

**City of Burlington Housing Trust Fund (HTF)
Project Award Application**

APPLICANT ORGANIZATION Champlain Housing Trust
CONTACT NAME Amy Demetrowitz
DAYTIME PHONE & E-MAIL 802-862-6244 amy@champlainhousingtrust.org
NAME OF PROJECT Laurentide Apartments (also known as New North and Cambrian Rise)
AMOUNT REQUESTED \$205,000
ESTIMATED CONSTRUCTION START DATE May 2018
ESTIMATED COMPLETION DATE August 2019
TOTAL ESTIMATED PROJECT COST \$20,757,000
TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 76
TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$273,118

Is the applicant a corporation, partnership or individual who is delinquent, at the time of application, in the payment of property taxes or impact fees to the City of Burlington, who have been convicted of arson, who have been convicted of discrimination in the sale or lease of housing under article IV of this chapter or under the fair housing laws of the State of Vermont, or who have pending violations of current city electrical, plumbing, building or housing codes or zoning ordinances?

- Yes
 No

Will the proposed housing project be perpetually affordable?

- Yes
 No

Will the proposed housing project be affordable for 10-40 years? **Perpetual**

- Yes
 No

Project Narrative

Funding priority goes to projects which respond to requirements of the Housing Trust Fund and the City of Burlington's affordable housing priorities. The Housing Trust Fund Administrative Committee (HTFAC) uses the attached criteria to score projects. Scores are tallied and ranked high to low. The HTFAC funds projects at its discretion.

Please provide the information below in the space provided. It is important to complete all fields. If you need additional space, attach separate pages to your application and title them as indicated below.

Project Description (Please briefly describe your project. Attach a project budget including all sources and uses):

This application is the final request for BHTF funding in support of the construction of Laurentide Apartments - affordable family rental housing in the new Cambrian Rise neighborhood. To date, the project has received a commitment of \$200,000 in BHTF (FY17), so this request would bring the total to \$405,000.

The Cambrian Rise neighborhood, located at the former Burlington College campus, will be one of the most economically diverse and sustainably developed new neighborhoods in Burlington in part due to the inclusion of this affordable rental housing. The property is being developed by Eric Farrell, in a unique public/private partnership with the City of Burlington, the Vermont Land Trust, the Champlain Housing Trust, Housing Vermont and Cathedral Square. The City of Burlington has purchased for conservation 12 acres of land closest to the lake including Texaco Beach, existing community gardens, a wooded bluff and pedestrian path to the lake. There are currently 730 homes proposed to be developed on the remaining 15.65 acres serving every income range - from the homeless to the very wealthy and with varied tenure structures from rental to shared-equity ownership to high-end, full equity ownership. All development partners are committed to developing highly energy-efficient, environmentally-sustainable homes and using innovative stormwater techniques due to the proximity of the site to the lake.

This application is for final BHTF funding of Laurentide Apartments - 76 apartments under construction by the Champlain Housing Trust and Housing Vermont. Laurentide Apartments will be four stories over a parking garage, have two elevators, a community room, common laundry room, common west-facing decks and an outdoor courtyard with a play structure. The apartment mix will include 35 with one bedroom, 34 with two bedrooms and 7 with three bedrooms. The property has easy access to public transportation and is within walking distance to Burlington High School, the bikepath and lake.

This application for \$205,000 in BHTF funding is in addition to \$200,000 allocated in FY17. The FY17 funds were used for predevelopment expenses including architectural and legal services. The requested FY19 funds will be used for construction costs.

Please describe how many households at or below 80% of AMI will be served by the project:

Of the 76 apartments, 68 will be restricted to households earning less than 80% AMI.

Please describe how many households at or below 50% of AMI will be served by the project:

Of the 76 apartments, 23 will be further restricted to households earning less than 50% AMI with 14 of those specifically set aside for households that are homeless.

Please describe how the City has already demonstrated its interest and support through the investment of CDBG funds, the provision of technical assistance, and/or acquisition of site control for the proposed housing project:

The City has been a major partner in this project and was a party to the Development Agreement that opened up the project for a more robust community process. The developer had intended to develop units on the entire parcel, but was persuaded to engage in a design process that included more public input and resulted in 12 acres being conserved by the City and the Vermont Land Trust. The City has been particularly supportive of this project as it will provide a significant number of new homes close to downtown and on the bus line that will help to alleviate the City's housing shortage.

The City has specifically supported Laurentide Apartments with a previous allocation of \$200,000 from the BHTF, \$245,000 in HOME funds as well as \$150,000 in CDBG funds to support CHT's efforts to develop this project. Cambrian Rise will also include Juniper House, an affordable senior housing project developed by Cathedral Square Corporation that has also received funding from the City through BHTF and HOME.

Please describe how the application supports one or more of the priorities listed in the City's Housing Action Plan:

Laurentide Apartments will provide 76 new affordable apartments adjacent to the Old North End. The homes will have multiple tiers of affordability including 14 that are set aside for homeless households who will be supported by an on-site case manager.

The building will meet the stretch code for energy efficiency, and comply with the Sustainability Principles guiding development in Cambrian Rise including stormwater treatment and green materials.

Please describe how the application supports one or more of the priorities listed in the City's Consolidated Plan:

- *All Burlington residents have a range of housing options that offer them safe, decent appropriate, secure affordable housing:* Laurentide Apartments will add 76 new affordable apartments to the City's affordable housing stock. It also supports the develop of the entirety of the Cambrian Rise neighborhood which will provide a total of 730 new homes with a mix of incomes and tenure types including affordable and market rate apartments and condominiums for sale as well as affordable senior rental housing to be developed by Cathedral Square.

- *Housing Special Needs:* Laurentide Apartments was designed following Universal Design standards. This means that beyond just providing 10% (7) fully accessible apartments, the building and amenities are designed to maximize accessibility to people with varying levels of physical abilities. For example: all of the apartments are handicapped adaptable; all four building entrances are accessible with automatic door openers as is the courtyard playground; there is an accessible route to the bus station; exterior lighting is low glare and building address numbers are backlit; no accordion doors are scheduled; and kitchens are designed to maximize accessibility.

- *Protect the vulnerable:* of the 76 apartments, 14 are set-aside for homeless households. CHT provides support for keeping homeless households secure in their housing through a partnership with the BHA Housing Retention Program.

Please describe how the proposed project supports an underserved and vulnerable population:

The building will include 14 homes set aside for homeless households. The homeless households will be provided with rental subsidy and support services through a Memorandum of Understanding between BHA and CHT. There are enough apartments set aside for households needing support services that we will be including an office for on-site Housing Retention Staff who will work to identify ongoing services each household needs to maximize housing success and stability.

Please describe the experience of the development team:

The Champlain Housing Trust and Housing Vermont both have over 30 years of experience developing, building and managing affordable housing. The Champlain Housing Trust has developed, owns and manages over 2,000 apartments in northwestern Vermont, with the majority in Chittenden County and Burlington. Housing Vermont is a non-profit tax credit syndicator that develops Low Income housing Tax Credits throughout Vermont in partnership with local non-profit partners such as CHT. Most recently CHT and Housing Vermont completed construction on the Bright Street Cooperative in Burlington which remediated an underutilized brownfield in the Old North End and constructed 40 new apartments that are structured as a resident-controlled housing coop. CHT and Housing Vermont partnered with Eric Farrell in 2011 to develop Thayer Commons on North Avenue in Burlington. That project included a 33-unit affordable rental building developed by CHT/HV, 64 affordable senior apartments developed by Cathedral Square and 100 market-rate apartments developed by Eric Farrell.

Please describe other ancillary uses (community space, mixed use, etc.), if any, in the proposed project:

The building will include a number of amenities for residents including a community room with a kitchen set-up for small cooking and nutrition classes, an outdoor courtyard with play equipment, an outdoor patio, two common west-facing decks per floor, common laundry room, bike storage and repair room, and underground parking. There will also be two offices in the building - one for a property manager and one for an on-site case manager who will be able to help tenants get connected with various services and supports that can help them remain successfully housed. These services will be available to all residents but will be particularly targetted to the households that were previously homeless.

Please describe how the project addresses community need:

The City has consistently identified affordable housing as a top priority in reaction to the well-documented need for affordable rental housing in the City and all of Chittenden County. The mismatch between supply and demand is reflected in the County's vacancy rate which was calculated to be 1.7% in the June 2018 Allen, Brooks and Minor Report. While the vacancy rate had improved over the past couple of years, due to strong new rental housing production, it remains substantially lower than the

benchmark of 5% which characterizes a rental housing market where households looking for apartments are consistent with apartments available for rent.

Apartment rents continue to escalate reaching an average of \$1,286 for an unheated two-bedroom unit by October 2017. Newly constructed apartment rents are ranging between \$1,650 - \$1,900 for a two-bedroom including heat. Chittenden County rents have increased each year for at least the past 14 years at an average annual rate of 3.3% (two-bedroom apartment). In order to pay no more than 30% of income for rent and utilities for the average two-bedroom apartment, a Chittenden County household would need an annual income of \$53,680. That wage, \$25.81 an hour, is more than 2.5 times Vermont's minimum wage. About 55% of renters pay more than 30% of their income for rent and utilities and nearly three out of ten pay more than half of their income for shelter.

Please describe how the project would impact the community:

Laurentide Apartments will provide 76 new, high-quality affordable apartments targeted to a wide spectrum of household incomes in an excellent location overlooking the lake on the edge of the Old North End. The Cambrian Rise neighborhood as proposed, will be one of the most economically diverse neighborhoods of the City. From recently homeless households to "the 1%" – all will be sharing the same great location.

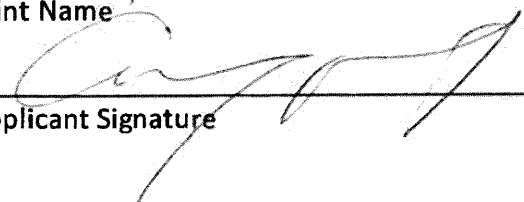
Signature Page

Please check each box that applies:

- Good Standing:** I certify that I am in "good standing" with respect to, or in full compliance with a plan to pay any and all taxes due to the City of Burlington. CHT is
- Certification:** Under penalties of perjury, I declare that the information I have provided, to the best of my knowledge and belief, is true, correct, and complete.

Amy Demetrowitz for CHT

Print Name



Applicant Signature

10/2/18

Date

October 2, 2018 Laurentide

Total Residential Units:	76	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	52	Increase in Income from Other Sources:	1.50%
Percent Restricted:	68.42%	Increase in Income from Commercial:	1.50%
Total Development Cost:	20,757,000	Expense increase:	3.00%
Total Development Cost per Unit:	273,118	Vacancy Rate:	3%
Total Development Cost Per SF:	228	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	1,556,611	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	1,380,000	Sponsor's Estimated Yield:	90.01%

LIHTC - 9%	9.00%
LIHTC - 4%	3.52%

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	4,100,000	19.75%	5.25%	40	40
VHCB--	1,600,000	7.71%	0.00%	40	deferred
HOME	495,000	2.38%	0.00%	40	deferred
City HTF	405,000	1.95%	0.00%	40	deferred
Neighborworks	492,000		0.00%	40	deferred
State Housing Credits	0		0.00%	40	deferred
Energy Incentives	190,000		0.00%	40	deferred
NHTF	355,000		0.00%	40	deferred
	0				
Deferred Development fee	700,000	3.37%	N/A	N/A	
Tax Credit Equity	12,420,000	59.84%	N/A	N/A	
TOTAL SOURCES	20,757,000	100.00%			

USES

Acquisition	773,500	3.73%
Construction Hard Costs	16,086,337	77.50%
Soft Costs	3,897,163	18.78%
TOTAL USES	20,757,000	100%

Gap 0

General Partner's Capital Contribution	1,242	0.010%
Limited Partner's Capital Contribution	12,418,758	99.99%
Total Equity	12,420,000	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	52
Total Units	76
Unit Fraction	68.42%
Tax Credit Square Footage	46,944
Total Residential Square Footage	68,012
Square Footage Fraction	69.02%
Applicable Fraction	68.42%

	Budget	Per Unit	Per s.f.
ACQUISITION			
1 Land	760,000	10,000	8.37
2 Purchase of Building(s)		0	0.00
3 Demolition (without replacement)		0	0.00
4 Appraisal	3,500	46	0.04
5 Legal - Title and Recording	10,000	132	0.11
Subtotal - Acquisition	773,500	10,178	8.51
CONSTRUCTION HARD COSTS			
6 Rehabilitation		0	0.00
14,913,641 New Building(s)	13,154,368	173,084	144.79
8 Accessory Buildings		0	0.00
9 Sitework	648,000	8,526	7.13
10 Commercial Space Costs (if any)		0	0.00
11 General Requirements	705,808	9,287	7.77
12 Contractor Overhead		0	0.00
13 Contractor Profit		0	0.00
14 Construction Contingency	894,818	11,774	9.85
15 Construction Management	290,276	3,819	3.20
16 Construction Bond Fee	115,189	1,516	1.27
17 Playground	46,018	606	0.51
18 Utilities	25,000	329	0.28
19 Furnishings, Fixtures, & Equipment	115,000	1,513	1.27
20 Solar PV	91,860	1,209	1.01
Subtotal - Hard Costs	16,086,337	211,662	177.06
SOFT COSTS			
21 Architectural	700,000	9,211	7.71
22 Engineering		0	0.00
23 Legal/Accounting	72,000	947	0.79
24 Relocation		0	0.00
25 Environmental Assessment	14,000	184	0.15
26 Energy Assessment		0	0.00
27 Permits/Fees	252,150	3,318	2.78
28 Market Study	6,000	79	0.07
29 Construction Period Insurance	43,500	572	0.48
30 Construction Interest	485,000	6,382	5.34
31 Construction Loan Origination Fee	75,750	997	0.83
32 Taxes During Construction	43,500	572	0.48
33 Clerk of the Works		0	0.00
34 Marketing	8,000	105	0.09
35 Tax Credit Fees	55,200	726	0.61
36 Soft Cost Contingency	20,105	265	0.22
37 Permanent Loan Origination Fee	75,750	997	0.83
38 Lender's Counsel's Fee		0	0.00
39 Other ()		0	0.00
Subtotal - Soft Costs	1,850,955		
SYNDICATION COSTS			
40 Organizational (Partnership)		0	0.00
41 Bridge Loan Fees and Expenses		0	0.00
42 Syndication Consultant		0	0.00
43 Tax Opinion		0	0.00
Subtotal - Syndication Costs	0		
DEVELOPER'S FEES			
44 Developer's Fees	1,700,000	22,368	18.71
45 Other Partnership Fees		0	0.00
46 Consultant Fees		0	0.00
Subtotal - Developer's Fees	1,700,000		
RESERVES			
47 Working Capital	56,000	737	0.62
48 Rent-up (Deficit Escrow) Reserve		0	0.00
49 Operating Reserves	290,208	3,819	3.19
50 Sinking Fund	0	0	0.00
51 Replacement Reserves		0	0.00
Subtotal - Reserves	346,208		
Subtotal - Soft Costs	3,897,163	51,278	42.90
TOTAL DEVELOPMENT COSTS	20,757,000	273,118	228



To: Todd Rawlings
From: Amy Demetrowitz, Champlain Housing Trust
Re: **Laurentide at Cambrian Rise- BHTF Progress Report**
Date: October 2, 2018

The Champlain Housing Trust and Housing Vermont have made significant progress in the development of Laurentide Apartments at Cambrian Rise. Construction on the new 76-unit affordable rental building began in May 2018 as the culmination of years of work.

The previous BHTF award to the project from FY17, was used toward predevelopment expenses including acquiring the parcel, market study, appraisal, cost estimates, master planning, architectural and engineering services, consulting, permitting, and legal costs.

Over the course of 2 ½ years, CHT and HV worked to obtain all financing including two allocations of 9% tax credits and VHCB funding; worked with Eric Farrell on local and State permitting of the site; worked with Duncan Wisniewski on the design; hired HP Cummings as Construction Manager to provide cost estimates and design review and then procure subcontractors through a bid process. On May 2, 2018, this work culminated in closing on a construction loan with People’s United Bank and construction commenced.

Construction has been moving along smoothly with anticipated completion in July 2019.

HEADQUARTERS 88 King Street, Burlington, Vermont 05401 | P: 802.862.6244 | F: 802.862.5054
FRANKLIN/GRAND ISLE 13 Lake Street, St. Albans, Vermont 05478 | P: 802.527.2361 | F: 802.527.2373

WWW.GETAHOME.ORG

WWW.CHAMPLAINHOUSINGTRUST.ORG

THIS ORGANIZATION IS AN EQUAL OPPORTUNITY
EMPLOYER AND PROVIDER



Todd Rawlings

From: Todd Rawlings
Sent: Wednesday, October 03, 2018 6:28 PM
To: 'Amy Demetrowitz'
Subject: RE: BHTF FY 2019 - Laurentide Apartments Application

Good evening Amy,

This is your confirmation that CEDO has received your proposal prior to the Housing Trust Fund ("HTF") Request for Proposals deadline. The HTF Administrative Committee (HTFAC) will be examining all proposals and we hope to have final decisions about the awards by early November. I will notify you as soon as possible regarding the HTFAC's decisions about awards. In the meantime, I may contact you if there are questions about your proposal.

Very Best,

Todd Rawlings
Housing Program Manager
City of Burlington Community & Economic Development Office
(802) 652-4209 (direct line)
(802) 865-7144 (main office)

From: Amy Demetrowitz [<mailto:amy.demetrowitz@champlainhousingtrust.org>]
Sent: Tuesday, October 02, 2018 4:43 PM
To: Todd Rawlings
Subject: BHTF FY 2019 - Laurentide Apartments Application

Hi Todd –

Attached is our application for \$205,000 in FY19 BHTF funds for our Laurentide Apartments project.

Included is the application form, project budget and progress report from last year.

Please let me know if you need any further information.

Thanks – Amy

Amy Demetrowitz
Director of Real Estate Development
Champlain Housing Trust
88 King St.
Burlington, VT 05401

802.862.6244 main line
802.861.7307 direct line

www.champlainhousingtrust.org
www.getahome.org

