

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

|   |
|---|
| APPLICANT ORGANIZATION  |
| North Avenue Co-op Inc.   |
| CONTACT NAME  |
| Jeremiah Ward   |
| DAYTIME PHONE & E-MAIL  |
| 518-569-7863; jward@cdi.coop  |
| NAME OF PROJECT   |
| North Avenue Co-op Water & Sewer System Design  |
| AMOUNT REQUESTED  |
| \$45,000  |
| ESTIMATED CONSTRUCTION START DATE   |
| May 1, 2019   |
| ESTIMATED COMPLETION DATE   |
| Oct 31, 2019  |
| TOTAL ESTIMATED PROJECT COST  |
| \$1,218,000   |
| TOTAL NUMBER OF AFFORDABLE HOUSING UNITS  |
| 117   |
| TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) |
| \$10,410 (Total Grant Request/Total Number of Affordable Housing Units is \$385)        |

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?

- ☒ 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):

The goal of this project is to design and build a new water and wastewater distribution system and road network for North Avenue Co-op (NAC), formerly known as Farrington's Mobile Home Park. NAC is an important source of affordable housing in Burlington, with homesites for up to 117 very low, low and moderate income families.

The current water and wastewater systems and road network at NAC are at the end of their lifespans, are costly to maintain, and pose a safety risk of not replaced in the coming years. A new water and sewer system and road network will reduce NAC's ongoing operating costs and thus keep housing affordable. It will also increase the quality of life for NAC residents for the coming decades.

NAC is herein requesting a \$45,000 HTF Project Grant to cover engineering design and permitting for the project (scope of engineering work is detailed in Attachment A). The deliverables for this phase of the project will be plans and permits for a new water and sewer system and road network at NAC.

Below is a provisional sources and uses budget for the entire project. The figures provided in the uses category below were provided by Trudell Consulting Engineers' (TCE's) 2015 Property Conditions Assessment. The figures provided in the sources category are explained further in Attachment B.

| Uses                                     | Amount             | Estimated Future Lifespan |
|--|--------------------|---------------------------|
| Sewer System Replacement                 | \$314,000          | 30 to 50 years            |
| Water System Replacement                 | \$202,000          | 30 to 50 years            |
| Installation of Stormwater Catch Basins  | \$40,000           | 10 to 30 years            |
| Road and Driveway Replacement            | \$587,000          | 10 to 15 years            |
| Engineering Design & Permitting          | \$45,000           | NA                        |
| Engineering Bidding & Project Management | \$30,000           | NA                        |
| <b>Total Uses</b>                        | <b>\$1,218,000</b> |                           |

| Sources   |                    |
|---|--------------------|
| NAC Reserves Contributed Towards Project        | \$100,000          |
| City of Burlington Reservation of Assistance    | \$300,000          |
| BHTF FY 2018 Project Grant                      | \$45,000           |
| Pending Sale of NAC Victorian at 1106 North Ave | \$200,000          |
| Pending VHCB/CDBG Grant                         | \$573,000          |
| <b>Total Sources</b>                            | <b>\$1,218,000</b> |

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

A confidential income survey conducted at NAC in 2015 indicated that 94% of households are at or below 80% of AMI. Ten new families have moved in since this 2015 income survey was administered and all ten (100%) new families are at or below 80% of AMI.

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

A confidential income survey conducted at NAC in 2015 indicated that 64% of households are at or below 50% of AMI. Ten new families have moved in since this 2015 income survey was administered and seven of the (70%) new families are at or below 50% of AMI.

**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 supported NAC in its efforts to provide affordable homeownership to Burlington residents in myriad ways:

- Provided a \$15,400 BHTF grant in 2015 to allow NAC to obtain a Phase 1 environmental review, a property conditions assessment, and an appraisal to determine whether a resident purchase of the mobile home park was feasible.
- Provided a \$150,000 BHTF grant in 2015 to allow NAC to take possession of and replace 6 abandoned mobile homes. To date, all 6 abandoned homes have been removed and 4 homes have been installed on these home sites (a more detailed update on the status of this open grant is provided as Appendix C).
- The City has provided NAC with a \$300,000 Reservation of Assistance Letter to cover some of the costs of carrying out the construction phase of the water and sewer replacement project (See Appendix D).
- Many City departments including CEDO, Planning and Zoning, DPW, and Code Enforcement have worked closely with NAC to carry out the resident purchase of the mobile home park, and to improve operations of the mobile home park on an ongoing basis.

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

Goal 1 of the City's Housing Action Plan specifically mentions leveraging municipal resources to support the preservation of affordable housing at NAC/Farrington's Mobile Park: "Goal: Facilitate the preservation of affordable housing in the City and particularly at Farrington's Mobile Home Park" (p. 3)

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

This project clearly satisfies many objectives within the Decent Housing Section of the City's Consolidated Plan, including:

- "Help residents each year over the next five years to remain housed and living independently" (p. ES-7)

- Lot rents at North Avenue Co-op are \$385 per month, which is affordable for many LMI Burlington residents by itself, without necessarily relying on additional ongoing federal, state and local rental subsidies.
- “Preserve affordable housing” (p. ES-6)
  - As discussed elsewhere in this application, raising grant capital to carry out these needed infrastructure upgrades keeps NAC’s operating costs low and thus keeps lot rents perpetually affordable.
- “Develop new units of affordable owner housing” (p. ES-6)
  - Although this particular project doesn’t add new units of affordable owner housing directly, these infrastructure upgrades will allow NAC to continue replacing abandoned mobile homes with new affordable, owner-occupied manufactured housing (see Appendix C). These upgrades will also allow NAC to pursue the creation of 3 additional lots (bringing the total number of lots in NAC from 117 to 120) where an abandoned flower shop once stood on the property.

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

NAC’s 2015 income survey revealed that the community’s median household income was \$26,000, which, at the time, was 32% of Burlington’s median household income of \$80,200. At this median household income, monthly housing charges exceeding \$650 (more than 30% of household income) are generally considered unaffordable.

Lot rents at NAC were \$385 in 2015 and remain at \$385 to the present day. Thus, housing for a significant number of NAC families is affordable, even when factoring in insurance, taxes and a modest home loan.

By contrast, according to South Burlington real estate research firm Allen & Brooks, average monthly rents for a one-bedroom apartment in Burlington in 2015 ranged from \$900 to \$1,200, two-bedroom units ranged from \$1,200 to \$1,500, and three-bedroom units ranged from \$1,500 to \$2,400—and these rates have undoubtedly increased in the past two years.

Given the income levels of NAC residents discussed above, it is important that as much of the water and sewer upgrades at NAC, including their design and permitting, is grant funded, as financing a substantial portion of the project at market rates would push lot rents and thus housing costs to levels that are unaffordable to residents. If NAC had to use market financing to raise the \$1.2 million necessary to carry out this project, rents in the community would have to be increased at least 20%, from \$385 per month currently, to over \$460 per month with this new debt service included.

Mobile home cooperatives like NAC are first and foremost structured to keep lot rents affordable in perpetuity. Unlike investor-owned mobile home parks, where lot rents can be raised arbitrary every year up to a current State capped rate of 3.5%+, members of a mobile home co-op who reside in the mobile home park and pay lot rents have no incentive to charge themselves more than the cost of operating the community. Thus, mobile home co-op lot rents tend to be substantially more affordable than investor-owned mobile home parks over time.

In addition, NAC is incorporated as a limited equity cooperative housing corporation under Title 11 Chapter 14 of Vermont Statutes. As such, a membership share in the co-op is fixed at \$100, the amount set by residents, to ensure that the community remains affordable housing for generations to come. Furthermore, NAC’s bylaws stipulate that, whenever a home within Farrington’s MHP is for sale, be it a current homeowner’s unit or a replacement home that the co-op itself will sell, if two or more bids to purchase the home for the same price are received, the seller must offer the home to the lower income

of the bidders, provided they qualify and are approved for membership in the cooperative. This stipulation ensures that the community's housing stock remains accessible to prospective low income buyers while not unduly restricting current residents who want to build equity in their homes.

**Please describe the experience of the development team:**

Jeremiah Ward, Housing Program Organizer for Cooperative Development Institute's New England Resident Owned Communities (NEROC) Program and consultant for NAC, will be the lead for this project. Jeremiah has overseen the prior two BHTF grants on behalf of NAC. He is also NEROC's most senior staff member with over seven years' experience helping residents purchase and democratically run their mobile home communities. He has also served as project manager for several water and sewer upgrade projects totaling \$3 million in value in other resident owned mobile home communities.

Jay LeClair, Maintenance Manager for NAC, will also work on the project. Jay has served as Maintenance Manager for the community for twenty years and an extensive knowledge of the community's current infrastructure systems.

Both Jeremiah Ward and Jay LeClair will work closely with NAC's Board of Directors to hire and oversee an engineering firm to carry out the scope of work detailed in Attachment A.

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

NAC was able to preserve more than two acres of green space on its parcel by removing six abandoned homes and replacing them with six new manufactured housing units on site (see 2015 BHTF Grant application entitled "Abandoned Home Replacement at Farrington's Mobile Home Park). The cost savings associated with this water and sewer replacement project will allow this important community green space—where neighborhood children play and where NAC has installed community gardens—to remain preserved for decades to come.

**Please describe how the project addresses community need:**

NAC's water, sewer and road infrastructure have all reached the end of their useful lifespan. With each year that passes, these existing systems become more expensive to maintain, and each system repair becomes increasingly ineffective. If this infrastructure is not replaced in the next few years, this will not only lead to increases in lot rents for cash-strapped NAC residents with little return on investment, it will lead to a diminution of quality of life as road deteriorate, water pressure drops, and sewer lines back up. Eventually, the degradation of these systems will pose safety issues for residents as deteriorating water and sewer lines can lead to drinking water contamination. Presently, however, NAC's existing water and sewer system pose no immediate safety risks due to regular maintenance and testing.

**Please describe how the project would impact the community:**

Replacing water, sewer, and road infrastructure in NAC would substantially improve the quality of life for 117 Burlington families. It would also have a direct impact on ongoing housing affordability at NAC, as the cost of "band-aid" repairs of roadways and water line breaks and wasted water due to those line breaks would disappear. NAC would be able to reallocate this savings towards proper preventative maintenance that would ensure the new infrastructure lasts for decades to come (the new water and sewer infrastructure, with proper preventative maintenance, should last for 50 years).

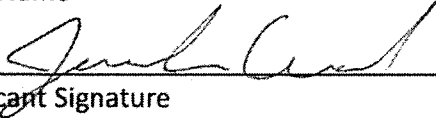
Signature Page

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.
- ☐ **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.

\_\_\_\_\_  
JEREMIAH WARD

Print Name

\_\_\_\_\_  


Applicant Signature

\_\_\_\_\_  
11/15/17

Date

## **Appendix A – Engineer’s Scope of Work**

### **Phase 1**

1. Post Co Op Purchase Update - Solicit and collect information from Co Op and CDI on current ownership and maintenance status of the sewer, water, and roadways in the park. This will inform design decisions moving forward.
2. City Jurisdiction Outreach
  - a. Correspond with City jurisdictions to
    - i. initially inform and explain the project intent
    - ii. discuss current ownership and O&M responsibilities and if/how these are intended to change with the new project
    - iii. collect and clarify, at the beginning of the project process information about
      1. the jurisdictional approval, permitting processes and design involvement
      2. technical requirements that will be incorporated into later designs
  - b. This includes the following jurisdictions within the City
    - i. DPW Water Resources: Potable Water
    - ii. DPW Water Resources: Wastewater
    - iii. DPW Water Resources: Stormwater
    - iv. Burlington Fire Department
3. State Jurisdiction Outreach
  - a. Correspond with State jurisdictions to
    - i. initially inform and explain the project intent
    - ii. collect and clarify, at the beginning of the project process, information about
      1. the jurisdictional approval, permitting processes and design involvement
      2. technical requirements that will be incorporated into later designs
  - b. This includes the following jurisdictions
    - i. DWGPD Regional Office (Wastewater)
    - ii. DWGPD Water Supply Division (Potable Water)
    - iii. Watershed Management Stormwater Section. Discuss operational stormwater requirements as they relate to
      1. the existing storm drainage system appurtenances
      2. the existing impervious lot coverage boundary “base line”, including that as established previously with the City
      3. if/how the proposed improvements will trigger their jurisdiction
      4. if/how the pending “3 acre” existing impervious rule could affect the improvement design
4. Drainage Site Reconnaissance – Visit the site during/after heavy rains to directly observe and note areas of ponding and poor drainage directly for the purposes of designing grading and drainage improvements that address these drainage problems.
5. Conceptual Design
  - a. Develop conceptual, sketch level designs for the water, sewer, road, and drainage improvements for preliminary review and approval by the Co Op and pertinent regulators based on the previously developed EC plan and the input and information gathered from outreach discussed above.
  - b. This includes coordination of preliminary input from the Co Op regarding existing and proposed parking areas.
  - c. This includes coordination of preliminary input from the Co Op regarding potential project phasing as it relates to the design.

- d. Submit one (1) time to the Co Op and jurisdictional regulators as necessary for preliminary review and comment. Modifications and input will be incorporated into the later, technical design stage.
- e. Collate and report to Co Op on various inputs and reactions to conceptual design in email form.

## Phase 2

### 1. Roadways and Drainage

- a. Improvement Design - Using information obtained during Phase 1 and development of the EC plan, engineer will design a proposed grading and drainage improvement plan for the site, including the roadway structural section and pavement specifications, with the intent of improving existing drainage problems and limiting disturbance outside of the roadway corridors. This plan will include grading improvements, as well as structural catch basin and infiltration-type infrastructure in locations as necessary to achieve positive drainage to the extent possible within existing site parameters, namely in existing roadway corridors. Calculations and modeling to determine stormwater conveyance and storage/ infiltration parameters are included. Test pit logging to determine seasonal high water table levels for infiltration purposes is included.
- b. Improvement Permitting – This scope assumes that no State or City operational stormwater permitting will be required and assumes that runoff will be handled to the extent possible via onsite improvements such as the infiltration catch basins which are existence today. If impervious expansions, operational storm water treatment systems, and/or connections to the City backbone drainage system are sought, then modification to this scope will be required.

### 2. Wastewater

- a. Improvement Design - Using information obtained during Phase 1 and development of the EC plan, engineer will design a proposed gravity sewage collection system plan for the site, including design details and appurtenance specifications, with the intent of completely replacing the existing sewer collection system with a new gravity system and limiting disturbance outside of the roadway corridors. This design will be based on gravity flow to the existing connection point to the municipal sewer system. Pump station design and/or design to alternate outlet point(s) is not included.
- b. Improvement Permitting – This scope assumes that engineer will need to secure a State WW permit from the Regional Office to permit the proposed sewer collection system.

### 3. Potable Water

- a. Improvement Design - Using information obtained during Phase 1 and development of the EC plan, engineer will design a proposed potable water distribution system plan for the site, including design details and appurtenance specifications, with the intent of completely replacing the existing potable water distribution system with a new system and limiting disturbance outside of the roadway corridors. This design will be based on municipal water supply from the existing connection point to the municipal water system. Alternate connection point(s) to account for looping will be considered, as will fire protection provisions as determined in Phase 1. Design and siting of individual meter pits is included, as it is assumed that the park will go to individual meters with the completion of this project.
- b. This scope assumes that engineer will need to secure a State Permit to Construct and State WW permit (the latter as mentioned above in "Wastewater") to permit the proposed potable water distribution system.

### Appendix B – Explanation of Estimated Project Sources

| Sources   | Amount             | Basis of Estimate  |
|---|--------------------|--|
| NAC Reserves Contributed Towards Project        | \$100,000          | NAC currently has \$150,000 in savings, up to \$100,000 of which can be contributed towards the project.   |
| City of Burlington Reservation of Assistance    | \$300,000          | See attached letter in Appendix D.   |
| BHTF FY 2018 Project Grant                      | \$45,000           | The request of this grant application  |
| Pending Sale of NAC Victorian at 1106 North Ave | \$200,000          | NAC has currently hired a realtor to sell the stick-built house on its property, not including land (land would be leased on a long term basis); this is a preliminary cost based on initial discussions and given the condition of the house. |
| Pending VHCB/CDBG Grant                         | \$573,000          | Ongoing discussions with Vermont Housing and Conservation Board (VHCB).  |
| <b>Total Sources</b>                            | <b>\$1,218,000</b> |  |

### Appendix C – Progress Report on BHTF Mobile Home Replacement Grant

In 2015, NAC received a \$150,000 grant to take possession of and replace 6 abandoned homes in the community. Below is a status update that shows progress to date at these sites:

| Abandoned Home Address | Abandoned Home Removed? | Current Status                                     |
|------------------------|-------------------------|--|
| 26 Avenue B            | Yes                     | Vermod home installed, for sale                    |
| 29 Avenue B            | Yes                     | NAC-owned manufactured home installed, for sale    |
| 40 Avenue B            | Yes                     | NAC-owned manufactured home sold to new NAC member |
| 36 Avenue C            | Yes                     | NAC-owned manufactured home sold to new NAC member |
| 45 Avenue C            | Yes                     | Empty lot – NAC will install home for sale in 2018 |
| 47 Avenue C            | Yes                     | Empty lot – NAC will install home for sale in 2018 |

In addition to the abandoned homes covered in the scope of the BHTF grant above, NAC has also been proactive about preventing additional abandoned homes which tend to crop up due to various reasons, including overdue tax bills payable by the homeowner that exceed the value of the mobile home, to issues involving transfer of ownership, usually as a result of the death of the original home owner.

| Abandoned Home Address | Abandoned Home Removed | Current Status  |
|------------------------|------------------------|---|
| 9 Avenue B             | Yes                    | New manufactured home owned by member installed on its site                           |
| 10 Avenue C            | Yes                    | New manufactured home owned by member installed on its site                           |
| 21 Avenue C            | NA                     | NAC obtained possession at auction and then sold to member as a "fixer-upper"         |
| 4 Avenue C South       | NA                     | NAC obtained possession and then sold to member as a "fixer-upper"                    |
| 28 Avenue B            | No                     | NAC obtained possession and then will demolish and install a new home on site in 2018 |

## Appendix D – Reservation of Assistance Letter from City to NAC



### COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

149 CHURCH STREET • ROOM 12 • CITY HALL • BURLINGTON, VT 05401  
(802) 865-7144 • (802) 865-7024 (FAX)  
[www.burlingtonvt.gov/cedo](http://www.burlingtonvt.gov/cedo)

VIA EMAIL

May 22, 2015

Theresa Lefebvre  
President of the Board of Directors  
North Avenue Cooperative  
1106 North Avenue  
Burlington, VT 05408

**RE: Reservation of Funds for the North Avenue Cooperative ("NAC")  
Infrastructure Upgrades at the property located at  
1106 North Avenue, Burlington, Vermont**

Dear Theresa,

As you know, from the time that the City of Burlington ("City") learned that Farrington's Mobile Home Park was for sale, the Mayor has demonstrated strong support for the park residents. The City continues to recognize that this community is an important affordable housing resource for Burlington.

Per an email dated May 11, 2015 from Andrew Danforth of the Cooperative Development Institute, a request was made for the City to assist with infrastructure improvements should the residents purchase the park from the current owner. Unfortunately, even with the Mayor's recent substantial increase in the City's Housing Trust Fund, the City does not have the affordable housing resources to address all of the project's long-term capital needs. However, the City can provide substantial assistance for the most urgent of these needs. Based on the engineer's report that the City has received, the cost to perform all of the most urgent, recommended repairs to the park's water and sewer systems is \$539,000.00. The City is prepared to reserve up to \$300,000.00 in resources to assist with the replacement of these systems.

The City has not yet determined the exact form and timing of the City's assistance, though it could include one or more Housing Trust Fund awards over the next two to three years. If Housing Trust Funds were to be awarded, it is still to be determined whether those funds would be in the form of an interest free, deferred payment loan or a grant.

A reservation of funds indicates that, based upon the information that we have received to date, the project appears to be eligible for City assistance through one or more affordable housing or other programs. It does not guarantee funding, but ensures that when the project has met the

requirements below, a formal commitment of funds will be available up to above amount. This reservation of funds is contingent upon:

- Funding availability;
- Eligibility for the Housing Trust Fund;
- The successful sale of the park to the resident cooperative;
- The City determining that the funds are necessary;
- The NAC Board of Directors passing a resolution requesting assistance from the City;
- NAC granting an affordable housing covenant to the City;
- Approval of funding or assistance by City boards or committees and/or the City Council;
- NAC vigorously pursuing other infrastructure funding;
- The execution of a Fee for Service Agreement between the City and NAC.
- Other funding requirements, as applicable.

Please feel free to call me at 865-7174 if you have any questions or need clarification on any of the above matters.

Sincerely,



Peter Owens  
CEDO Director

Copy: Mayor Miro Weinberger  
File



EQUAL HOUSING OPPORTUNITY

## Todd Rawlings

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**From:** Todd Rawlings  
**Sent:** Wednesday, November 15, 2017 1:37 PM  
**To:** 'Jeremiah Ward'  
**Subject:** RE: North Avenue Co-op BHTF Grant Proposal FY 2018

Good afternoon Jeremiah,

This is your confirmation that I have 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 the middle of December. I will notify you as soon as possible regarding the HTFAC’s decisions regarding awards. In the meantime, I may contact you if there are questions about your proposal.

Very Best,

Todd Rawlings  
CEDO Housing Program Manager  
652-4209

**From:** [jeremiah.ward@gmail.com](mailto:jeremiah.ward@gmail.com) [<mailto:jeremiah.ward@gmail.com>] **On Behalf Of** Jeremiah Ward  
**Sent:** Wednesday, November 15, 2017 1:26 PM  
**To:** Todd Rawlings  
**Subject:** North Avenue Co-op BHTF Grant Proposal FY 2018

Todd,

Attached is NAC's BHTF grant application.

Thanks,

Jeremiah

--

Jeremiah Ward  
Housing Program Organizer at Cooperative Development Institute  
Project Manager at North Country Food Co-op  
518-569-7863

