

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

Agency/Organization: Green Mountain Habitat for Humanity

Project: Purchase land and build a perpetually affordable duplex on Staniford Rd in Burlington, creating two affordable permanent homes for families that would not qualify for conventional mortgages.

Funding Request: \$50,000



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Proposal to the Burlington Housing Trust Fund:

Build Perpetually Affordable and Energy Efficient Homes for Low-Income Working Families on Staniford Road in Burlington

Proposal Summary

Green Mountain Habitat for Humanity is building a duplex on Staniford Road in Burlington and requests \$25,000 for each of the two homes from the Burlington Housing Trust Fund. This grant of \$50,000 will help make it possible for us to purchase land and build a perpetually affordable duplex for two low-income working families in Burlington. BHT funds will go towards the cost of the land as indicated in our attached budget. These units will be permanent homes, not apartments, for two families who would not qualify for conventional mortgages, and who will leave unsafe and expensive apartments behind.

Mission

Green Mountain Habitat for Humanity builds simple, perpetually-affordable houses and sells them at cost, and with no down-payment, to families who are below 60% of the median household income, who currently live in unsafe and/or overcrowded conditions, who are able to pay an affordable mortgage and who are willing to do 400 hours (200 hours for a single parent) of sweat equity helping to build their homes.

How We Build Homes for Families in Need

Green Mountain Habitat for Humanity (GMHfH) was founded in 1984 by a group of volunteers who were concerned about the rising cost of housing in Chittenden County and the poor condition of the area's rental properties. GMHfH has made the dream of homeownership possible for local low-income working families by building 70 homes to date, offering a "hand up" rather than a "hand out". We build simple, decent and energy-efficient homes, with no down payment and a 0% or low interest mortgage based on the cost to build the home. Our goal is to build more homes each year because the need for affordable housing, especially for low-income working families, continues to grow.

In order to devote most of our budget to building homes, we have a very small staff of three and we depend on our volunteer Board to chair committees, including finance, site selection, construction, family selection and family support.

We also rely greatly on volunteer labor, under the supervision of trained site supervisors, to build our homes as well as to work at the GMHfH ReStore, a home goods thrift store. We are able to purchase a

building lot and to build a 3-bedroom, energy-efficient home, for an average cost of \$140,000, with a market value of twice that. No one can build houses as affordably as GMHfH can, and our homes are Energy Star Certified by Efficiency Vermont which results in lower monthly energy costs for the family.

Community Need

More than half of the renters in Chittenden County lack affordable housing, partly because of the current 1% rental vacancy rate. This shortage of rental properties unfortunately means that some landlords don't adequately maintain their properties because of the lack of competition for renters. As a result, many low-income families live in apartments with unsafe electrical and plumbing services, mold, vermin, poor insulation and high energy bills. Our newest partner family lived in a 45-year old trailer which had mold, rodents and little insulation.

As rents increase, or the rental properties are sold, families often have to move. This is extremely unsettling, especially for children who change schools, move away from friends, and move from one substandard home to another.

The median cost of a Chittenden County home in the first half of 2016 was \$278,000, far out of reach of low-income working families. The lack of a down payment is a major hurdle preventing the "working poor" from owning their own home, in addition to not meeting the income requirements of commercial lenders. These families just can't make the first step up the homeownership ladder because their paychecks go to rent, food, utility bills, childcare, and healthcare, leaving nothing to save for a down payment for a house. As a result, they are forced to stay in substandard rental housing, moving from unsafe apartment to unsafe apartment as rents increase, with no solution in sight. As one of our newest partner families recently said, "We had no options, we had no hope."

Who We Serve

In order to qualify for a GMHfH home, a family must have an income of less than 60% of the median income in our community, be living in substandard rental apartments, be able to afford the 0% interest mortgage payment plus property tax and insurance and be willing to put in 400 sweat equity hours helping to build their home or another home.

Financials and Budget

Please see our attached 2017 budget and the project budget showing sources and uses.

GMHfH must raise the money needed each year to build decent homes for low income families. We receive NO funding from Habitat International. As detailed in our budget, our revenue comes from individual donors and philanthropic entities; our thrift store, the Habitat ReStore in Williston; mortgage payments and any sale of our perpetually affordable homes to another low-income working family.

Project Description

Green Mountain Habitat for Humanity (GMHfH) is requesting \$25,000 per unit for a duplex, for a total of \$50,000 from the Burlington Housing Trust Fund to help make it possible for two perpetually affordable homes to be built in Burlington.

Burlington is more expensive to build in, primarily due to the cost of land. However, for many prospective homeowners, Burlington is more convenient for them to get to work. And building lots in Burlington have hook-ups to city water and sewer as well as natural gas, unlike some of the smaller towns in Chittenden County where we build.

The scope of this project will involve an empty lot where we will build a two family duplex for homeownership. Each side of the duplex will consist of three bedrooms, 1.5 baths and approximately 1,200 square feet of living space. We will be collaborating with local trade's people, schools, civic organizations and local businesses to build these homes. The property address is 68 Staniford Rd. in the New North End of Burlington, an ideal residential neighborhood. This location is within walking distance to stores, bus lines and the high school as well as elementary school. These two new homes will be some of the most energy efficient homes built in Burlington.

The demand and need in the Burlington area for this level of affordable homeownership is very high. With the support of the Burlington Housing Trust we can build two perpetually affordable and energy efficient homes for two families.

Plan for Long-Term Affordability

The two homes will be perpetually affordable with covenants in the deeds by Green Mountain Habitat for Humanity and by the Vermont Housing and Conservation Board.

Project Timeline

68 A & B Staniford Rd. Burlington

<u>Activity</u>	<u>Start Time</u>
Building Permits	8/15/16
Select Contractors	11/01/16
Driveway Construction	11/15/16
House Layout	4/27/17
Foundation excavation	5/02/17
Concrete work	6/01/17
Framing	6/12/17
Rough in inspection	6/30/17

Sheetrock and tape	8/15/17
Interior trims and paint	8/30/17
Home occupancy	11/30/17

Request

Green Mountain Habitat for Humanity is very excited to be building homes again in Burlington, after building in other towns in Chittenden County the last six years.

When families are able to become homeowners of a simple, decent house, they receive the strength, stability and independence to create a better life for themselves and their families. Green Mountain Habitat for Humanity provides a long-term solution, rather than a short-term “hand out”, to meet the need for more affordable housing in Chittenden County, one Habitat home at a time. We hope that the Burlington Housing Trust will partner with us in this mission. Thank you for your consideration.

Development Budget: Allocation of Sources

Project Name 68 A-B Staniford Rd. Burlington
 12-Sep-16

	Budget	VHCB	HT-Pendin	Debt	Other	TOTAL
Acquisition						
Land	149,500	35,000	50,000	64,500		149,500
Purchase of Building(s)						-
Demolition (without replacement)						-
Property Appraisal	400			400		400
Legal - Title and Recording	500			500		500
Total Acquisition	150,400	35,000	50,000	65,400	-	150,400
Construction Hard Cost						
Rehabilitation/New Construction	115,875			115,875		115,875
Sitework	32,000			32,000		32,000
Commercial Space Costs (if any)	-					-
Construction Contingency	3,000			3,000		3,000
Construction Management	-					-
Hazardous Materials Abatement	-					-
Off-Site Improvements	-					-
Furnishings, Fixtures, & Equipment	12,000			12,000		12,000
Other						-
Total Construction	162,875	-	-	162,875	-	162,875
Soft Costs						
Architectural	100			100		100
Engineering	400			400		400
Legal/Accounting	1,200			1,200		1,200
Relocation	-					-
Environmental Assessment	-					-
Energy Assessment	-					-
Permits/Fees	4,000			4,000		4,000
Independent Market Study	-					-
Construction Period Insurance	250			250		250

Construction Interest	-	-	-	-	-
Taxes During Construction	650	650	-	-	650
Clerk of the Works	125	125	-	-	125
Marketing	-	-	-	-	-
Soft Cost Contingency	-	-	-	-	-
Loan Fees	-	-	-	-	-
Other	-	-	-	-	-
Total Soft Costs	6,725	6,725	-	-	6,725

Developer's Fees					
Developer's Fees	10,000	10,000	-	-	10,000
Development Consultant Fees					
Total Developer's Fees	10,000	10,000	-	-	10,000

TOTAL DEVELOPMENT COSTS	330,000	35,000	50,000	-	330,000
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Capitalized Operating Reserves					
Working Capital					
Rent-up (Deficit Escrow) Reserve					
Other Operating Reserves					
Sinking Fund					
Replacement Reserves					
Total Operating Reserves	-	-	-	-	-

TOTAL PROJECT COST	330,000	35,000	50,000	-	330,000
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Green Mountain Habitat for Humanity 2017 Budget

Revenue

Donations	\$ 120,000.00
Mortgage payments	\$ 174,600.00
Grants	\$ 127,400.00
Restore dividends	\$ 220,000.00
Home sales -out of portfolio	\$ 275,000.00
Total revenue	\$ 917,000.00

Expenses

Payroll	\$ 165,000.00
Operating expense	\$ 120,500.00
Loan payments and interest payments	\$ 71,500.00
212 Elmwood avenue build	\$ 150,000.00
57 Park street build	\$ 225,000.00
Cottage house build	\$ 35,000.00
New land expense	\$ 150,000.00
Total Expenses	\$ 917,000.00

Net income	\$ -
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