

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

APPLICANT ORGANIZATION Green Mountain Habitat for Humanity
CONTACT NAME Catherine Stevens
DAYTIME PHONE & E-MAIL 802-872-8726; cstevens@vermonthabitat.org
NAME OF PROJECT 225 Elmwood Avenue, Burlington single family home
AMOUNT REQUESTED \$25,000
ESTIMATED CONSTRUCTION START DATE April, 2020
ESTIMATED COMPLETION DATE January, 2021
TOTAL ESTIMATED PROJECT COST \$276,000
TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 1
TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$181,000 mortgage amount after VHCB, BHT, etc.

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):

Green Mountain Habitat for Humanity will begin building 5 new homes in 2020 including the single family home which is the project for this proposal. We purchased a home on Elmwood Avenue in Burlington in October, 2019, which is in terrible shape and will be torn down. In its place we will build a two-story single family home similar to the one we built on Elmwood Avenue in 2017 and which we are currently building on Convent Square, because it is a design which fits well in narrow city lots. This 2020 project home will be our third built on Elmwood Avenue.

Burlington Housing Trust funding is critically important to this project. As you all know only too well, land is difficult to find in Burlington and when we must purchase a lot with an existing home, financial support from BHT is critical in order to keep the mortgage price affordable for a low-income family. All of the homes we build are 'Energy Star Certified', 'Indoor airPLUS Certified' and 'Efficiency Vermont Certified, Level 2.0' so that the families will live in safe environments and pay only less than \$300 to heat their home annually! (Efficiency VT confirmation).

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

One low-income working family, with an income between 30-80% AMI will be selected to purchase this home.

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

We haven't begun the application process so don't yet know whether the selected family will be at or below 50%. Our requirements are between 30 to 80% 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: NA for this project

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

The 2019 City Housing Action Plan supports the Consolidated Plan's highest priority to increase new affordable housing, especially in the Old North End /Neighborhood Revitalization Strategy Area. Our project is located in that Area so we will add another new home to that goal.

Our new project for this application is to begin building one new single family home at 225 Elmwood Avenue in Burlington in the second quarter of 2020. This home, like all of the homes we build, will be sold at the cost to build it, to a low-income working family living in substandard rental housing.

The City Housing Action Plan also includes this priority "*More focus will be placed on impact and moving people out of poverty and not numbers served*" which Green Mountain Habitat for Humanity supports and achieves. The impact of a family moving out of substandard apartments and into a perpetually affordable, safe and energy efficient home of their own is huge and includes:

- Paying less for their mortgage, homeowners insurance and property taxes than they did for rent! That fact and their lower utility bills means that the family has more to spend on food, health care, education and other important items.
- Children in a safe and stable home do better in school and behaviorally than those who are housing insecure.

In addition, our projects support the Plan's priority which states "affordable housing is a balance to economic development. In boom times, affordable housing ensures that there is housing for workers and that rising prices do not displace residents. In a troubled economy, affordable housing development is an economic engine and its subsidies ensure that low-income residents are not made

homeless.” The families Green Mountain Habitat for Humanity serves are people who work in restaurants, stores, child care, manufacturing, housekeeping, clerical and other "work force" positions and who are living in substandard apartments which means unsafe and/or overcrowded and/or more than 30% of their income is spent on rent. Of the six families for whom we are building homes currently, two families are homeless, living with family or friends, because they can't find an affordable apartment. Needless to say, there is no way that these families would qualify for a traditional mortgage nor afford to buy a home on the open market.

Lastly, we also meet the Plan's statement that "the use of affordable housing to redevelop distressed neighborhoods prevents the loss of value of the surrounding properties and encourages long-term investment by other property owners." The two homes we have already built on Elmwood Avenue both replaced homes which were so distressed that fixing them wasn't an option. We believe that the City will also feel that our 2020 home will also improve that neighborhood.

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

Our project supports the following priorities from the 2018- 2023 Consolidated Plan for Housing & Community Development:

INCREASE AFFORDABLE HOUSING OPPORTUNITIES

- Increasing the availability of affordable, permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- Assisting persons at risk of becoming homeless;
- Providing affordable housing that is accessible to job opportunities.
- The lack of affordable housing options combined with a low vacancy rate in the City continue to demonstrate that the provision of safe and decent affordable housing for our low-income residents is the most pressing need

EXPANDED ECONOMIC OPPORTUNITIES:

- Empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing.

A SUITABLE LIVING ENVIRONMENT:

- Improving the safety and livability of neighborhoods;
- Eliminating blighting influences and the deterioration of property and facilities;
- Conserving energy resources.

The homes that Green Mountain Habitat for Humanity builds are permanently affordable due to a Vermont Housing & Conservation Board clause in each deed. They are highly energy efficient with HERS ratings of 38-43 (60% better than a standard new build home), Energy Star Certified, Indoor airPLUS Certified and Efficiency Vermont Certified, Level 2.0. What does this mean for a low-income working homeowner? Annual, not monthly, heating costs between \$196 to \$267 for our Staniford Road duplex project built in Burlington last year!

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

Green Mountain Habitat for Humanity builds homes for the "working poor" who are living in substandard rental housing which means they are living unsafe and/or overcrowded and/or paying rent more than 30% of their income. The families earn between 30-80% of the median household income. Two of the six families for whom we are building homes in 2019 are homeless, living with family or friends because they were unable to find affordable apartments.

The connection between a decent, perpetually affordable, safe and energy efficient home and financial stability, better health and better educational outcomes of children is proven. The mortgages have a Vermont Housing & Conservation Board clause which requires that the home must remain perpetually affordable for the initial family and any subsequent families.

Because we build 'Energy Star Certified', 'Indoor airPLUS Certified' and 'Efficiency Vermont Certified, Level 2.0' homes, the families will live in safe environments and pay less than \$300 to heat their home annually! (Efficiency VT confirmation). The mortgage, homeowners insurance, property taxes combined are less than what the majority of our partner families were paying in rent. And the low energy costs reduce the difficult choices the families have to make with each paycheck.

Please describe the experience of the development team:

Green Mountain Habitat for Humanity has successfully built 80 homes. While we depend on volunteers to do some of the construction work, these volunteers are trained and overseen by experienced construction supervisors. Obviously, volunteers can only help with some of the building tasks so we also work with the appropriate tradespeople for foundations, plumbing, electricity, etc. Permitting and other oversight responsibilities are handled by our Executive Director, David Mullin, who has 19 years of experience supervising home building projects.

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

Please describe how the project addresses community need:

The City of Burlington’s Plan clearly defines perpetually affordable, energy efficient and safe housing, especially for low-income families, as a priority and the homes which Green Mountain Family builds share those qualities. Families who work in low-paying jobs have great difficulty finding safe and affordable apartments and can’t begin to afford a conventional mortgage for an open market house. With our unique model of having volunteers (trained and supervised by experienced builders) help to build the homes and our tenacity in searching for less than perfect land in Burlington, we are able to buy land and build homes with a perpetually affordable mortgage.

Whether we build on an empty lot, or tear down a decrepit house which isn’t worth redoing, we are helping low-income families take the step up out of poverty and to begin a more financially stable and healthy future.

Please describe how the project would impact the community:

Homeownership has been shown in many research studies, to positively impact the families as well as the communities in which they live. Benefits include:

- Children of homeowners tend to have higher levels of achievement in reading and math and lower drop-out rates.
- Homeownership equates with improved health care outcomes.
- Lower crime rates.
- Homeowners are less likely to need public assistance and their children are less likely to need assistance as adults.
- An affordable mortgage means the family can create savings and invest in education.
- Homeowners feel more connected to their community and tend to be more involved than renters.

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.

David Mullin, Executive Director



Date: November 13, 2019

Progress Report to Burlington Housing Trust for Fiscal Year 2019 Project ZEM Homes at North Avenue Co-op

The two Zero Energy Modular (ZEM) units were successfully delivered to the two lots at the North Avenue

Co-op late in September, rather than our original time frame of late May/early June. The delay in manufacturing of the shells and delivery was due to delays with the building permit, solar installation permit, mechanical permit and electrical permit all due to significant transitions in staffing in the City office.

To date, Green Mountain Habitat for Humanity has completed the siding of both units, has almost completed the porches and interior work and electrical is underway with an anticipated completion of February, 2020. We have received numerous applications for ownership of the units but have yet to find qualified applicants and we continue to communicate the availability of the two ZEMs for home ownership.

Development Budget: Allocation and sources and Uses

Project Name 225 Elmwood Ave. Burlington
 13-Nov-19

	Budget	VHCB	BHT-Pending	Tax Credits	Habitat	TOTAL
Acquisition						
Land	95,000		25,000		70,000	95,000
Purchase of Building(s)	-					-
Demolition (without replacement)	10,000				10,000	10,000
Property Appraisal	400				400	400
Legal - Title and Recording	3,200				3,200	3,200
Total Acquisition	108,600	-	25,000	-	83,600	108,600
Construction Hard Cost						
Rehabilitation/New Construction	39,700	35,000			4,700	39,700
Site work	3,500	3,000			500	3,500
Mechanical	12,000	12,000				12,000
Electrical	7,500				7,500	7,500
Construction manager	40,000			30,000	10,000	40,000
Hazardous Materials Abatement	4,000				4,000	4,000
Off-Site Improvements	-					-
Furnishings, Fixtures, & Equipment	5,000				5,000	5,000
Other	-					-
Total Construction	111,700	50,000	-	30,000	31,700	111,700
Soft Costs						
Architectural	500				500	500
Engineering	1,200				1,200	1,200
Legal/Accounting	4,000				4,000	4,000
Relocation	-					-
Environmental Assessment	-					-
Energy Assessment	-					-
Permits/Fees	5,000				5,000	5,000
Independent Market Study	-					-
Construction Period Insurance	1,500				1,500	1,500
Construction Interest	-					-
Taxes During Construction	3,500				3,500	3,500
Construction manager	40,000				40,000	40,000
Marketing	-					-
Soft Cost Contingency	-					-
Loan Fees	-					-
Other	-					-
Total Soft Costs	55,700	-	-	-	55,700	55,700
Total Development Costs	276,000	50,000	25,000	30,000	171,000	276,000