   |
| Reduce barriers, create economic opportunities, and provide public services for the benefit of LMI persons or households                            | VITA Site Coordinator will screen clients for eligibility for referral to other supportive services.        | 10% of participants who are deemed eligible will apply for supportive services. |

<sup>9</sup> National Society of Accountants

#### IV. Impact / Evaluation

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.\*

*Our goals are to help save people money on tax preparation, complete accurate and timely tax returns, and connect them with services that can provide additional support.*

| Outcome   | Type of Data   | Method                            | Data Collected From  | When                                  |
|---|--|-----------------------------------|--|---------------------------------------|
| 600 Burlington households will be served (approx. 800 individuals)      | Demographic  | CVOEO Intake form                 | Participants   | Time of service                       |
| 100% of participants will save money by not paying tax preparation fees | Amount of money saved by participants  | Extrapolation                     | National Society of Tax Accountants report on the average cost of basic tax preparation in Vermont | End of program                        |
| 90% of participants will receive a tax refund                           | - # households served<br>- # households that receive credits<br>- Type of credit received<br>- Amount received per household<br>- # refunds received<br>- Accuracy rate for VITA tax preparers | IRS screening tool (form 13164-c) | Participants<br><br>IRS end-of-program report  | Time of service<br><br>End of program |
| 10% of eligible participants will apply for supportive services.        | Income eligibility forms with an emphasis on 3SquaresVT and interviews   | CCA intake forms                  | VITA participants who are referred to other services   | Time of service and post-program      |

1. 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 2020 (or June 2019). For non-CDBG participants – report on your achievements from the previous year.

|   | Expected Outcomes   | ACTUAL OUTCOMES   |
|---|---|---|
| 1 | Community Action will serve 600 Burlington households, representing 800 individuals | Community Action served 408 Burlington households, representing 629 individuals.  |
| 2 | 100% of participants will save money by not paying tax preparation fees             | 100% of participants saved money by not paying tax preparation fees, an estimated savings of \$71,808 (based on average tax preparation fee of \$176 per household) |
| 3 | 90% of participants will receive a tax refund                                       | 95% of participants received a refund, 5% owed money to the IRS   |
| 4 | 10% of eligible participants will apply for supportive services                     | 21% of eligible participants applied for 3SquaresVT   |



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?  
 x  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?

VITA benefits LMI residents of Chittenden County with CDBG funds used to assist Burlington residents. The primary focus is on serving households with earned income as the EITC is the largest (by dollar) federal anti-poverty program; yet, the IRS estimates that 20 percent of eligible taxpayers do not claim the EITC.<sup>11</sup> In addition, we reach out to the New American community, the disabled, and the elderly, to ensure that eligible households receive assistance applying for Renter Rebates and Homestead Declarations. We do this by advertising VITA services on our social media platforms, the CVOEO website, Front Porch Forum, the Fletcher Free Library, and VT 211.

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

The CCA office is fully handicapped accessible. Evening and weekend hours are offered to assist working families. We work closely with the Association of Africans Living in VT, the VT Refugee Resettlement Program and the Somali-Bantu Community Association for scheduling, interpretation and translation. VITA training includes information on how to work with a culturally diverse population and interpreters. CVOEO's cultural competence webinars are designed to inform staff as they connect with people from different backgrounds; these webinars are available to all CVOEO employees including VITA staff.

***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 will be used to provide salary, fringe benefits, and administrative costs to support a VITA site coordinator. The Site Coordinator oversees the entire program by training and monitoring tax preparers, developing and maintaining a scheduling database, complying with IRS regulations and data collection for CSBG and CDBG funds, electronically filing tax returns, community outreach, coordinating with VT 211, and liaising with the IRS SPEC office. From late December through mid-May the work is full time. Training occurs in January and the bulk of tax returns are prepared from February 1 through April 15.

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.

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 |
|---------------------------|----------------|--------------------------------------|---|--|
|                           |                |                                      |   |  |

<sup>11</sup> [www.nclc.org](http://www.nclc.org)

|  |                       |   |                                |     |
|--|-----------------------|---|--------------------------------|-----|
| Plans, organizes, and develops the VITA program; trains and supervises tax preparers who assist Burlington residents | VITA site coordinator | The site coordinator recruits, trains, and supervises volunteer tax preparers, ensures that data-quality best practices are followed, submits completed tax returns, and coordinates with community organizations | 40 hours per week for 17 weeks | 33% |
|--|-----------------------|---|--------------------------------|-----|

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           |
|--|-----------------|-----------------|-----------------|
| Salary (full- and part-time)                         | \$6404          | \$21,865        | \$28,269        |
| Fringe   | \$2232          | \$6703          | \$8935          |
| Indirect   | \$1364          | \$4657          | \$6021          |
| Consultants  | -               | \$4000          | \$4000          |
| Interpretation                                       | -               | \$1000          | \$1000          |
| Office Supplies, Insurance, Service Contracts, Phone | -               | \$1834          | \$1834          |
| Rent/Utilities/Space Maintenance                     | -               | \$3735          | \$3735          |
| Equipment (new printers)                             | -               | \$1200          | \$1200          |
| <b>TOTAL</b>   | <b>\$10,000</b> | <b>\$44,994</b> | <b>\$54,994</b> |

### 4. Funding Sources

|                                  | Project  |           | Agency      |             |
|----------------------------------|----------|-----------|-------------|-------------|
|                                  | Current  | Projected | Current     | Projected   |
| <b>CDBG</b>                      | \$7,500  | \$10,000  | \$58,299    | \$62,000    |
| <b>State (specify)</b>           |          |           |             |             |
| Housing and Homeless Programs    |          |           | \$1,291,223 | \$1,291,223 |
| Nutrition Programs               |          |           | \$21,037    | \$21,037    |
| Utility Assistance & Energy      |          |           | \$2,051,703 | \$2,161,703 |
| Victim Services & Prevention     |          |           | \$159,202   | \$159,202   |
| Employment and Training Programs |          |           | \$79,774    | -           |
| Head Start & Education Programs  |          |           | \$339,196   | \$364,196   |
| <b>Federal (specify)</b>         |          |           |             |             |
| Health and Human Services        | \$24,743 | \$23,244  | \$8,930,846 | \$9,021,548 |
| USDA                             |          |           | \$107,046   | \$107,046   |
| Energy                           |          |           | \$472,262   | \$772,262   |
| HUD                              |          |           | \$2,795,297 | \$1,960,189 |
| FEMA                             |          |           | \$17,452    | \$17,452    |
| Justice                          |          |           | \$674,016   | \$637,907   |
| Treasury                         | \$21,570 | \$21,750  | \$1,048,894 | \$75,700    |
| <b>United Way</b>                |          |           | \$101,000   | \$75,750    |





We collaborate with community social service agencies and businesses. For example, VT 211 schedules tax appointments, follows up with clients to remind them of their appointments, and provides basic eligibility screening. Champlain College provides training space, computers, and student volunteers. To maximize our work and help people work toward financial independence, we partner with and refer to other programs within CVOEO (Growing Money and Financial Empowerment for New Americans). In addition, we refer to the 3SquaresVT program and refer people as necessary and/or desired to housing and food programs.

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

CVOEO operates the only public VITA site in Chittenden County and it is the largest in Vermont. Through their Working Bridges program, The United Way of Northwest VT provides VITA services at specific local employers; CVOEO and the United Way collaborate, including cross training volunteers. The AARP delivers a Tax Counseling for the Elderly program at a number of sites throughout VT.

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

The director of CVOEO's Chittenden Community Action (CCA) program dedicates twenty percent of their work time during tax season to help clients to complete Renter Rebate and/or Homestead Declaration forms; this enables the VITA volunteers to use their time for income tax preparation. This process helped CCA serve 176 more households in 2019. CCA's administrative assistant is trained to enter VITA client data into the CVOEO Outcome Tracker database which has increased efficiency in reporting data in a timely manner.

## ***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?**

Twenty-six percent<sup>13</sup> of Burlington residents and 54 percent of families with a female head of household live in poverty<sup>14</sup>. The EITC is particularly effective at increasing the work and earnings of female headed families<sup>15</sup>. In 2019, the VITA program helped Chittenden residents receive \$496,499 in Child Tax and Additional Child Tax Credits; \$752,514 in EITC; \$25,985 in Education Tax Credits, and \$1,994,201 in federal refunds. Without the VITA program these savings, credits, refunds and economic inputs would not be realized; the VITA program helps build stronger families and a more vibrant Burlington economy. CVOEO is committed to providing the VITA service. While the ability to implement the program would be impacted if funding from any of the supporters was reduced, we will continue to provide the program even if fewer people are served.

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

If CDBG funds were no longer available to support the VITA program, we would have to restrict staff time and serve fewer people. In 2020 we were forced to change directions toward the end of the program because of the COVID-19 pandemic; however, the data gathered up to that point (numbers served, money saved) suggest that we were on track to increase the program's reach.

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

If CDBG funds are reduced and the VITA program has to scale back, evening and weekend service hours will be eliminated.

<sup>13</sup> The U.S. Census Bureau Quick Facts

<sup>14</sup> American Community Survey of 2010-2014

<sup>15</sup> [www.nclc.org](http://www.nclc.org)