

**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 47/49 Archibald Street
AMOUNT REQUESTED \$50,000.00
ESTIMATED CONSTRUCTION START DATE October 1, 2021
ESTIMATED COMPLETION DATE April 1, 2022
TOTAL ESTIMATED PROJECT COST \$260,000.00
TOTAL NUMBER OF AFFORDABLE HOUSING UNITS 1
TOTAL ESTIMATED PROJECT COST / TOTAL NUMBER OF AFFORDABLE HOUSING UNITS (PER UNIT COST) \$260,000.00

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):

Shared Equity Housing

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. CHT has 640+ homes in its shared equity portfolio with 210 of them being located in Burlington.

47/49 Archibald Street is a duplex that has been owned by CHT since 1996. Each floor consists of an apartment and CHT has rented these homes at very low rents. While these low rents have made the homes very affordable to the tenants who have lived there, it has also meant that reserves for the property were low and property upgrades were not made. The property has been a part of a housing partnership made up of several properties all in similar condition in Burlington. The other properties all contained a larger number of apartments, however. Recently, the partnership was disbanded and the other properties were included in a new partnership that raised significant new capital to renovate those other homes. 47/49 Archibald was not included in that new partnership so that it could be converted back to a single family home (its original structure) and sold as part of the shared equity program where the demand for single family homes is very high

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 single family home, a new furnace, new

kitchen and bath fixtures, and new flooring. CHT estimates the rehab costs to be \$220,000. Including soft costs and a development fee, the total development cost will be \$260,000. CHT is applying to the BHTF for \$50,000 and to the Vermont Housing and Conservation Board for \$50,000. Post rehab, CHT will market the home at its value of \$350,000 with down payment assistance totaling \$190,000 and a net price to the buyer of \$160,000. This equates to a monthly cost of \$1,180 which is affordable to a household of 3 at 52% AMI.

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

The project will serve one household.

It is difficult to know the AMI of the buyer, as we will not market the home until after the rehab is complete. But the home is priced at what a household of three at 52% AMI can afford. And if more than one household is interested in a home once we do market it, then CHT uses a point system to determine who it will sell the home to. The household with the lowest AMI almost always wins this selection. Burlington single family homes are extremely popular and so it is very likely that the home will have more than one household interested. All of this to say, that while there is not a guarantee, CHT is very confident that the buyer will be below 80% of AMI. ~~For instance, the same situation applied when CHT applied to the BHTF for 83 LaFountain Street last year. That project is now complete, there was high demand for the home, and the buyers have an AMI of _____%~~

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

About 20% of shared equity buyers are under 50% of AMI, many of whom use the Section 8 to Homeownership program in order to purchase. The home will be affordable to households under 50% who have 4 or more members.

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 30 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:

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:

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

SP-10: Geographic Priorities

Priority 2 Neighborhood Revitalization Strategy Area.

47/49 Archibald Street is existing affordable housing in Census Tract 4 that we are proposing to preserve.

SP-25: Priority Needs

Priority 1 – AFH – Maintain or Preserve Affordable Housing;

This project will serve a low income household at 80% AMI.

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

This project will create a new permanently affordable homeownership opportunity

SP-40 Institutional Delivery System

CHT is listed as one of only two institutional delivery partners in the plan and is the owner of 47/49 Archibald Street.

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

Due to the fact that homeownership costs far exceed moderate incomes in Burlington, households at or below 80% of AMI have few homeownership opportunities. And certainly not any opportunities to buy a newly renovated 3 – 4 bedroom single family home near downtown. By being a part of CHT’s shared equity program, the home will remain affordable and provide additional opportunities to several generations of underserved households.

Please describe the experience of the development team:

The development team of Robert Leuchs, Jaclyn Marcotte, and Nancy Goodrich have renovated and sold over 200 homes in the past 12 years – including 7 similar projects in partnership with the City using NSP funds.

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 preserves a permanently affordable homeownership opportunity.

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 an affordable homeownership opportunity.

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.

Print Name

Applicant Signature

Date

Costs

Acquisition	\$	-
Rehab Costs	\$	220,000
Soft Costs	\$	20,000
Development Fee	\$	20,000
Total	\$	<u>260,000</u>

Revenues

Net Price	\$	160,000
New VHCB	\$	50,000
BHTF Funds	\$	50,000
Total	\$	<u>260,000</u>

Affordability

Sales Price	\$	350,000
VHCB Investment	\$	50,000
CHT Investment	\$	140,000
Net Price	\$	<u>160,000</u>

Mortgage	\$	718	3.50%
Taxes	\$	367	\$4,400.00
insurance	\$	50	
cht fee	\$	45	
	\$	<u>1,180</u>	

Income needed to afford \$ 42,914

AMI of HH of 3	51.83%
AMI of HH of 4	46.80%
AMI of HH of 5	43.26%