

**Housing Trust Fund
Project Grant Application**

| |
|--|
| APPLICANT ORGANIZATION Champlain Housing Trust |
| CONTACT NAME Miranda Lescaze |
| DAYTIME PHONE & E-MAIL 802-861-7376 mlescaze@champlainhousingtrust.org |
| NAME OF PROJECT Post Apartments |
| AMOUNT REQUESTED \$600,000 |
| ESTIMATED CONSTRUCTION START DATE April 15, 2024 |
| ESTIMATED COMPLETION DATE July 15, 2025 |
| TOTAL ESTIMATED PROJECT COST \$19,641,803 |
| TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 38 |
| TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$516,890 |

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 Champlain Housing Trust (CHT) and Evernorth (EN) have been working on a redevelopment plan for the Howard Plant VFW Post 782's site at 176 South Winooski Avenue in downtown Burlington for several years and are close to making the project a reality. The redevelopment will create 38 critically needed new affordable apartments in the state's largest job center close to services and amenities, will clean up a state designated Brownfield, and will help to solidify the future of the state's oldest nonprofit veterans organization.

The VFW Post 782 approached CHT in 2021 to help achieve a sustainable future for the Post and to contribute to the critical need for affordable housing for veterans and other northwestern Vermonters. The nonprofit VFW seeks to unburden itself from a facility hampered by deferred maintenance and is interested in making way for a new building that could offer four floors of affordable housing and where the Post could advance its community-based work.

The redevelopment plan will remediate the site and construct a five-story building containing groundfloor nonprofit commercial space for the VFW Post and the City's Community Justice Center, and four floors of affordable housing above. Post Apartments will create a total of 38 new permanently affordable apartments - 8 studio, 26 one-bedroom, and 4 two-bedroom apartments. A mixed-income building, there will be 3 apartments targeted to households with incomes at or below 30% AMI, 7 at or below 50% AMI, 20 at or below 60% AMI and 8 at or below 80% AMI. Ten apartments will be assisted by project-based subsidy through BHA, eight of which will be set aside for households exiting homelessness supported with services by CHT's Resident Services Department. We have executed an MOU with the VA to have a special preference for homeless veterans for five of these units.

Post Apartments will help to address a critical need for affordable apartments in Chittenden County, the market area (defined as within ~11 minute-drive time of the project site), and Burlington specifically. The wait for households on CHT's waiting list for an affordable apartment in Chittenden County is now 15 months. As a Priority Housing Project within Burlington's state designated downtown, the project is exempt from Act 250.

The project is designed, permitted, has an approved Brownfields Corrective Action Plan, and has secured the majority of development funding needed to undertake the \$22M redevelopment plan. Our schedule anticipates securing the last funding needed this fall, going out to bid in December and January, and beginning construction in April after the City concludes its lease to use the existing building as an emergency shelter.

We are very appreciative of the Housing Trust Fund committee's FY23 award of \$225,000, and the City's commitment of HOME-ARP and CDBG resources to the project. Other committed funding includes over \$1M in Brownfields cleanup funds from ACCD, \$7.3M in ARPA and NHTF from the Vermont Housing and Conservation Board, \$1M in Congressionally Directed Spending from Senator Sander's office, and \$463,000 in Vermont State tax credit equity from VHFA. Our most recent construction cost estimate in September coupled with costly adjustments to our foundation approach to accommodate the historic ravine sewer under the northwest corner of the site, have increased project costs. We respectfully request a second Housing Trust Fund award of \$600,000 from the City of Burlington to bring the project to the funding finish line needed to go out to bid.

Post Apartments is a unique opportunity to create critically needed new affordable apartments in downtown Burlington, maintain a focus on the needs of veterans housing and services, and create homes for two important nonprofit community entities.

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

All 38 apartments will be perpetually restricted to households with incomes at or below 80% AMI or lower.

The project will include 8 apartments at or below 80% AMI, 20 at or below 60% AMI, 7 at or below 50% AMI and 3 at or below 30% AMI.

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

Ten of the 38 apartments will be restricted to households with incomes at or below 50% AMI or lower: seven will be restricted to at or below 50% AMI and three will be restricted to at or below 30% AMI. All ten of these apartments will be assisted by project-based subsidy through BHA.

Eight apartments will be designated for households exiting homelessness, referred by Coordinated Entry, five of these with a special preference for homeless veterans.

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 is interested in the remediation and redevelopment of this important downtown site. The City has committed \$650,000 in HOME and HOME-ARP funding, \$228,000 in CDBG funds, and has indicated it intends to commit \$1,000,000 in ARPA funding, to the project. In addition, the City will relocate the Community Justice Center to one of the two commercial spaces on the ground floor of the building, as a long-term lessee. Lastly, the City has worked closely with the VFW Howard Post and CHT to partner on use of the VFW's existing building for a much needed emergency shelter this winter.

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

Post Apartments directly addresses the City's highest priority in the 2023 Action Plan under the current Consolidated Plan: Affordable Housing and the creation of new affordable units.

This project will produce 38 perpetually affordable new construction housing units to serve very low-, low-, and moderate-income households. Since the development of the 2018-2023 Consolidated Plan, the City has also prioritized addressing homelessness. This project will expand CHT's portfolio of apartments for households experiencing homelessness, and will specifically prioritize homeless veterans.

In addition, this project also addresses the next highest Action Plan priority of economic opportunity in that the VFW's plans for expanded veteran services programming will include job training and supports for veterans reentry, and the Community Justice Center's work addresses barriers to economic opportunity.

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

Post Apartments supports several goals of the Consolidated Plan including:

Goal DH1.1: Protect the Vulnerable – New Permanently Supportive Housing

- *Construction of 8 new apartments designated for households exiting homelessness*

Goal DH 1.3: Create New Affordable Housing

- *Construction of 38 new perpetually affordable housing units*

Goal DH 3.1: Protect the Vulnerable Housing Retention Services

- *Post Apartments households will receive supportive services from CHT's Resident Services Department*

Goal SL 1.4: Remediation of Brownfields

- *Environmental remediation of 0.54 acre parcel in designated downtown district*

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

This project will support low- and moderate-income households, households experiencing homelessness, and veteran households. The addition of 38 new perpetually affordable housing units serving these households in a downtown location will have a significant impact on housing availability and affordability for these underserved and vulnerable populations.

Please describe the experience of the development team:

In its 39 years, the Champlain Housing Trust has developed, owns and manages over 2,600 apartments in northwestern Vermont, with the majority in Chittenden County and Burlington. CHT is an experienced developer, led by management team members Michael Monte, CEO, Amy Demetrowitz, COO, and Miranda Lescaze, Director of Real Estate Development. In addition to deep experience developing affordable housing, CHT has developed several community facilities including the Old North End Community Center. CHT will partner with Evernorth on this project. Ben Sturtz is an Evernorth senior developer. Evernorth has strong development and tax credit syndication experience throughout New England.

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

This project serves a dual purpose of creating desperately needed new affordable homes and revitalizing the VFW Post facility which will help to secure the sustainability of this community nonprofit. A third outcome is the creation of new nonprofit commercial space for lease to the Community Justice Center, and the synergies of co-locating these community entities.

The Housing Limited Partnership will sell the ground floor condo providing development capital, and the Community Justice Center will be a commercial debt and income component of the operations. The design has emphasized independent entries, mechanical systems and utility metering.

Please describe how the project addresses community need:

This project will address the critical need for new affordable housing units through the creation of 38 new permanently affordable homes in downtown Burlington for low- and moderate-income households, will support the sustainability of the Howard Plant VFW Post, and will support the need for larger space in which to offer community services to the CJC.

Please describe how the project would impact the community:

This project will have a significant impact on the downtown community. Thirty-eight low- and moderate-income households will have new housing opportunity in a downtown Burlington location close to jobs, services, and amenities. A Brownfields site will be cleaned up and redeveloped, contributing to the economic development of the City. The nonprofit VFW Post will be poised for a sustainable future with new space to effectively deliver programming. The City's Community Justice Center will have a more appropriate and sufficiently sized office space in which to conduct its increasing work.

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.

Miranda Lescaze

Print Name

Miranda Lescaze

Applicant Signature

11/13/23

Date

