

Housing Trust Fund
Project Grant Application

APPLICANT ORGANIZATION Champlain Housing Trust
CONTACT NAME Jaclyn Marcotte
DAYTIME PHONE & E-MAIL 802-861-7338 jmarcotte@getahome.org
NAME OF PROJECT 47-49 Archibald Street
AMOUNT REQUESTED \$50,000
ESTIMATED CONSTRUCTION START DATE December 1, 2023
ESTIMATED COMPLETION DATE July 2024
TOTAL ESTIMATED PROJECT COST \$390,000
TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 1
TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$390,000

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):

Our application is for the rehab of a home in the Old North End at **47-49 Archibald Street**. This home has been managed by CHT since 1996, when it created a duplex and rented each apartment at very low rents. The property was part of a housing partnership made up of several other small Old North End properties. Recently, the partnership was dissolved and this property was transferred to CHT because it is a good candidate for CHT's shared equity homeownership program, along with two single family homes on North St. and another duplex. The Archibald property was originally a single family home and converting it to a shared-equity home will provide an opportunity for a low-income household to purchase and a long-term affordable asset for the neighborhood.

The planned upgrades to the home include siding and roof repairs, rear deck replacement, structural repairs in the basement, moving walls to return the structure to a 4-bedroom single family home, a new furnace, new kitchen and bath fixtures, and new flooring. CHT estimates the rehab costs to be \$335,000. Including acquisition costs, soft costs and a development fee, the total development cost will be \$390,000. CHT is applying to the BHTF for \$50,000 and has already secured \$80,000 from the Vermont Housing and Conservation Board and \$75,000 in state homeownership tax credits from the Vermont Housing Finance Agency. Post rehab, CHT will market the home at its value of \$500,000 with down payment assistance totaling \$315,000 and a net price to the buyer of \$185,000. This equates to a monthly cost of \$1,966 which is affordable to a household of four at 63% AMI.

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

The project will serve one household.

CHT has made an agreement with the former tenant at 47/49 Archibald Street to offer them the first option to purchase the home. They are a household of 11 with an AMI of 46%.

However, if they decide not to purchase the home, CHT will market the home to other eligible buyers. And while we can't guarantee the AMI for that buyer will be below 80%, the home is priced to be affordable to larger households under 80% AMI. If more than one household is interested in a home, CHT uses a point system to determine the buyer. The household with the lowest AMI has a strong advantage in a buyer selection. Burlington single family homes are extremely popular and so it is very likely that the homes will have more than one household interested. While there is not a guarantee, it is likely that the buyers will be below 80% of AMI.

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

About 15% of shared equity buyers are under 50% of AMI, many of whom use the Section 8 to Homeownership program in order to purchase. If the previous tenant decides to purchase, they are currently under 50% AMI, however their income may change by the time the home is available to purchase.

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:

While the City has not invested in this property specifically, the City has been a longtime supporter of the shared equity program and has invested in many SEP homes in situations similar to this project. There are at least 40 SEP homes with an investment by the City.

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

This project creates a new permanently affordable large single family home-ownership opportunity for a low-to moderate income household. The home will be perpetually affordable and renovated to be sustainable for those households who may otherwise struggle to maintain older homes in the Old North End.

Please describe how the application supports one or more of the priorities listed in the City's [Consolidated Plan](#):

Our application supports the following purposes listed in the City's Consolidated Plan:

Decent Housing:

- Increasing permanently affordable homeownership opportunity for low to moderate households.

A Suitable Living Environment:

- By renovating this home that is in some disrepair, we are reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods. We are creating a new updated home in Burlington's Old North End.

The project also supports the following City priorities as outlined in the City's Consolidated Plan:

SP-10: Geographic Priorities

Priority 2 Neighborhood Revitalization Strategy Area.

The home is in Census Tract 3.

SP-25: Priority Needs

Priority 1 – AFH – Maintain or Preserve Affordable Housing;

This project will serve low income households below 80% AMI.

Priority 2 and 3 – AFH – Increase Affordable Housing Opportunities and Housing Resources to LMI residents; Homeowner

This project will create one additional permanently affordable homeownership opportunity

SP-40 Institutional Delivery System

CHT is listed as one of only two institutional delivery partners in the plan and currently owns both properties.

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

The median home purchase price in Burlington is \$479,000 and households at or below 80% of AMI have few homeownership opportunities. This home will be a newly renovated 4 bedroom single family home near downtown with monthly expenses less than rental prices. By being a part of CHT’s shared equity program, the home will remain affordable and provide an additional opportunity to several generations of low-income households.

Please describe the experience of the development team:

The Project Lead, Jaclyn Marcotte, has helped CHT renovate and sell dozens of homes for the past 13 years. CHT hires general contractors to help us create the final scope of work and manage the day to day construction of the homes. We are currently working with 2nd Generation Builders Inc. Bob Peters, the owner, has been in construction his entire life and has successfully completed many renovations for CHT in the past. He understands the importance of the program as well as has the knowledge to lead a team of contractors to renovate the home.

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

The project does not provide any ancillary uses.

Please describe how the project addresses community need:

The project creates and preserves permanently affordable homeownership opportunities in the Old North End. The home will serve one household when the home is complete, but it will remain a community asset in perpetuity through subsequent resales. The renovated home will maintain or increase the values of the surrounding homes. The Archibald conversion will add another homeowner on this street that has predominantly rental homes.

Please describe how the project would impact the community:

The project will provide economic development and construction investment, increase the neighborhood property values, and preserve and create affordable homeownership opportunities.

Signature

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.

____ Jaclyn Marcotte _____ Print Name
Jaclyn Marcotte _____ 11/14/23 _____
Applicant Signature Date

47/49 Archibald Street 2023

Costs

Acquisition		
Rehab Costs	\$	335,000
Soft Costs: legal, insurance, holding costs	\$	40,000
Construction Mgt Fee	\$	15,000
Total	\$	<u>390,000</u>

Revenues

Net Price = Buyer's Price	\$	185,000
New VHCB	\$	80,000
VHFA Tax Credit Equity	\$	75,000
Total	\$	<u>340,000</u>

Gain/Loss	\$	(50,000)
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Affordability

Sales Price / Appraised Value	\$	500,000
VHCB Investment	\$	80,000
VHFA Tax Credit Equity	\$	75,000
CHT Equity	\$	160,000
Net Price	\$	<u>185,000</u>

Mortgage	\$	1,294	7.50%
Taxes	\$	553	
insurance	\$	75	
CHT fee	\$	45	
	\$	<u>1,967</u>	

Income needed to afford	\$	71,511
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AMI of HH of 3	70%
AMI of HH of 4	63%
AMI of HH of 5	58%
AMI of HH of 11	39%