

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

APPLICANT ORGANIZATION Champlain Housing Trust
CONTACT NAME Miranda Lescaze
DAYTIME PHONE & E-MAIL 802-861-7376; Mlescaze@champlainhousingtrust.org
NAME OF PROJECT Pine at CityPlace
AMOUNT REQUESTED \$300,000
ESTIMATED CONSTRUCTION START DATE October 2024
ESTIMATED COMPLETION DATE January 2026
TOTAL ESTIMATED PROJECT COST \$38,772,410
TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 85
TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$456,156 per unit

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):

Burlington has had an empty hole in its downtown while simultaneously experiencing the most severe housing crisis in decades. Redevelopment of the Burlington Town Center site represents a historic opportunity to transform a significant portion of the Queen City's downtown returning residential use to the site where it was displaced by urban renewal fifty years ago. The master development will include over 40,000 commercial square feet, a significant economic driver for the state, and will create over 420 new housing units at this downtown Burlington location.

The Champlain Housing Trust (CHT) and Evernorth (EN) propose to build 85 of these new homes and restrict them to be affordable in perpetuity. CHT and EN will purchase a permitted air space condo above a completed two story podium. The proposed building will be eight floors of residential apartments over a CHT/EN lobby and offices on the ground floor, and capped by a ninth floor containing a large community room and community laundry. The unit mix includes 8 studio apartments, 53 one-bedrooms, 21 two-bedrooms, and 3 three-bedrooms. In addition to the community spaces building amenities include two elevators, a trash chute, bike storage, a package management system and a meeting room for supportive services delivery.

Pine at CityPlace will be a mixed-income building with 27 apartments targeted to households with incomes at or below 50% AMI, 41 at or below 60% AMI and 17 at or below 100% AMI but with rents targeted to at or below 65% AMI per Burlington's Inclusionary Zoning requirements. Seventeen apartments will be designated for households exiting homelessness. CHT's Resident Services Department will provide supportive services in collaboration with service partners.

The master development is committed to LEED Gold certification and our building will exceed these thermal shell requirements to meet Efficiency Vermont's Multifamily Building High Performance standards, and will also meet Burlington Electric Department's standards for electric heating and cooling. Five apartments will be fully ADA compliant and two will include audiovisual accessibility.

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

Sixty-eight apartments will be restricted to households with incomes at or below 80% of AMI and the remaining 17 apartments will have rents restricted to <65% of AMI but technically household incomes up to 100% AMI will be eligible per Burlington's Inclusionary Zoning ordinance.

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

27 apartments will be restricted to households earning at or below 50% 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:**

Once completed, City Place will restore connectivity of Burlington's downtown streets, generate significant economic development, and create over 420 critically needed housing units in the downtown core. The Mayor, City Council, and other City departments and boards have steadfastly worked with the City Place master developers for nearly a decade in order to accomplish these long-desired outcomes, and have been particularly supportive of this final push to begin the first phase of construction.

Among other demonstrations of support, the City has obligated TIF funds for the master development public improvements, and City Council has approved the Master Development Agreement with City Place Partners.

The City has made affordable housing a priority through its Inclusionary Housing ordinance, which has created the requirement for these 85 affordable units to be included in the overall development; CHT's site control for this portion of the master development stems from that requirement.

Lastly, the City has indicated support for this project through the intent to contribute capital funding from its federal ARPA, HOME and HOME-ARP sources.

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

*Goal I: Expand and Strategically Apply Municipal Resources to Support New Low- and Moderate-Income Housing Construction and Better Assist Those Ineligible for Subsidy but Unable to Compete in Burlington's Housing Market.*

This project will produce 85 new construction affordable apartments to serve low-income households that will remain affordable in perpetuity in its downtown core. We are projecting 20 project-based vouchers to provide deep subsidies to a portion of units. The remaining 65 apartments will have restricted rents below market rents and will be available to more moderate-income households that may be ineligible for subsidy but still unable to compete in Burlington's housing market.

*Goal IV: New Approaches to Homelessness in Our Community*

*"Building on the City's strong record of creating and preserving low-income housing, the City supports efforts to end homelessness in our community. The City supports the good work of our partner agencies in Burlington to achieve the goal of ending childhood and family homelessness by 2020.... The City would seek to support its outstanding non-profits including Spectrum, the Howard Center, COTS, Lund, BHA, CHT, Pathways, philanthropic entities, and others to increase the available housing stock and provide services for homeless individuals and families where possible."*

This project will designate 17 new apartments for households exiting homelessness in support of the Mayor's Plan to end homelessness. These 17 units will be supported by CHT's resident services team, and will be in an ideal location for maintained access to services, healthcare, transportation, and amenities like the downtown parks, grocery store, library, etc.

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

SP-10 Geographic Priorities

*Strategy area – Downtown area*

Pine at City Place will be located in downtown Burlington, and the City has identified it as a priority development area.

SP-25 Priority Needs

- Priority 2 – Increase Affordable Housing Opportunities:  
DH 1.3 Create New Affordable Housing  
This project will create 85 net new units, all for low- and moderate-income households. Perpetual affordability will be secured by Housing Subsidy Covenants.
  
- Priority 7 – Improve Public Facilities or Infrastructure:  
SL 1.4 Remediation of Brownfields  
The development site has been classified as a Brownfield and site remediation is part of the Corrective Action Plan (CAP). The development will reconnect St. Paul and Pine Streets, restoring the fabric and connectivity of the downtown.
  
- Priority 10 – Protect the Vulnerable:  
DH1.2 Protect the Vulnerable New Special Need housing  
CHT will provide service-enriched housing through its Resident Services team and provide onsite programming intended to promote housing and health stability, as well as build community across the resident population.

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

All 85 net new units will be perpetually affordable, providing and protecting housing access to low- and moderate-income households in our downtown. This project will support households experiencing homelessness through designation of 17 apartments for households exiting homelessness, and expects to have 20 project-based vouchers. Additionally, this building will create 85 modern, elevator-served buildings, several of which will be fully accessible and/or adaptable for residents with physical disabilities, hearing loss, or vision loss.

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

In its 38 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 is partnering with Evernorth, a housing nonprofit that has developed LIHTC housing projects across Vermont for more than 30 years.

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

This mixed-use development will provide all residents with ground floor retail amenities, secure bike storage, and parking. Residents of Pine at City Place will have access to a dedicated 9<sup>th</sup>-floor community room with unparalleled views of Lake Champlain in addition to a community laundry.

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

This development will address the immediate need for new affordable housing in Burlington and Chittenden County. In a June 2022 market study for another CHT development in Burlington Doug Kennedy Advisors estimated the rental vacancy rate of private sector units in Chittenden County to be in the area of 1.75% +/- . 2020 US Census data showed a 2.3% rental vacancy rate in Burlington. 2020 data also indicated that 59% of Burlington renters pay more than 30% of their annual income toward rent and that 34% pay more than 50% of their annual income toward rent.

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

This project will address the immediate need for new affordable rental apartments, targeted to households with incomes below 50% AMI, below 60% AMI, below 80% AMI, and those experiencing homelessness. Eighty-five low- and moderate-income households will have new housing opportunities in a downtown Burlington location close to jobs, services, and amenities.

The master development will have a profound impact on the Burlington community, the region and the state. The 40,000 SF of retail and reconnection of City streets and neighborhoods will benefit the entire community, restoring the urban fabric of the downtown, and bolstering the economic vitality of the downtown core. Lastly, the addition of over 420 new housing units in Burlington will help to reduce housing pressure on surrounding counties. The overall housing market is currently so overheated and undersupplied that it has further impacts including employers' ability to hire and retain much-needed workers in the region. Adding more than 420 new units at a range of prices and tenancies (a mix of rental and ownership units) will inject a much-needed infusion of housing into the state's employment and economic center.

Signature Page

Please check each box that applies:

- x      **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.
  
- x      **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

11/10/2022

Date

Total Residential Units:	85	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	68	Increase in Income from Other Sources:	1.50%
Percent Restricted:	80.00%	Increase in Income from Commercial:	1.50%
Total Development Cost:	38,772,410	Expense increase:	3.00%
Residential Development Cost per Unit:	456,146	Vacancy Rate:	5.00%
Total Development Cost Per SF:	478	Partner's Tax Rate:	21%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	3,258,253	Mid Depreciation Schedule:	15 years
Credit Amount Allocated:	2,045,558	Short Depreciation Schedule:	5 years
		Sponsor's Estimated Yield:	85.00%
LIHTC - 9%	9.00%		
LIHTC - 4%	3.31%	(Nov 2018)	

**SOURCES**

		% of Total Development Cost	Interest Rate	Amortization	Term
Amortizing Permanent Debt	1,650,000	4.26%	9.00%	20	20
VHCB HOME-ARP	1,900,000	4.90%	0.00%	0	0
VHCB ARPA	8,000,000	20.63%	0.00%	0	deferred
VHCB General Fund	6,086,663	15.70%	0.00%	0	deferred
City HOME	656,000	1.69%	0.00%	0	deferred
City HOME-ARP	763,000	1.97%	0.00%	0	deferred
City HTF	600,000	1.55%	0.00%	0	deferred
City ARPA	1,000,000	2.58%	0.00%	0	deferred
Energy Incentives	229,500	0.59%			
Deferred Developer Fee	500,000	1.29%			
VHFA - Federal Tax Credit Equity	17,387,247	44.84%			
VHFA - VT State Tax Credit Equity	0	0.00%			
<b>TOTAL SOURCES</b>	<b>38,772,410</b>	<b>100.00%</b>			

**USES**

Acquisition	2,146,500	5.54%
Construction Hard Costs	31,069,574	80.13%
Soft Costs	5,556,336	14.33%
<b>TOTAL USES</b>	<b>38,772,410</b>	<b>100%</b>

Gap (0)

VHFA Construction Loan	\$	20,300,000.00	Interest Rate 8.00%	Term 18 months
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General Partner's Capital Contribution	1,739	0.01%
Limited Partner's Capital Contribution	17,385,508	99.99%
<b>Total Equity</b>	<b>17,387,247</b>	<b>100.00%</b>

**APPLICABLE FRACTION CALCULATION**

Housing Credit Restricted Units	68
Total Residential Units	85
Unit Fraction	80.00%
Housing Credit Square Footage	44,090
Total Residential Unit Square Footage	54,517
Square Footage Fraction	80.87%
Applicable Fraction	80.00%

Allocation - by Sq Ft					
	100%	100%	0%		
	Total Budget	Residential	Commercial	Per Unit	Per s.f.
<b>ACQUISITION</b>					
Land	2,100,000	2,100,000	0	24,706	25.89
Purchase of Building	0	0	0	0	0.00
Other	2,500	2,500	0	29	0.03
Appraisal	4,000	4,000	0	47	0.05
Legal - Title and Recording	40,000	40,000	0	471	0.49
Subtotal - Acquisition	2,146,500	2,146,500	0	25,253	26.46
<b>CONSTRUCTION HARD COSTS</b>					
Construction - Residential	24,888,251	24,888,251		292,803	306.81
Construction - Commercial	0		0	0	0.00
Site work	0	0	0	0	0.00
Demolition - construction	0	0	0	0	0.00
CM Contingencies	3,794,922	3,794,922	0	44,646	46.78
Contractor Overhead	0	0	0	0	0.00
Contractor Profit	0	0	0	0	0.00
Contractor General Conditions & Requirements	0	0	0	0	0.00
Construction Bond Fee	0	0	0	0	0.00
Owner's Construction Contingency	2,271,401	2,271,401	0	26,722	28.00
Hazardous Materials Abatement	0	0	0	0	0.00
Off-Site Improvements	0	0	0	0	0.00
Furnishings, Fixtures, & Equipment	115,000	115,000	0	1,353	1.42
Other	0	0	0	0	0.00
Subtotal - Hard Costs	31,069,574	31,069,574	0	365,524	
<b>SOFT COSTS</b>					
Architectural	479,300	479,300	0	5,639	5.91
Engineering	311,095	311,095	0	3,660	3.83
Legal/Accounting	105,000	105,000	0	1,235	1.29
Relocation	0	0	0	0	0.00
Environmental Assessment	8,200	8,200	0	96	0.10
Energy Assessment	10,000	10,000	0	118	0.12
Permits/Fees	476,091	476,091	0	5,601	5.87
Market Study	4,975	4,975	0	59	0.06
Owners Consultants	63,000	63,000	0	741	0.78
Construction Period Insurance	315,515	315,515	0	3,712	3.89
Construction Loan Interest	1,218,000	1,218,000	0	14,329	15.01
Construction Loan Origination Fee	72,750	72,750	0	856	0.90
Taxes During Construction	90,000	90,000	0	1,059	1.11
Clerk of the Works	0	0	0	0	0.00
Marketing	25,000	25,000	0	294	0.31
Tax Credit Fees	82,322	82,322	0	968	1.01
Soft Cost Contingency	30,000	30,000	0	353	0.37
Permanent Loan Origination Fee	9,125	9,125	0	107	0.11
Lender's Counsel's Fee	0	0	0	0	0.00
Other (Pre-development financing)	8,000	8,000	0	94	0.10
Subtotal - Soft Costs	3,308,373	3,308,373	0		
<b>SYNDICATION COSTS</b>					
Organizational (Partnership)	0	0	0	0	0.00
Bridge Loan Fees and Expenses	0	0	0	0	0.00
Syndication Consultant	0	0	0	0	0.00
Tax Opinion	0	0	0	0	0.00
Subtotal - Syndication Costs	0	0	0		
<b>DEVELOPER'S FEES</b>					
Developer's Fees	1,500,000	1,500,000	0	17,647	18.49
Other Partnership Fees	0	0	0	0	0.00
Consultant Fees	0	0	0	0	0.00
Subtotal - Developer's Fees	1,500,000	1,500,000	0		
<b>RESERVES</b>					
Working Capital	50,000	50,000	0	588	0.62
Rent-up (Deficit Escrow) Reserve	50,000	50,000	0	588	0.62
Operating Reserves	562,963	562,963	0	6,623	6.94
Replacement Reserves	85,000	85,000	0	1,000	1.05
Subtotal - Reserves	747,963	747,963	0		
Subtotal - Soft Costs	5,556,336	5,556,336	0	65,369	
TOTAL DEVELOPMENT COSTS	38,772,410	38,772,410	0	456,146	478
<b>COST BASIS FOR DEVEL FEE</b>					
DEVELOPER FEE	36,524,447				
DEVELOPER FEE	1,500,000				
DEVELOPER FEE %	4.11%				