



**Vermont Housing &
Conservation Board**

**149 State Street, Montpelier, Vermont 05602
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**AFFORDABLE HOUSING DEVELOPMENT APPLICATION
Habitat / Vocational Education Program Funding
(revised September, 2004)**

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I. GENERAL INFORMATION FOR APPLICANTS SEEKING VHCB FUNDS FOR HABITAT/VOCATIONAL EDUCATION PROGRAM HOMES

Habitat/Vocational Education Program funds will be available on a first-come, first-served basis, as funding is available. Prior to submission of an application, grantees must inform VHCB staff of intent to submit an application and a site visit will be undertaken.

The following criteria shall be satisfied as part of the application process:

- The applicant must demonstrate its ability to complete the project. The organization must have built at least one home during the past two years, or apply in partnership with a non-profit developer with a track record.
- The applicant must demonstrate site control (with a Purchase & Sale or an Option) and the feasibility of the project.
- VHCB staff must conduct a site visit as part of the review process.
- The applicant must substantiate the purchase price of the land by an appraisal or other method acceptable to VHCB. The Board will not fund projects in which the purchase price of a property exceeds the appraised value except under extremely special circumstances. The appraisal should be ordered by the prospective purchaser and must be acceptable to VHCB staff.
- The applicant must demonstrate its ability to meet long-term stewardship responsibilities for the property.
- A set of criteria for buyer selection that meets VHCB approval must be in place, and the proposed buyer must be approved by VHCB staff.

At the discretion of VHCB housing staff, any criteria that is not satisfied as part of the application process may be expressed as a VHCB Special Condition.

In addition, please note the following information regarding the use and disbursement of these funds:

1. The maximum subsidy shall be \$20,000 per unit to subsidize the acquisition of land or other capital expenses related to the development of home. A development fee of \$5,000 per unit shall be awarded to non-profit organizations with paid staff.
2. A major portion of VHCB's award may be disbursed to assist in land acquisition, construction, and other project costs prior to the sale of the home. \$2,500 will be withheld until the initial sale of the home to insure that VHCB has an opportunity to review the Affordability Covenant and the VHCB Affordability Worksheet prior to the sale.
3. For any project that receives VHCB funding, the grant agreement will require that the Grantee submit a statement signed by the homebuyer indicating that they understand and accept the affordability restrictions.
4. For Habitat for Humanity projects an eligible household shall mean a household whose Household Income, at the date of their initial occupancy, is less than 70% of Median Income. For Vocational Education Program projects an eligible household shall mean a household whose Household Income, at the date of their initial occupancy, is less than 100% of Median Income. Before we can disburse our funds to you, we will need to ensure that your proposed buyer meets our criteria. In order to avoid any problems, please submit an affordability worksheet with actual numbers as soon as you have a potential buyer in mind, and before you make a final commitment to the buyer.
5. Applicants should not expect to receive VHCB funds sooner than 45 days after receiving the award letter. Please consult with VHCB legal staff in setting a closing date.
6. The Board reserves the right to recapture VHCB funds with a penalty if a project does not remain perpetually affordable.

7. No more than \$75,000 from this fund shall be awarded to one organization within a one-year period.
8. VHCB awards are a matter of public record. Following the Board's decision, VHCB may describe this project in a press release, identifying your organization as a contact point. Please contact Pam Boyd at 828-5075 with any suggestions regarding coverage of your project.
9. If VHCB funds your project, it is with the understanding that construction will follow the building plans you have submitted with your application unless we hear otherwise from you. If changes are made to the plans after the time of the application, we will need to review and approve the revised plans prior to construction.

VHCB staff will consider the following policies and guidelines as we review your application. All of these policies and guidelines are available on the VHCB web site, www.vhcb.org, and should be reviewed prior to submission of the application.

VHCB Housing Policies, Guidelines, Standards and Specifications

Affordable Housing Projects

New Construction Guidelines (address site choice and sprawl-related issues)

Development on Prime Agricultural Soils

Energy Policy

Homeownership policies & guidelines:

Habitat for Humanity / Vocational Education-Built School Fund

Water & Waste Water Guidelines

Buyer Cash Assets Guidelines

Resale Guidelines

Refinancing Guidelines

Default & Foreclosure Guidelines

**II. COVER SHEET
for VHCB Habitat/Vocational Education Program Application**

Project Name: _____ Date: _____

Sponsor Name: _____

Sponsor Address: _____

Telephone Number: _____ Fax: _____ E-mail: _____

Contact Person: _____

Are you working with another non-profit housing organization in the development of this project? Yes / No

If so, which organization? _____

Sponsor Status - please check all that apply:

- non-profit 501(c)(3) 501(c)(4) public entity for-profit individual limited partnership
 other _____

Project Address (street number, town/city, county, zip): _____

Units Proposed _____ Total Living Area (sq. ft) _____

Funds Requested (list all sources & specify payment terms for each source):

	<u>\$ Amount</u> <u>Requested</u>	<u>Terms</u> <u>(Deferred/Amortizing)</u>	<u>Rate</u>	<u>Grant or</u> <u>Loan</u>
VHCB	\$ _____	_____		_____
Other _____	\$ _____	_____		_____
Other _____	\$ _____	_____		_____
Other _____	\$ _____	_____		_____
TOTAL SOURCES	\$ _____			

Construction Financing Needed (state amount, term, rate) _____

Total Development Cost of Project \$ _____ (should equal sources listed above)

III. SUMMARY SHEET

Project Name: _____ Date: _____

Please provide a brief summary of the project. Limit your description to one page. Name the organizations that will be involved and describe their roles in the project. Identify all other sources of funding. State when the project will be begin and when the project will be completed. Summarize the important goals of the project.

Please include a description of the type of housing, any special populations to be served, the number of buildings and the number of units. Detail the affordability levels of projected housing units.

IV. CHECKLIST

Please submit **one original (single sided)** of the application starting with Section II. COVER SHEET and the following attachments. Faxed applications will not be accepted. Do not use report covers. Do not staple with heavy duty staples. Please staple the budget section separately from the rest of the application.

Please submit **one original (single sided)** of the following:

Please indicate below with an x items that are included with your application.

- Cover Sheet
- Summary Sheet
- Narrative: questions A-M
- Development Budgets
 - Summary
 - Allocation of Sources
 - Affordability Worksheet (use projected numbers if the proposed buyers have not yet been selected)
- Construction cost estimates – please identify the person who prepared the cost estimates and their qualifications
- Site plans
- Site location map
- Floodplain map
- Proposed building elevations and floor plans

Submit **one copy** of the following for each building included in the application.

- Appraisal for land (performed within the last six months). This is required only if you are requesting VHCB funding to go toward land acquisition and you purchased the land more than six months before submitting the application.
- Purchase and Sale Agreement
- Environmental Site Review Checklist (Attachment 1)
- Results of any tests for hazardous materials (only needed if there is a specific reason for concern)

Nonprofit applicants must submit only one copy of the following unless these documents are already on file at VHCB.

- _____ Current list of Board of Directors, addresses and affiliations
- _____ 501(c)(3) designation from the IRS for the applicant organization or sponsoring organization
- _____ Most recent audited financial statement
- _____ Bylaws
- _____ Articles of Association
- _____ Copy of most recent 990 filing
- _____ A copy of your organization's buyer selection policy
- _____ Items not checked have previously been submitted to VHCB

V. NARRATIVE QUESTIONS

Please retype each question in boldfaced type before each response. Answer only those questions that are applicable to the project.

A. ORGANIZATIONAL & DEVELOPMENT TEAM INFORMATION

1. Briefly describe the history and purpose of the applicant organization.
2. Describe the financial condition of your organization. Your comments should relate to the financial statements you have submitted.
3. Identify the person(s) who will be responsible for the following project activities and their qualifications:
 - (1) Legal issues (you must use an attorney who is licensed to practice in the state of Vermont)
 - (2) Construction planning and management (architect, engineer, building committee coordinator)
 - (3) Project and organizational financial management
 - (4) Homebuyer selection

B. PROJECT DESCRIPTION - Describe the project. Be sure to include the following:

1. Include number and type of units and buildings to be created, projected sale price, and projected income level of buyer(s). Indicate if the proposed units are part of a larger housing or community development project. If so, describe the entire project.
2. Provide a narrative summary of the construction scope of work.
3. Could any of these units be made adaptable or accessible? If not, will the project at least meet the State's visitability requirements? (The text of this law can be found at <http://www.concretechange.org/vermont.htm>)
4. How are energy efficiency principles addressed in your project? Will the project have an energy rating?
5. Submit proposed building elevations and floor plans. Please keep in mind that VHCB will need to be informed of any changes to the floor plans, prior to construction.

C. SITE INFORMATION

1. Describe the location of the site. Is it within an existing neighborhood, convenient to services, stores, and community infrastructure?
2. What is the present use of the site? Proposed use? What are its significant features?
3. Is any portion of the site in the floodplain? Contact Town Clerk or Agency of Natural Resources at 241-3770. Please submit a flood plain map and identify site location on it.
4. Are there any deed restrictions on the use of the property or impediments to clear title? Answer this question by reviewing town records or by conducting a title search.
5. If a rehabilitation project, describe the results of testing for lead paint and other toxic and hazardous materials as well as plans for abatement, if necessary. If you intend to utilize the Lead Program, please contact the staff at 828-5064 to discuss testing. The Lead Program will arrange for and pay for any testing on eligible units, assuming funds to do so are available. Otherwise, please attach results of tests for lead paint and other hazardous materials.

6. Describe the proposed water system for this project. If the project will not be connected to a public water system, explain how we can be assured that the system will provide a sufficient quantity and a satisfactory quality of water.
7. Describe the proposed waste water disposal system for this project. If the project will not be connected to a public waste water system, explain how we can be assured of the legality and long-term viability of the proposed system.
8. Submit site plans indicating zoning, planned housing sites, open space, significant natural resource features, historic sites, archeological sites. (8½" x 11" format).
9. Submit a site location map clearly indicating the building location (8½" x 11" format).

D. TIMETABLE

What is the timetable proposed for development of the project? Please give dates for the following:

- closing date
- construction start date
- construction completion date
- date of initial occupancy
- any other relevant development milestones

E. PLANNING

1. Is the project in conformance with adopted or proposed local and regional plans and zoning? If yes, how? If not, what is being done to assure conformance? If applicable, how is the site zoned and what density does it allow?
2. What local and state permits are required? If applicable, where do you stand in both the local permit process and the state permit process, including but not limited to Act 250? Will you need a conditional use permit or variance? What steps or obstacles remain before you can obtain these approvals?

F. STEWARDSHIP

1. How can the Housing and Conservation Board be assured that its investment in affordable housing will be protected and its goal accomplished in the long run?
2. Please attach a sample of the document that will regulate the long-term affordability of the proposed housing.
3. Has your Board discussed and planned for ongoing stewardship responsibilities for the proposed housing? How does your group plan to encourage proper maintenance of the home?

G. APPRAISAL

Please submit a copy of an appraisal for the land that was done within the past six months.

H. PURCHASE AND SALE AGREEMENT

Attach an executed Purchase & Sale Agreement for the property. Are there any special circumstances that surround the purchase of the property? Purchase agreements must include: the purchase price, the term of the contract, and appropriate contingencies. We also recommend that purchase agreements include the following

provisions: the term can be extended, the deposit is applied to the purchase price, rights to access the property for multiple inspections.

I. BUDGETS

1. Please attach the financial projections and assumptions for the project on the following required Development Budget Forms:
 - a. Summary
 - b. Allocation of Sources
 - c. Affordability worksheet
2. Please submit construction cost estimates.

VI. Development Budget Instructions and Forms

The VHCB Development Budget Forms is a budget system for presenting your project's financial analysis with your application. Submittal of your financial analysis in this format is required.

We recognize that minor modifications may need to be made to these forms for some projects. Please call a member of the VHCB Housing staff if you need to make modifications to the budget form.

The budget forms are available by email or on disk upon request. If you don't already have the digital version of these forms, please call or e-mail Nita Hanson (828-2965 or nhanson@vhcb.org) to obtain it. The forms have been developed on the Microsoft Excel Spreadsheet Program and are compatible with a number of other spreadsheet programs. The notes below apply to these spreadsheet budget forms:

Summary Page

- cost per unit and per square foot entries are the product of information provided elsewhere on the page
- trending and vacancy rate assumptions are referenced from the Cash Flow Page
- Project Uses are referenced from the Allocation of Sources Page

Allocation of Sources Page

- all cells other than the totals and subtotals are blank
- the totals column on the right side totals the development line items; it also serves as a check on subtotals and totals on the left side
- please correct, add and delete source headings as needed

Please double check your calculations! Call Rick DeAngelis at 828-3526 with any questions.

Attachment A
ENVIRONMENTAL SITE REVIEW CHECKLIST

In completing this checklist, at a minimum, you should visit the property, check the town records, and talk to neighbors and the property owner. If you answer "yes" to one or more of questions #1-16, you should contract with an environmental engineering firm for a Level I and/or II environmental assessment.

Date of Review _____

Completed by _____

Present Owner and Address of Property _____

VHCB Applicant _____

Proposed Use of Property _____

Age of Building(s) _____

1. Does the building contain any of the following high-risk construction materials?
Asbestos _____ Lead _____ Urea formaldehyde _____ Other _____
2. Is there an on-site water supply? _____ Yes _____ No
3. What is the distance of the water source from any high risk activity sites as identified on the reverse side?
4. Is the property in a neighborhood that is/was zoned for industrial use? _____ Yes _____ No
5. Does the property show any of the following signs?

Yes	No		Yes	No	
_____	_____	absence of, or stressed vegetation	_____	_____	oil staining of soils
_____	_____	leaking tank(s)	_____	_____	junked vehicles
_____	_____	leaking septic system	_____	_____	sheen on surface waters
_____	_____	unusual colored or smelling seeps			
6. Within the property, or on adjacent property, have any of the following materials ever been stored: heating oil, gasoline, diesel, kerosene, waste oils, solvents, chemicals, other (explain)? Please describe the location of the storage unit(s), the material stored, and the condition and status.
7. Is the property within one half mile of any state or federal hazardous waste sites?
8. Has there ever been any problem with the septic system backing up or seeping out?
9. Have there ever been any chemical septic system cleaners used at this site?
10. Is there on-site discharge of wastewater to waterbodies?

11. Has there ever been any area within the property, or on adjacent property that has been used as a dumping ground for materials, including:

- automobiles industrial cleaners or solvents
- PCBs industrial, commercial, or household trash
- waste oils agricultural chemicals
- asbestos batteries
- other (explain) _____

12. SITE HISTORY: Has the property or adjacent property ever been used for any of the following "high risk" activities?

Site	Adjacent Site	Site	Adjacent Site
<input type="checkbox"/>	<input type="checkbox"/> service station	<input type="checkbox"/>	<input type="checkbox"/> battery storage
<input type="checkbox"/>	<input type="checkbox"/> industrial cleaning	<input type="checkbox"/>	<input type="checkbox"/> medical laboratories
<input type="checkbox"/>	<input type="checkbox"/> pest control	<input type="checkbox"/>	<input type="checkbox"/> septic system cleaner
<input type="checkbox"/>	<input type="checkbox"/> dry cleaners	<input type="checkbox"/>	<input type="checkbox"/> lubricant mfg/sales
<input type="checkbox"/>	<input type="checkbox"/> wood manufacturing	<input type="checkbox"/>	<input type="checkbox"/> junk/salvage yard
<input type="checkbox"/>	<input type="checkbox"/> paint removal	<input type="checkbox"/>	<input type="checkbox"/> printing
<input type="checkbox"/>	<input type="checkbox"/> hospital	<input type="checkbox"/>	<input type="checkbox"/> film/photo processing
<input type="checkbox"/>	<input type="checkbox"/> wool processing	<input type="checkbox"/>	<input type="checkbox"/> ag. supplies/operations
<input type="checkbox"/>	<input type="checkbox"/> testing laboratories	<input type="checkbox"/>	<input type="checkbox"/> paper processing
<input type="checkbox"/>	<input type="checkbox"/> plastics	<input type="checkbox"/>	<input type="checkbox"/> chemical/solvent use
<input type="checkbox"/>	<input type="checkbox"/> metal plating	<input type="checkbox"/>	<input type="checkbox"/> roofing
<input type="checkbox"/>	<input type="checkbox"/> fuel oil dealer	<input type="checkbox"/>	<input type="checkbox"/> equipment rental
<input type="checkbox"/>	<input type="checkbox"/> adhesive and sealant production	<input type="checkbox"/>	<input type="checkbox"/> waste disposal/removal
<input type="checkbox"/>	<input type="checkbox"/> hog farming	<input type="checkbox"/>	<input type="checkbox"/> computer industry
<input type="checkbox"/>	<input type="checkbox"/> tire repair	<input type="checkbox"/>	<input type="checkbox"/> leather tanning
<input type="checkbox"/>	<input type="checkbox"/> sandblasting/stonecutting	<input type="checkbox"/>	<input type="checkbox"/> textile manufacturing
<input type="checkbox"/>	<input type="checkbox"/> automotive repair	<input type="checkbox"/>	<input type="checkbox"/> railroad
<input type="checkbox"/>	<input type="checkbox"/> electrical transformers	<input type="checkbox"/>	<input type="checkbox"/> boat yard
<input type="checkbox"/>	<input type="checkbox"/> paint or stain mfg.		

13. Do you have any other comments or remarks on this property?

14. Do you intend to have a professional phase I or II study completed?

15. Please describe the process you went through to complete this survey.