

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

APPLICANT ORGANIZATION Champlain Housing Trust
CONTACT NAME Robert Leuchs
DAYTIME PHONE & E-MAIL 802 861 7336 rleuchs@getahome.org
NAME OF PROJECT Champlain Housing Trust Stewardship Fund
AMOUNT REQUESTED \$50,000.00
ESTIMATED CONSTRUCTION START DATE January 1, 2021
ESTIMATED COMPLETION DATE December 31, 2022
TOTAL ESTIMATED PROJECT COST \$150,000
TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 15
TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$10,000

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):

Champlain Housing Trust has operated its flagship affordable housing program for 36 years. The Shared Equity Program (SEP) was in fact started with a grant from the City of Burlington. The program works by creating homeownership opportunities that will be permanently affordable. CHT provides down payment assistance to buyers of the homes who are below 100% of Area Median Income. The down payment assistance is equal to 20-40% of the purchase price. The buyer of the home does not have to make any payments on the down payment assistance and so this results in a much lower monthly cost than would be incurred on the open market. It opens the door for households to own a home that they wouldn't ordinarily be able to afford. When the owners sell, they pay back the down payment assistance they received and get 25% of the increase in the value of the home during the time they owned it. CHT then finds another buyer of the home and offers them an even higher down payment assistance consisting of the original amount the seller repaid plus the 75% of increased value that the seller shared. So if the original owner received a \$50,000 CHT investment and the home went up by \$60,000 during the time they owned it, the seller would get the \$15,000 upon sale (plus whatever they had paid down on their mortgage) and the next buyer would get \$95,000 in down payment assistance (the original \$50,000 plus the 75% of the \$60,000).

For the buyer, they get the pride of homeownership plus accumulate more equity than they would renting, making it easier for them to transition into market homeownership. The program works as a stepping stone into market homeownership with two-thirds of shared equity owners buying on the open market when they sell their homes. For the community,

as prices of homes increase so too does the down payment assistance increase, keeping the homes affordable.

Champlain Housing Trust has 635 homes in its portfolio of permanently affordable, resale-restricted homes, which makes it the largest community land trust in the country. 210 of the homes are in Burlington. Our program began in the Old North End where we still have a high concentration of homes. The average age of our housing stock is 44 years and many homes are much older. One of our most important roles is to serve as steward of these homes to make sure they remain safe, decent and affordable. Many homes are older and require constant maintenance and care. There are many repairs that are so costly that it is difficult for lower-income households to save for the necessary work. It is very helpful to provide an in-house resource to help owners maintain the physical structure they call home.

When a home in the SEP portfolio has maintenance needs, there are several ways that that they project may be paid for. In order of priority they are:

- 1) The owner pays for the repairs from their savings
- 2) The owner borrows the funds for the repair from a local lending institution
- 3) The owner borrows the funds from CHT's revolving loan fund
- 4) CHT pays for the repairs from its Stewardship Fund

CHT's Stewardship Fund is used as a last resort when there exists no other way to pay for a repair, the issue causes a health and safety issue for the occupants, and/or not making the repair would lead to much higher costs in the future. Some of the issues that we see regularly include roof repairs or replacement, electrical work due to deficiencies, plumbing leaks, window replacement for egress reasons, foundation work, and weatherization, including air sealing or insulation.

CHT generally funds about 7 repairs each year from its Stewardship Fund, with each project averaging \$10,000. About 1 in 3 projects funded by the Stewardship Fund is located in Burlington. CHT is requesting \$50,000 from the BHTF to endow the Stewardship Fund for Burlington projects over the next two years.

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

It is impossible to predict accurately how many households under 80% of AMI will be served as it depends on which homes have maintenance issues over the next two years. But, based on historic precedence, we would expect the grant to serve 7 households under 80% AMI.

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

Based on historic precedence, we would expect the grant to serve 4 households under 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:

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 30 SEP homes with an investment by the City. In addition, the City has funded CHT's shared equity stewardship activities with BHTF funding in the past.

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

1. Affordable Housing Preservation – This project preserves a currently affordable housing unit, providing much needed upgrades and rehab, and providing a new homeownership opportunity.
5. Improve Home Energy Efficiency – This project will include replacement of windows and additional insulation.

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

SP-10: Geographic Priorities

Priority 2 Neighborhood Revitalization Strategy Area.

The Stewardship Fund will undoubtedly contribute to projects in this area.

SP-25: Priority Needs

Priority 1 – AFH – Maintain or Preserve Affordable Housing;

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

Priority 3 – AFH – Housing Resources to LMI residents; Homeowner

This project will preserve permanently affordable homeownership opportunities

SP-40 Institutional Delivery System

CHT is listed as one of only two institutional delivery partners in the plan

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

It is a life changing opportunity for a low/moderate income household to be able to buy a home. Over its 36 years of providing affordable housing, CHT has also unfortunately seen how

devastating it can be when a household finally realizes the American Dream but because they could not maintain their home, they are forced to sell or face foreclosure.

To achieve its mission, CHT not only must help underserved and vulnerable populations purchase a home, but also needs to provide ongoing support to those populations so that they remain successful homeowners.

Please describe the experience of the development team:

CHT staff has 36 years of experience in stewarding the homes in its shared equity portfolio.

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

No ancillary uses served through this project.

Please describe how the project addresses community need:

The project would assist low or moderate income homeowners who have no other options for the ability to pay for necessary health and safety repairs to their home, make those repairs and remain successful homeowners.

Please describe how the project would impact the community:

The community is served well when everyone has an opportunity to own a home. Through CHT's Shared Equity Program, a diverse group of households has been able to purchase a home. It would not be in the community's interest for these owners to face foreclosure or safety risks. The community would be well served by seeing these homes maintained.

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.

Robert Leveks

Print Name



Applicant Signature

11/24/2020

Date

CHT Overall 8/31/2020 2021 Budget	Version dated :							8/31/2020	
	8/31/2020	8/31/2020	8/31/2020	8/31/2020	8/27/2020	8/31/2020	8/31/2020		
	01	02	03	04	05	06	07		
	Admin	COOP	HOC	PM	Owned Properties	Com	Dev		CHT Total
Grant Revenue	1,439,855	0	631,780	73,333	0	246,500	120,000		2,511,468
Gain on Resale of Property									
Sale of Property	0	0	4,400,000	0	0	0	0		4,400,000
Cost of Property Sold	0	0	3,405,800	0	0	0	0		3,405,800
Additional Appreciation Subsidy	0	0	869,200	0	0	0	0		869,200
Total Gain on Resale of Property	0	0	125,000	0	0	0	0		125,000
Rental Income and Related Items									
Tenant Rent	0	0	0	0	6,613,007				6,613,007
Vacancy	0	0	0	0	(350,364)	0	0		(350,364)
Commercial Rent	0	0	0	0	965,587	0	0		965,587
Other Rental Income	0	0	0	0	424,216	0	0		424,216
Total Rental Income and Related Items	0	0	0	0	7,652,446	0	0		7,652,446
Revenue from Properties									
Fees for Maintenance	0	0	0	1,859,651	(341,211)	0	0		1,518,440
Admin Fees				468,306					468,306
Social Service Fees				488,822					488,822
Property and Asset Management Fees	0	0	0	3,663,599	(419,038)	0	0		3,244,561
Incentive Fees	0	0	0	693,000	0	0	0		693,000
Total Revenue from Properties	0	0	0	7,173,378	(760,249)	0	0	0	6,413,129
Coop Fees	0	66,752	0	0	0	0	0		66,752
Home Ownership Fees	0	0	521,332	0	0	0	0		521,332
Interest Income	0	8,700	12,000	0	2,508	120	246,144		269,472
Development Fees	0	0	116,100	0	0	0	892,900		1,009,000
Technical Assistance Fees	99,087	39,750	0	0	0	0	0		138,837
Miscellaneous Fees	0	0	3,100	0	0	109,500	0		112,600
Donations	0	0	0	0	0	430,000	0		430,000
Sponsorship			1,500						1,500
Total Revenue	1,538,942	115,201	1,410,812	7,246,711	6,894,705	786,120	1,259,044	0	19,251,536

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	8/31/2020	8/31/2020	8/31/2020	8/31/2020	8/27/2020	8/31/2020	8/31/2020		
	01	02	03	04	05 Owned Properties	06 Com	07 Dev		CHT Total
Personnel and Consultants									
Salaries and Wages	1,348,196	56,141	609,313	3,514,318	0	217,709	185,739		5,931,416
Taxes and Benefits	561,054	23,359	253,513	1,466,384	0	90,586	77,281		2,472,179
Training Costs	58,612	4,500	25,500	30,745	0	4,700	3,000		127,057
Temp /Americor Services and Recruiting	10,480	0	13,100	5,000	0	0	0		28,580
Total Personnel and Consultants	<u>1,978,342</u>	<u>84,000</u>	<u>901,426</u>	<u>5,016,448</u>	<u>0</u>	<u>312,995</u>	<u>266,021</u>	<u>0</u>	<u>8,559,232</u>
Occupancy	67,667	8,508	102,132	287,128	0	25,536	17,028		507,999
Office Expenses									
Supplies and Non-Capital Equipment	40,898	0	2,000	6,640	0	180	0		49,718
Local Mileage and parking	3,000	300	10,650	57,396	0	2,700	1,500		75,546
Postage and Courier Service	31,200	0	300	0	0	900	0		32,400
Telephone	32,700	0	0	4,200	0	0	0		36,900
Printing and Copying	1,200	500	200	0	0	300	0		2,200
Dues & Subscriptions (and Lobbying)	19,770	150	4,235	1,980	0	8,850	4,500		39,485
Equipment Repair and Maintenance	0	0	0	0	0	0	0		0
Bank Fees/Finance Charges	13,000	0	6,090	240	0	2,600	0		21,930
Total Office Expenses	<u>141,768</u>	<u>950</u>	<u>23,475</u>	<u>70,456</u>	<u>0</u>	<u>15,530</u>	<u>6,000</u>		<u>258,179</u>
Technology Expenses									
Equipment Leases	61,584	0	0	0	0	0	0		61,584
Computer Equipment and Supplies	100,262	0	10,800	375	0	8,348	0		119,785
Technology Consulting	150,372	0	0	0	0	0	0		150,372
Internet access	16,164	0	600	2,508	0	324	324		19,920
Shared Expenses	(257,119)	3,149	34,182	197,153		12,213	10,420		(0)
Cell Phones	<u>9,888</u>	<u>480</u>	<u>4,992</u>	<u>38,216</u>		<u>1,440</u>	<u>960</u>		<u>55,976</u>
Total Technology Expenses	81,151	3,629	50,574	238,252	0	22,325	11,704	0	407,637
Allocated Administrative Costs	(1,970,785)	24,140	262,004	1,511,157	0	93,615	79,868		(0)
Property Management Expenses									
Truck Maintenance	0	0	0	12,000	0	0	0		12,000
Other	0	0	0	81,240	0	0	0		81,240
Total Property Management Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>93,240</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>93,240</u>
Total Rental Property Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,506,149</u>	<u>0</u>	<u>0</u>	<u>0</u>	6,506,149

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	01 Admin	02 COOP	03 HOC	04 PM	05 Owned Properties	06 Com	07 Dev		CHT Total
Outreach									
Advertising/Public Relations	0	600	8,100	1,200	0	9,400	0		19,300
Donor Cultivation	0	0	0	0	0	43,000	0		43,000
Membership Expenses	0	0	0	0	0	34,700	0		34,700
Special Events	0	0	0	0	0	0	0		0
Organizing	0	0	0	0	0	12,500	0		12,500
Communications	0	0	0	0	0	<u>13,000</u>	<u>0</u>		13,000
Total Outreach	0	600	8,100	1,200	0	112,600	0		122,500
Screening/Home Ownership/Counseling Expenses									
Workshops	3,300	0	24,420	0	0	0	0		27,720
Tenant Screening	0	0	13,950	0	0	0	0		13,950
Lending	0	0	300	0	0	0	0		300
Total Screening/Home Ownership/Counseling Expenses	<u>3,300</u>	<u>0</u>	<u>38,670</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>41,970</u>
Professional Services	83,800	4,400	66,875	122,100	0	9,500	18,500		305,175
Board and Staff Expenses	38,195	1,020	1,250	4,700	0	0	0		45,165
Other Sources (Uses) of Funds									
Insurance	50,400	0	0	11,700	0	0	0		62,100
Project Expenses	0	0	19,200	0	0	0	30,000		49,200
Interest Expense	3,600	8,700	0	1,320	0	0	325,704		339,324
Other	1,193,435	1,400	6,000	2,400	0	1,200	2,400		1,206,835
Total Other Sources (Uses) of Funds	<u>1,247,435</u>	<u>10,100</u>	<u>25,200</u>	<u>15,420</u>	<u>0</u>	<u>1,200</u>	<u>358,104</u>		<u>1,657,459</u>
Total Expenses	<u>1,670,874</u>	<u>137,348</u>	<u>1,479,707</u>	<u>7,360,101</u>	<u>6,506,149</u>	<u>593,301</u>	<u>757,225</u>	<u>0</u>	<u>18,504,704</u>
Operating Income	<u>(131,932)</u>	<u>(22,146)</u>	<u>(68,895)</u>	<u>(113,390)</u>	<u>388,556</u>	<u>192,819</u>	<u>501,819</u>	<u>0</u>	<u>746,832</u>
** The operating income (\$371,825) remaining in Owned properties only St Joes (\$8,473) can used for CHT operations									380,083
** Less : Owned Property Operating Income **									
Net Available Operating Income									366,749