

**City of Burlington Housing Trust Fund (HTF)
Capacity Grant 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 Increase perpetually affordable home building for home ownership and repairs to existing homes in Burlington by hiring an additional paid construction supervisor
AMOUNT REQUESTED \$30,000
ESTIMATED CONSTRUCTION START DATE (FOR FEASIBILITY/PREDEVELOPMENT GRANTS)
ESTIMATED COMPLETION DATE
TOTAL ESTIMATED PROJECT COST Green Mountain Habitat for Humanity 2018 Budget is \$1,299,000 with a shortfall of \$84,000 at this time.

Is the applicant a 501(c)(3) tax-exempt, nonprofit corporation organized and operated for the purpose of creating or preserving housing for very low, low and moderate income households?

- Yes
 No

Would the requested grant support the staffing, training, planning, fundraising or on-going operations of a nonprofit corporation, thereby increasing that corporation's capacity to create or preserve housing for very low, low and moderate income households?

- Yes
 No

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

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. Specifically describe how Housing Trust Funds would: a) support your organization's ongoing operation and/or b) support the assessment of structural and financial feasibility of new affordable housing.):

We currently build perpetually affordable and energy efficient homes for low-income working families at two building lots concurrently, one managed by a volunteer construction supervisor and one managed by a paid construction supervisor. In order to increase the number of perpetually affordable homes, we need funding to hire an additional supervisor. This individual would also be the point person to supervise and administer home rehabs in Burlington, working with the CEDO office to review requests from low-income homeowners.

Please describe how the organization is currently involved in the construction of new affordable housing:

Green Mountain Habitat for Humanity constructs simple, decent, perpetually affordable and energy-efficient homes and sells them at cost and with a 0% or low interest loan to working families who:

- are at or below 60% of the median household income,
- live in unsafe and/or overcrowded and/or expensive housing,
- are unable to qualify for a conventional mortgage,
- are willing to put in 400 hours (for a couple) of sweat equity working to help build their new home attending financial and home ownership training and other relevant projects.

Community Need

The problem that Green Mountain Habitat for Humanity (GMHfH) is committed to solving is simply defined: there is not enough safe and affordable housing for low income working families in our community.

Vermont is a very expensive place to rent an apartment and ranks 5th in the U.S. as having the largest shortfall between the average renter wage and the two-bedroom housing wage (the income needed to afford a two-bedroom apartment). According to the annual "2017 Out of Reach" report from the National Low Income Housing Coalition, the average two-bedroom apartment and utilities in Chittenden County requires an hourly wage of \$26.83 an hour and \$55,806 annually. Adults who work full-time in low-wage jobs don't make enough to afford decent rental housing and certainly don't qualify to buy a home.

Low-income working families don't have many choices of where to live and are forced to either pay more than 30% of their income for rent, or to live in unsafe and/or overcrowded housing. Unfortunately, some landlords take advantage of the tight rental market and don't adequately maintain their properties. One of the families who became Habitat homeowners last year had been living in a basement apartment that flooded during heavy rains and snow melt, causing black mold under the carpeting and in their kitchen and bathroom. The landlord refused to pay for a drainage system or to make other necessary repairs. Sadly, this is only one of many stories that our Habitat homeowners have faced.

An increasing number of low-income families are operating on tighter margins, forced to choose between rent, food, healthcare, heating and other necessities, despite having one or two full-time wage earners in the family. These impossible choices are significant stressors for everyone in the family. And it's not just a financial challenge. Unsafe conditions like cold and damp housing cause respiratory and circulatory illness and children in unsafe housing are twice as likely to miss school due to illness. Children are not only impacted with poorer health but they also don't do as well in school as those who are safely housed. And the parents are stressed

with challenges including moving from one substandard apartment to another as rents increase and raising their children in unsafe and unhealthy housing.

According to the “Social Benefits of Homeownership and Stable Housing” research paper, “Homeownership boosts the educational performance of children, improves health care outcomes, lowers crime rates and lessens welfare dependency.”

In addition the Green Mountain Habitat “partner families” become part of their community and many cite a desire to help others. Habitat built homes can’t be “flipped” because there is a covenant in the deed which keeps the house perpetually affordable for future families. If families do wish to move, we buy the home back and the family leaves with the equity they paid into their mortgage as well as 25% of the appreciation in their home.

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

Green Mountain Habitat for Humanity’s mission supports several of the priorities listed in the City’s Housing Action Plan, by building perpetually affordable homes for home ownership and to provide home renovations to help low-income families remain in their home.

The specific Housing Action Plan priorities which our work supports are:

1. Support new low-income housing construction.

Green Mountain Habitat for Humanity (GMHfH) serves ONLY low-income working families, with incomes at or below 60% of the median household income of Chittenden County. And, our model of using volunteers to help construct the homes, enables us to purchase building lots and to build homes for approximately \$160,000. We then sell the home to the “partner family” **at cost**, with a perpetually affordable mortgage. We are the only entity building perpetually affordable single family homes for home ownership. Not only do the partner families spend less on their mortgage/property tax/homeowners insurance than they did on rent of a substandard apartment but they also build equity by owning their own home.

2. Prioritize affordable housing preservation.

This application to the Burlington Housing Trust would enable GMHfH to hire a construction supervisor to work with CEDO to identify low-income homeowners who need repairs done to their homes so that they can continue to live in them, such as ramps, roofs, handicapped accessible modifications. In addition, this construction supervisor would also manage whole house builds.

3. Improve home energy efficiency.

Green Mountain Habitat for Humanity is dedicated to building homes which are certified by the Energy Star Certified Homes program. We work closely with Efficiency Vermont on each home we build, from the design stage through to completion, and have done so for years. Energy costs for inefficient homes can be a huge burden to low-income families and cause them to make horrific choices between being warm and being fed. Recent GMHfH families lived in rental housing with little insulation, poor quality windows and were paying thousands of dollars each year on energy bills. Once the partner families’ purchase and move into their Green Mountain Habitat built homes they pay approximately \$100 per month for heat and electricity!

The impact to their budgets of far lower energy costs, in addition to the efficient HVAC systems we install, ensure that the family is more able to pay their bills and to be warmer and less stressed.

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

This application also supports several of the housing priorities in the City's Consolidated Plan:

1. First, the CDBG purpose around Decent Housing includes:

- Retaining the affordable housing stock
- Increasing the availability of affordable, permanent housing to low-income families

2. A Suitable Living Environment, specifically:

- Improving the livability of neighborhoods
- Eliminating blighting influences and the deterioration of property and facilities

The City's housing agenda of "preserving as many affordable units as possible; creating new affordable units; renovating owner-occupied affordable housing and promoting homeownership among income-qualified households" are a complete match with Green Mountain Habitat for Humanity's mission. We have been successfully building homes for home ownership, as well as renovating existing perpetually affordable homes, for 33 years in Chittenden County including a number in Burlington, and believe that we are well-qualified to aid the City in achieving its housing agenda. According to the current edition of the City's plan, the City is behind in promoting homeownership and preserving existing housing and, with the approval of this application, Green Mountain Habitat for Humanity can build new perpetually affordable homes as well as help existing low-income homeowners remain in their homes.

Please describe the financial need of the requested activity (include a project budget with all sources and uses):

Green Mountain Habitat for Humanity is an independent 501c3 and must raise all funding needed to operate locally. We receive NO funding from Habitat for Humanity International.

In order to devote approximately 80% of our budget to building homes, we have a very small staff of three in the office plus a seasonal construction supervisor (our second construction supervisor is a year-round volunteer!). We depend on our volunteer Board to chair committees, including finance, site selection, construction, family selection and family support.

We also rely greatly on volunteers, under the supervision of trained site supervisors, to help build our homes and to do home renovations, as well as to work at our home goods thrift store, the ReStore. Our non-profit has four revenue streams: donations, grants, monthly mortgage payments from families and net proceeds from the ReStore.

In order to add a construction site supervisor to our staff to manage this new project to build perpetually affordable home ownership units as well as to work with CEDO to undertake house revitalizations, we must include the Capacity Grant in our revenue. Without the grant we will not be able to hire the construction site supervisor.

Please see our attached draft 2018 budget.

Please describe the negative impact to the community if the request is not funded:

Very simply, if we do not receive this grant we will not be able to add a construction site supervisor to our staff and won't be able to build additional perpetually affordable homes nor will we be able to launch a home renovation program in Burlington, working with CEDO to identify low-income families needing repairs in order to remain in their homes.

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

Green Mountain Habitat for Humanity serves low-income working families who do not make enough to qualify for a conventional mortgage and who are often forced to live in unsafe and very expensive rental housing. The families we serve, earning 60% or less of the median household income in Chittenden County, do not have housing options and we hear over and over again that they “have no hope of owning a home”. They live with unsafe wiring, mold, insufficient insulation, and much worse. The health concerns, and the accompanying high stress levels, impact on everyone in the family. The parents worry about living paycheck to paycheck where, literally, an illness or a car needing repairs can cause huge strain. If the family lives in an unsafe neighborhood the children can’t safely play outside. If the apartment is cold and cramped, it’s difficult for children to do their homework and to get a good night’s sleep, causing problems at school and with their health.

Safe and affordable housing is key to a family’s health and well-being, is a predictor of childhood and health and education, and enables a family to succeed and to be part of their community. Green Mountain Habitat for Humanity is committed to solving the affordable housing crisis, one home at a time.

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

Print Name

David Miller

Signature

Date

Applicant

Todd Rawlings

From: Todd Rawlings
Sent: Monday, November 13, 2017 12:15 PM
To: 'Catherine Stevens'
Subject: RE: Green Mountain Habitat for Humanity Capacity Grant Application

Good afternoon Catherine,

This is your confirmation that I have received your proposal prior to the Housing Trust Fund ("HTF") Request for Proposals deadline. The HTF committee will be examining all proposals and we hope to have final decisions about the awards by the middle of December. I will notify you as soon as possible regarding the HTF committee's decisions regarding awards. In the meantime, I may contact you if there are questions about your proposal.

Very Best,

Todd Rawlings
CEDO Housing Program Manager
652-4209

From: Catherine Stevens [<mailto:CStevens@vermonthabitat.org>]
Sent: Thursday, November 09, 2017 7:45 AM
To: Todd Rawlings
Cc: Catherine Stevens
Subject: Green Mountain Habitat for Humanity Capacity Grant Application

Good morning, Todd.

Attached please find my Burlington Housing Trust Capacity Grant application and our draft 2018 Budget. Please let me know if we can provide additional information and thank you for your help.

Cordially,
Catherine

Catherine Stevens
Advancement Director
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