

**Burlington Housing Trust Fund
FY2017 Project Grant Application**

Agency/Organization: Committee on Temporary Shelter (COTS)

Project: Fund the creation of 14 new units of service-enriched permanently affordable housing for homeless individuals and co-location of COTS programming at 95 North Ave.

Funding Request: \$50,000

BURLINGTON HOUSING TRUST FUND

95 North Avenue Project Proposal

*Submitted by the Committee on Temporary Shelter
In partnership with Housing Vermont
September 30, 2016*

1. **Amount of funding being sought and the number of units proposed for housing projects:**
\$50,000; 14 units of housing
2. **Project/program narrative, including a detailed timeline:**

Summary:

This project, a partnership between the Committee on Temporary Shelter (COTS) and Housing Vermont, will provide service-enriched, supportive housing for individuals who are homeless or at great risk of homeless.

Background:

COTS is the largest provider of shelter and services for the homeless in Vermont. During the past year, across all of our services, we assisted nearly 2,600 people (including 835 children) through emergency shelter, outreach, prevention services, and transitional and permanent housing.

The combination of low-vacancy rates and a lack of affordable housing is a significant factor contributing to homelessness and housing instability in Chittenden County. According to the "Downtown Housing Strategy Report," released in May 2014 by the City of Burlington, a typical renter household in Burlington allocates more than 44% of their total income to housing costs. A renter household would need to work approximately 1.6 jobs to pay Fair Market Rent.

This places extraordinary pressure on low-income households whose monthly income barely keeps pace with rising utilities and rents. No one living on General Assistance or Supplemental Security Income can afford the Fair Market rate for a single-room occupancy unit or efficiency unit. In addition, with the tight rental market it is difficult for people to find housing, even if they do have housing assistance.

To help address this issue, and expand housing options for those who come to us for help, COTS has partnered with Housing Vermont to develop 14 new, perpetually affordable apartments. Housing Vermont creates permanently affordable rental housing for Vermonters through partnerships with local organizations, public agencies, and the private sector.

Project Details:

The partnership between COTS and Housing Vermont at 95 North Avenue will create 14 new units of service-enriched, permanently affordable housing for homeless individuals in the Burlington area. The project also will allow for co-location of COTS programs that will ease access to connected resources for people in crisis while allowing our programs to operate more effectively and efficiently through economy of scale.

These new apartments are a much needed resource for homeless Vermonters who otherwise would struggle to get a foothold in Burlington's expensive and extremely tight rental market. The housing will be targeted to the most vulnerable, those who have either been evicted or are in danger of eviction.

The efficiency and one-bedroom units are projected to rent between \$600 and \$700 per month. This is substantially less than the 2016 Fair Market Rent of \$923 for an efficiency and \$1,003 for a one-bedroom in the Burlington-South Burlington Metropolitan Statistical Area. The units will be located on the second floor of the building. They are a mixture of studio and one-bedroom apartments, each with its own bathroom and kitchen. A program suite in the common area includes a community living room, laundry, and storage. A full-time case manager will be on site during weekdays. The program for this housing will be modeled on the best features of our successful Canal Street Veterans Housing in Winooski.

This project also will provide a permanent new home for the Daystation and allow COTS to centralize multiple resources and programs in one space, creating an efficiency of scale for the organization. The Daystation, our daytime center for single adults, was destroyed by a catastrophic flood in July 2012. Since that time the Daystation has been in three temporary spaces and will have a permanent home at COTS' 95 North Avenue building. The new addition that will house the Daystation is also being constructed to meet program-specific needs. Building a permanent home for the Daystation in itself will increase our organization's capacity significantly. The cost, time, and strain of having to site and outfit multiple locations, plus the stress of successive moves has been difficult on both our staff and the people we serve.

The newly rebuilt Daystation will be located on the first floor, along with COTS Housing Resource Center and case management teams for families and for single adults. Co-locating essential services in one area will reduce the pressure on the people we serve and increase staff efficiency and productivity.

Finally, completion of this project will significantly reduce annual operating and maintenance costs on this building, constructed in 1893, through modernization and energy-efficiency upgrades. We estimate the savings to be in the tens of thousands of dollars annually. The redevelopment also will include adding an elevator to the building, making all three floors accessible and the building ADA compliant. Prior to construction, the building did not have an elevator, so only the first floor was accessible.

Timeline:

During the past year, COTS and Housing Vermont have made significant progress toward accomplishing this housing goal. In January, we held our official ground-breaking ceremony and construction began in earnest.

The project is scheduled for completion in April of 2017 with anticipated move in date for residents immediately following.

See Attachment A. for a detailed list of key project activities and their anticipated completion date.

Use of Burlington Housing Trust Funds:

As we relayed to city officials several months ago, the overall cost of the project has increased dramatically due to several unforeseen issues involving soil contamination and the structural integrity of the historic building. The cost for the project is now estimated at \$8,174,387 (see attached project budget) compared with the original estimate of \$5,697,000.

COTS has committed an additional \$1,000,000 dollars to this project than initially allocated. We also have secured additional funding sources, such as low-income housing and historic tax credits, and we have grant proposals pending with Vermont Housing Conservation Board and Vermont Community Development Program to help make up the difference. Funding from the BHTF will help close the current funding gap and will be used for overall project costs, including construction costs.

3. Description of the need to be served by the project/program:

Chittenden County has a severe shortage of affordable housing, making it one of the most difficult places in the nation for low-to moderate-income households to find homes they can afford. Burlington also has one of the nation's lowest vacancy rates (less than 2 percent), which contributes to our affordable housing crisis. The 2016 Fair Market Rent for an efficiency apartment in the Burlington area is \$923 per month. To afford that, without paying more than the recommended 30 percent of their income on housing, renters must make \$37,000 annually (or \$17.78 an hour) – far beyond the grasp of many individuals. Typical renter households in Burlington allocate more than 44 percent of their total income to housing costs, according to the "Burlington Downtown Housing Strategy Report" (2014).

With such a large portion of their salary dedicated to housing, households have little or no savings in case of an emergency or change in employment status. The most common reasons people become homeless are loss of job/cut in hours or unexpected expenses, such as car repairs or medical bills.

4. Organizational budget:

See Attachment B.

5. Project budget, including a line item breakdown of sources and uses (only if project funding is sought); indicate which sources are already committed and which are pending.:

See Attachment C.

6. Plan for long-term affordability (only if project funding is sought):

COTS has a 34-year track record of providing affordable housing for Vermonters with extremely low incomes. We are committed to ensuring that residents of our permanent and transitional housing units can afford this housing and we charge much less than the Fair Market Rent as determined by HUD. For example, at the Wilson an efficiency unit rents for \$525 a month, less than half of the HUD Fair Market Rent for an efficiency unit in the Burlington area. COTS utilizes a combination of public contributions, private foundations, subsidies, and project-based vouchers to ensure that our housing remains affordable for those with extremely limited incomes.

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	Concrete Footings and Walls	23 days	Thu 5/12/16	Fri 6/10/16		
2	Ireland Parking Lot Work to Base Coat	22 days	Wed 6/1/16	Thu 6/30/16		
3	Under Slab Electrical	2 days	Wed 6/8/16	Thu 6/9/16	1FS-3 days	
4	Under Slab Plumbing	5 days	Tue 6/14/16	Mon 6/20/16	1FS+1 day	
5	Concrete Slab Prep and Pour	3 days	Tue 6/21/16	Thu 6/23/16	4	
6	Slab Wet Cure	4 days	Fri 6/24/16	Wed 6/29/16	5	
7	Elevator Shaft	9 days	Thu 6/30/16	Tue 7/12/16	6	
8	Wall Layout	5 days	Thu 6/30/16	Wed 7/6/16	6	
9	Framing New Addition	25 days	Wed 7/13/16	Tue 8/16/16	7	
10	Plumbing/ Rough Ins	37 days	Wed 7/27/16	Thu 9/15/16	9FS-15 days	
11	Sprinkler Rough Ins	30 days	Wed 7/27/16	Tue 9/6/16	9FS-15 days	
12	Roofing - New and Existing	10 days	Wed 8/17/16	Tue 8/30/16	9	
13	Balance of Windows and Exterior Finish Package	38 days	Wed 8/17/16	Fri 10/7/16	9	
14	Electrical Rough Ins	15 days	Fri 8/26/16	Thu 9/15/16	12FS-3 days	
15	Depot Curbs, No Ave Curb/Sidewalk, Remove Jersey Barriers	10 days	Mon 9/12/16	Fri 9/23/16		
16	Rough Inspections (Walls and Ceilings)	1 day	Fri 9/16/16	Fri 9/16/16	14	
17	Insulate Floor Decks/Rim Joists	5 days	Mon 9/19/16	Fri 9/23/16	16	
18	Sheetrock Floor Decks and Ceilings	20 days	Thu 9/22/16	Wed 10/19/16	17FS-2 days	
19	Exterior Painling	20 days	Mon 9/26/16	Fri 10/21/16	13FS-10 days	
20	Insulation and Spray Foam Walls	10 days	Wed 9/28/16	Tue 10/11/16		
21	Balance of Shevork (Not Including Final Pavement)	25 days	Wed 10/5/16	Tue 11/8/16	15FS+6 days	
22	Tape Floor Decks	15 days	Thu 10/6/16	Wed 10/26/16	18FS-10 days	
23	HVAC Duct Rough In	50 days	Thu 10/13/16	Mon 12/26/16	22FS-10 days	
24	Interior Welded Frames	5 days	Wed 10/19/16	Wed 10/26/16	26SF-8 days	
25	Sheetrock Walls	38 days	Thu 10/27/16	Mon 12/19/16	23SS+10 days	
26	Elevator Installation	21 days	Mon 11/7/16	Fri 11/17/16		
27	Taping	35 days	Tue 11/22/16	Mon 1/9/17	25FS-20 days	
28	Interior Primer and 1st Coat	25 days	Tue 12/13/16	Mon 1/16/17	27SS+15 days	
29	KD Frames	7 days	Tue 12/20/16	Wed 12/28/16	25	
30	ACT	15 days	Tue 12/27/16	Mon 1/16/17	28SS+10 days	
31	Electrical/Mechanical Finishes	30 days	Tue 1/3/17	Mon 2/13/17	30SS+5 days	
32	Flooring	25 days	Tue 1/3/17	Mon 2/6/17	30SS+6 days	
33	Casework and Trim/Doors and Hardware	20 days	Tue 1/17/17	Mon 2/13/17	32SS+10 days	
34	Finish Paint	15 days	Tue 1/31/17	Mon 2/20/17	33FS-10 days	
35	Final Finishes, Appliances, Shevling and Misc Items	10 days	Tue 2/21/17	Mon 3/6/17	34	
36	Testing and Balancing	5 days	Tue 2/21/17	Mon 2/27/17	34	

Project Schedule Revision - 8.11.16
Date: Tue 8/30/16

PL 8.30.16

Task

Split

Progress

 Milestone

 Summary

 Project Summary

 External Tasks

 External Milestone

 Deadline

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names	T	F	S	S	M	T	W	T	Nov 22, '15
37	Final Inspections	3 days	Tue 2/28/17	Thu 3/2/17	36										
38	Punch List	5 days	Tue 3/7/17	Mon 3/13/17	35										
39	Owner Occupancy	1 day	Tue 3/14/17	Tue 3/14/17	38										
40															
41	Spring - landscaping and final coat of pavement	10 days	Mon 5/22/17	Fri 6/2/17											



Project: Schedule Revision - 8.11.16
Date: Tue 8/30/16

Task
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External Tasks
External Milestone
Deadline

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COTS 2015-16 Budget Worksheet

	TOTAL FY 16 Budget
REVENUE	
UNITED WAY	
UNITED WAY: Chittenden County	126,249
UNITED WAY: Other	-
Total UNITED WAY	126,249
GENERAL PUBLIC SUPPORT	
Cookies	8,862
Bequests/Planned Gifts	5,000
Corporations	90,000
Foundation Grants	535,000
Stock Gifts	36,000
General Contributions	220,000
Holiday	25,000
Mailings	214,000
Other Special Events	56,500
Phonathon	187,000
Prospecting	17,000
Walkathon	197,000
Total GENERAL PUBLIC SUPPORT	1,591,362
FEDERAL GRANTS	
Advocacy	48,910
ANFC	52,000
CDBG	8,256
ESGP	-
FEMA	8,000
PEER	62,000
SSVF	-
Reach Up (PATH)	119,917
Total FEDERAL GRANTS	299,083
STATE GRANTS	
CHG (Formerly HRF)	-
Family Supportive Housing	183,334
ESGP	-
HOP	388,273
ESD WamSltr	28,598
Reach Up (PATH)	152,623
State Veterans Grant	-

Vt Education	14,478
Total STATE GRANTS	767,306
MUNICIPALITIES	
BHTF	12,500
Local, Cities and Towns	16,500
Total MUNICIPALITIES	29,000
Total Fundraising	2,813,000
OTHER	
Grant Subrecipients	(74,000)
VT Children's Trust	12,134
Veterans Per Diem Fees	237,000
Program Revenue	33,400
Pay It Forward FSH Allowance	(27,750)
Donated Svc Revenue	-
Interest/Investment Income	65,000
Total OTHER	245,784
RENTAL INCOME AND REIMBURSEMENTS	
Rent - 95 North Ave	-
Tenants Rental Income	353,400
HAP Pmts for Tenants	-
Miscellaneous Income	11,600
Less Rent Subsidized by COTS	-
Total Rent/Reimb	365,000
Donated Equip & Svcs	-
Deferred Grants	-
Carry Forward Fund	107,791
Total REVENUE	3,531,575
<u>EXPENSE</u>	
PERSONNEL	
Salaries and Wages	1,905,745
FICA	142,550
SUI	10,803
Life & Disability Insurance	13,446
Medical Insurance	109,850
Transition Contingency	-
Dental Insurance	12,610
Workers Comp	23,178

Section 125 Benefit	-
Employee Health & Dental Cont	-
403b Contributions	37,940
Employee Plan Management	5,054
EAP and COSTCO	4,665
Total PERSONNEL	2,265,841
OTHER OPERATING	
Operating Lease Canal Street	138,156
Furnishings	5,000
Infestation avoidance	17,695
Maintenance & Repair	145,680
Capital Obligation	60,000
Maintenance & Cleaning Supplies	37,328
Property Management Fee	57,300
Americorp/Vista	30,416
Rent	44,917
Life Safety & Security	12,930
Insurance	41,342
Property Tax/PILOT	6,434
Utilities	110,000
Telephone	14,846
Contract Janitorial	28,200
Contract Labor	37,551
Technology Supplies & Equipment	31,731
IT & Network Support	50,692
HMS Beidge	10,000
Office Supplies & Services	11,800
Printing & Reproduction	26,783
Postage	14,234
Dues & Subscriptions	3,988
Development Event Expenses	20,000
Volunteer Expense	427
Hiring & HR	7,005
Kudos	4,000
Travel	2,250
Interest Expense	5,678
Training & Development	4,000
Board Expenses	2,595
Legal & Professional Fees	8,000
Accounting, Audit & Banking	51,344
Miscellaneous	2,000
Donated Service Expense	-
Total OTHER OPERATING	1,044,321
CLIENT SUPPLIES/ACTIVITIES	
Client: Early Education Initiative (E	3,696

Attachment B.

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Client: Meals	4,191
Client Prevention	100,000
Client Rehousing	30,650
Client Telephone & Utilities	11,441
Client: Translation Services	2,350
Client Transportation	5,569
Client Rent	53,334
Client Supplies/Activities	10,181
Misc. Client	-
Total CLIENT SUPPLIES/ACTIVITIES	221,412
TOTAL EXPENSES	3,531,573
NET ORDINARY INCOME	-

K. Beyer SENT TO QHCB 9/1/16

Project Name:	95 North Avenue LP	DATE:	12.7.15	
Housing Vermont Contact:	Kathy Beyer	ORIG. DRAFT:		
Telephone/Fax:	802-863-8424/802-660-9034			
E-Mail/Web:	kbever@hvt.org www.hvt.org			
File Name:				
PROJECT SUMMARY		PRO FORMA ASSUMPTIONS		
Total Units:	14	Vacancy Rate:	5.00%	
Unrestricted Units:	0	Investment Rate	2.5%	
Restricted Units:	14	Appreciation:	3.0%	
Project-wide Applicable Fraction	100.00%	Partner's Tax Rate:	35%	
Avg Net Monthly Rent:	650	Partner's Capital Gain Tax Rate:	20%	
Monthly Operating Cost	622	LIHTC Acq.	3.20%	
N.O.I.	24,689	LIHTC Constr.	9.00%	
Debt Service	0	Proposed Return, IRR		
Annual Replacement Reserve	8,400	Income increase:	1.5%	
LIHTC Alloc.Possible/Assumed	455,580	344,750	Expense increase:	3.00%
RITC	172,736	Fed. Hist.Tax Credit? (1=Yes)	0	
Total Cost	8,174,387	VT. Hist. Tax Credit? (1=Yes)	0	
Cost Housing Per Unit	236,328	High Cost Area? (1=Yes)	1	
Syndication: Gross/Net	3,192,717	3,192,717	Acquis. Credit? (1=Yes)	1
LIHTC Efficiency	88.0%	Rehab. w/Bonds (1=Yes)	0	
PRO FORMA SUMMARY		Yr 1	Yr 15	
Tot. Amortizing Debt		0	0	
Annual Cash Flow		16,289	-26,947	
Operating Reserves		76,406	51,492	
DCR		NA	NA	
SOURCES OF FUNDS				
	Amount	% of Total	Per Unit	
Equity - Total	3,192,717	39%		
Addit COTS Fundraising	700,000	9%	Interest Term	
VHCB- G. F. Loan	470,000 *	6%	0.00% 30	
HOME - Loan	250,000	3%	0.00% 30	
COTS--95 North Note	216,000	3%	0.00% 17	
VCDP	625,000 *	8%	0.00% 30	
COTS Fundraising--GP Equity	1,469,945	18%	0.00% 30	
AHP Direct	400,000	5%	0% 30	
City Housing Trust Fund	150,000 †	2%	0% 30	
VED & VT Gas	29,310	0%	0% 30	
COTS Loan Parking Note	165,000	2%	0% 17	
Deferred Dev Fee	358,349	4%	0% 15	
Gap	148,066	2%		
TOTAL SOURCES	8,174,387	100%		
USES OF FUNDS				
	Budget	Cost	Per Sq.Ft.	
ACQUISITION				
Acquisition/Land	347,790	14.52		
Acquisition/Buildings	765,600	31.95		
Parking Lot easement	165,000	6.89		
Title Insurance/Recording	8,842	0.37		
Appraisals	0	0.00		
Demolition	0	0.00		
TOTAL ACQUISITION	1,287,232	53.73		
CONSTRUCTION				
Construction - Resid.	4,809,102	158.95		
Constr--Day Station	1,536,083	166.13		
Constr--Office	847,800	173.02		
GC/Demo/Site work	835,964	34.89		
Environment Ass. & asbes abatement	90,750	3.79		
Appliances	7,700	0.32		
Clerk	0	0.00		
Structural improvements	0	0.00		
Arch./Engin/Estimating	337,909	14.10		
Conting@	591,155	24.67		
TOTAL CONSTRUCTION	5,836,616	243.61		
SOFT COSTS				
Legal/Accounting	55,560	2.32		
Permits/Fees	65,154	2.72		
Addl. Insurance/Taxes	57,200	2.39		
Construction Loan Interest	113,063	4.72		
Lease up reserve	15,000	0.63		
Loan/Lender Fees, Survey	35,000	1.46		
Operating Reserve	58,651	2.45		
HP/Archeol. Consultant	13,400	0.56		
Tax Credit Applications/CDBG	12,850	0.54		
Soft Cost Contingency	4,661	0.19		
Development Fee - COTS	310,000	12.94		
Development Fee - HV	310,000	12.94		
TOTAL SOFT COSTS	1,050,539	43.85		
TOTAL USES OF FUNDS	8,174,387	341.18		

*\$50K each,
PENDING