

Add It Up

white + burke
VERMONT
DEVELOPMENT
CONFERENCE

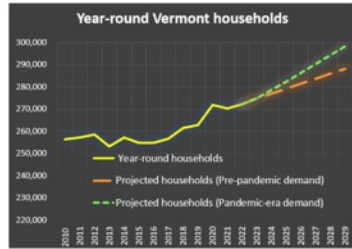
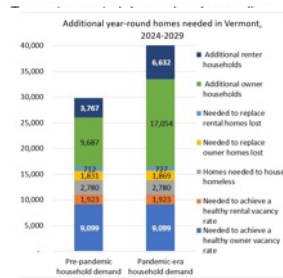
VT Development Math: Falling Behind

30,000 to 40,000 more Vermont homes needed by 2030



By: Leslie Black-Plumeau

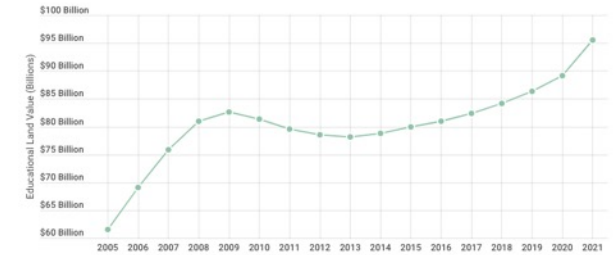
January 25, 2023



Grand List Over Time

Source: Vermont Department of Taxes Annual Report Based on Grand List data

The state total equalized education property value, shown here in billions of dollars, increased by 7.1% from 2020 to 2021. Continuing year-over-year increases indicate that Vermont's real estate market continues to recover from the downturn that began in 2008-2009, and the acceleration during the pandemic is reflective of the housing shortage that has increased real estate prices nationwide.



Vermont Futures Project & VT Dept of Taxes

Vermont Housing Finance Agency



St Louis Federal Reserve

VT Futures Project on non seasonal housing units

350,000 (goal) - 270,000 (current) = 80,000 needed

Where?

What?

Who?

How do we measure what is gained? (FIA)



Local Revenue

State Revenue

Customer Base

Housing System

Talent Supply

 Public Interest Projects, Inc. Joseph H. Edwards, CEO johedwards@piprojects.com			
	Land Consumed (Acres):	34.0	00.2
	Total Property Taxes/Acre:	\$ 6,500	\$634,000
	City Retail Taxes/Acre:	\$47,500	\$ 83,600
	Residents per Acre:	0.0	90.0
	Jobs per Acre:	5.9	73.7



URBAN3
Financially Sustainable Communities by Design

Source: Joe Minicozzi, Urban3 and Public Interest Projects, Asheville, NC

Winston Prouty

...

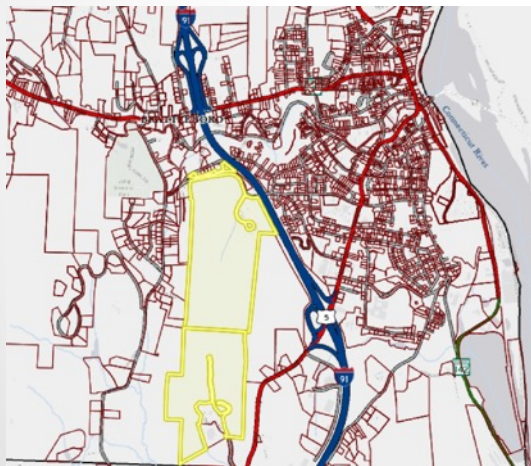
Chloe Learey, Executive Director

Brattleboro Housing Needs Assessment 2021

- Immediate need for 500+ units of housing
- 70% of the workforce in Brattleboro lives in other towns
- Increased demand from remote workers, retirees and seasonal homeowners creates an affordability gap for local residents
- Development of 'middle income' housing does not pencil out economically for private developers
- Lack of housing = constraint on attracting workforce, putting downward pressure on economic development
- **Conclusion: getting housing units online is a critical priority**



Prouty Campus





Program elements

Housing -- 300+ units

- . *Diverse housing types with a mix of ownership and rental opportunities.*
- . *Mixed income*
- . *Mixed demographics*

Recreation – trails, fields, indoor

Commercial & community space – current + new tenants



The Vision

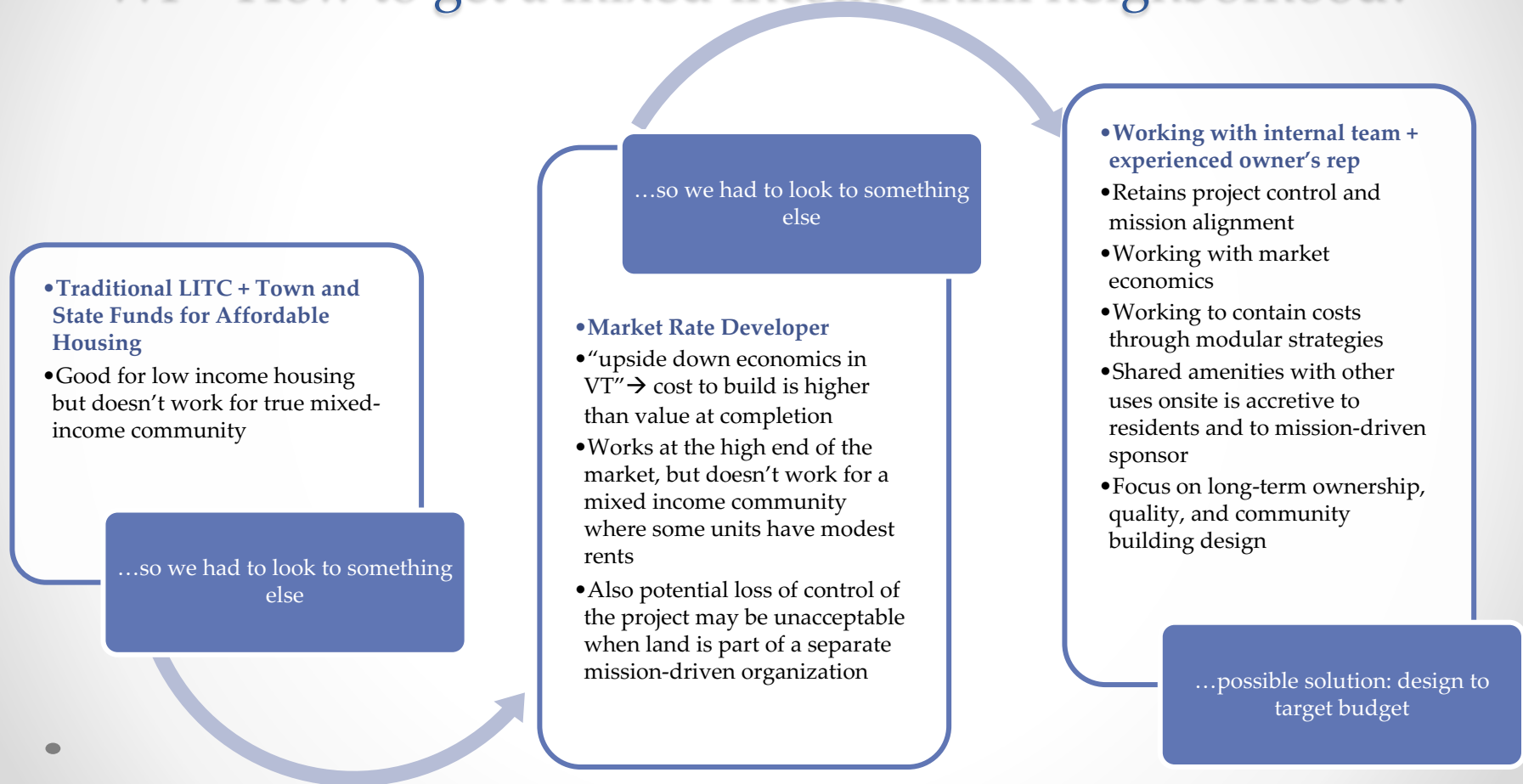


Transform and expand a treasured community asset to meet Brattleboro's existing and future needs by:

- Building an inclusive, walkable neighborhood for everyone
- Connecting Brattleboro's trails, nature and downtown
- Providing access to services, recreation, amenities, and culture
- Elevating the beauty of a unique and historic place
- Increasing Brattleboro's sustainability, diversity accessibility, economy and vibrancy!



WP - How to get a mixed-income infill neighborhood?



M&S Development

...

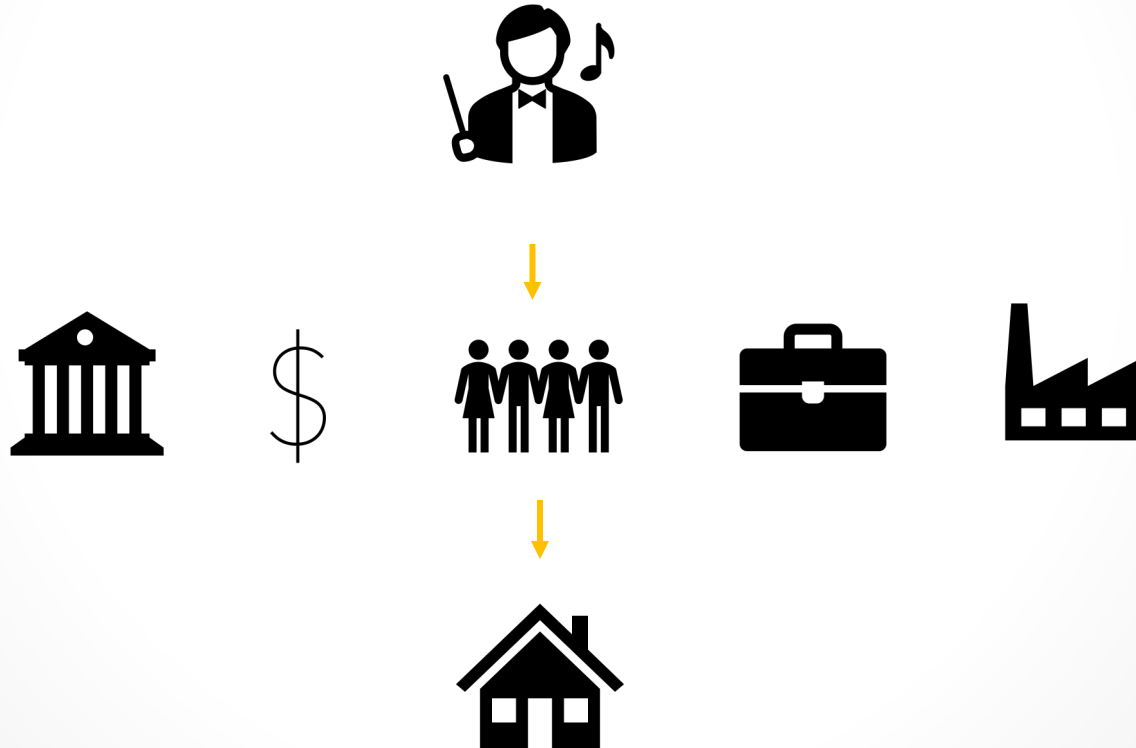
Dan Ridlehoover, Senior Manager of Project Development

Dan's Rural Redevelopment Truths

- 1) Rural redevelopment has deep-rooted challenges
- 2) Your pro forma has a gap
- 3) Alone, you are not going to overcome #1 and #2.

How to reconcile? Work backwards!

Solution 1 - Get people saying “we”



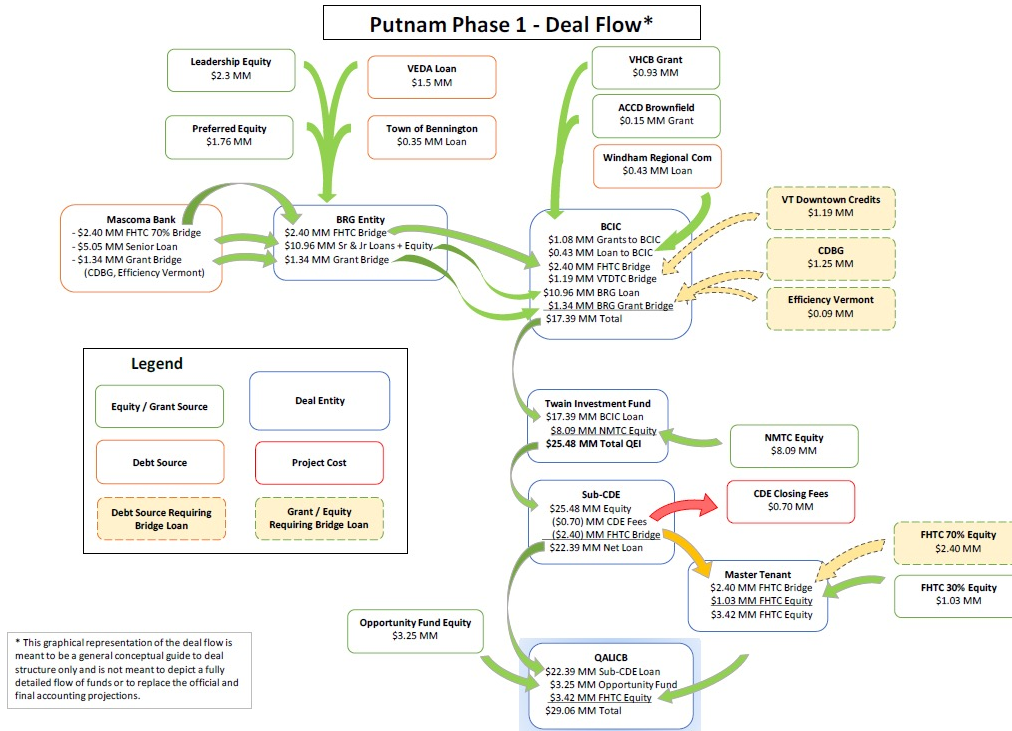
Solution 2 - Find 'free' money

Cost of
Development



Subsidizing
Funding

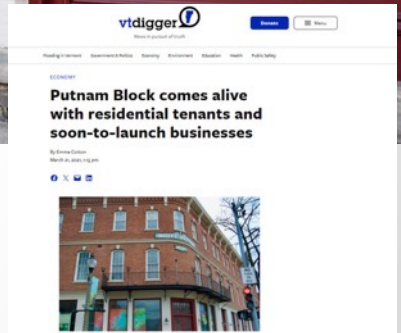
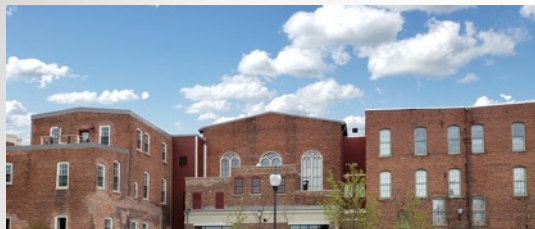
Solution 3 - Get creative



“We” all win

Mostly not
developers





Putnam Block

Brooks House



Whitaker Properties

• • •

John Dunbar, Partner & CEO

Raze or Raise?

Twin brothers look to improve the housing stock in Bellows Falls one property at a time

5 Myrtle St - Bellows Falls, VT

Originally a 3-unit

2 units habitable



Existing Conditions

- Foundation Collapse
- Dirt Basement
- Rotted Floor Joists
- Non-compliant Stairs
- Inefficient Floor Plan



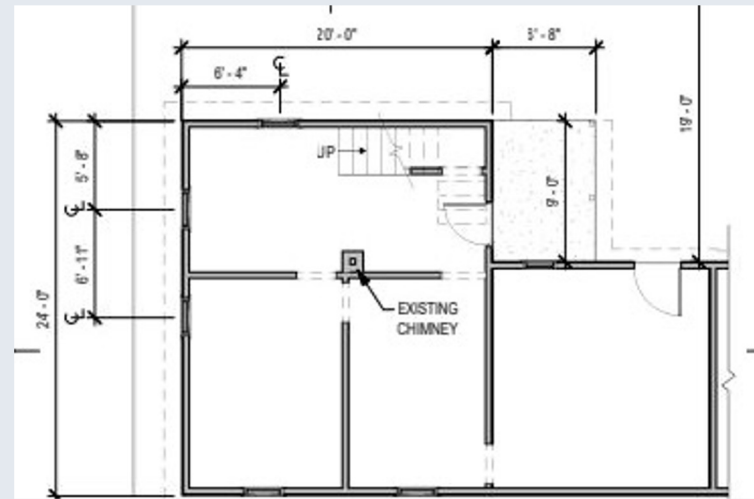
Raze it?

- Demo cost of \$40,000
- Create green space?
- Create additional parking?
- ROI?

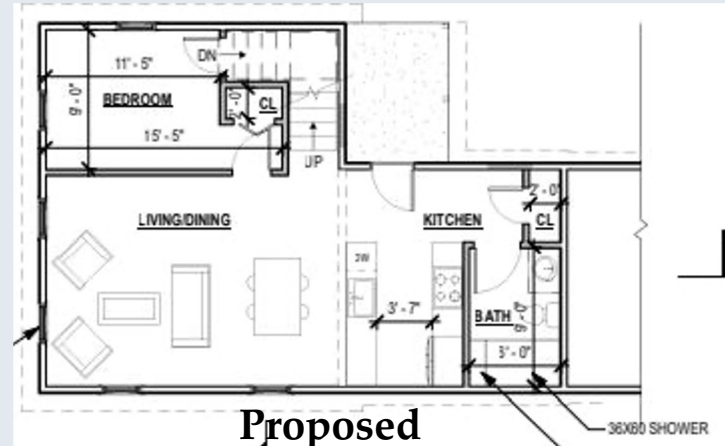


Or Raise it?

- No debt
- Invest in the future
- Raise the expectation and perception of rental housing in our town



Existing



Proposed

Before



After



Before



After



Before



After



Before



After



Does it pencil out?

TOTAL COST: \$140,000

- VHIP Grant - \$30,000
- Sweat Equity - \$20,000
- 4% Loan - \$90,000

* VHIP Grant subject to income tax (~\$4600)

Annual Income: \$11,340 (HUD limit)

Annual Expenses:

Mortgage:	\$6,540
Taxes:	\$895
Water/Sewer:	\$462
Electricity:	\$2,230
Insurance:	\$667
Trash Removal:	\$204
TOTAL:	\$11,098

NET OPERATING INCOME: \$242
Annually

ROI: 496 YEARS!

7 and 9 Myrtle St

Possibilities

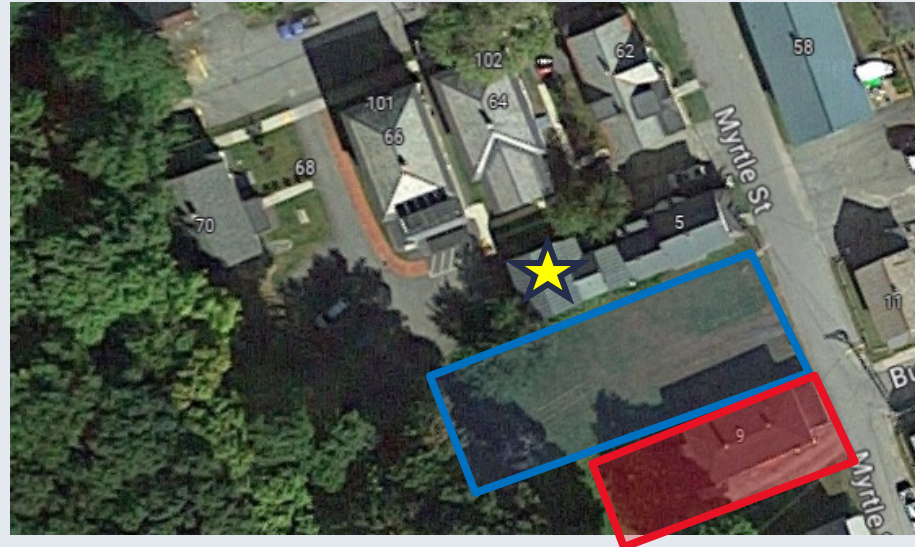
7 Myrtle (Empty Lot)

- 4 units?
- Homes for All?

9 Myrtle (Vacant Duplex)

- convert to 3 units?

Opportunity to create 10+
units where only 2 existed in
2020



Hale Resources

Zak Hale, Partner and CEO



Projects of all sizes

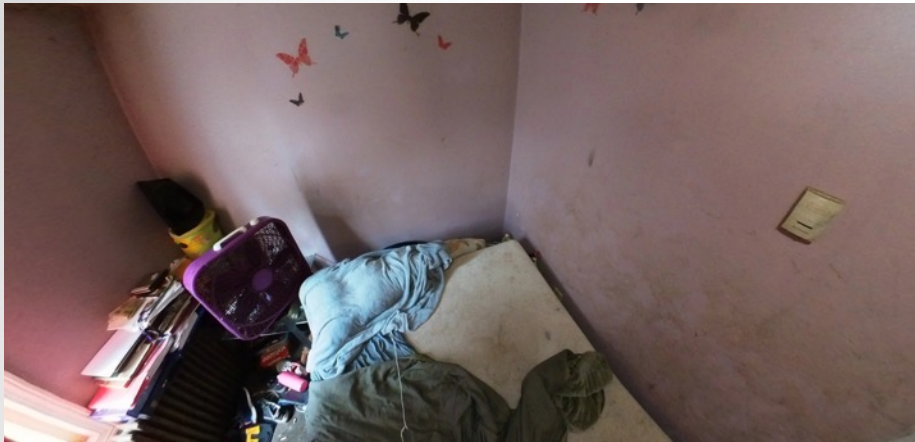
Small

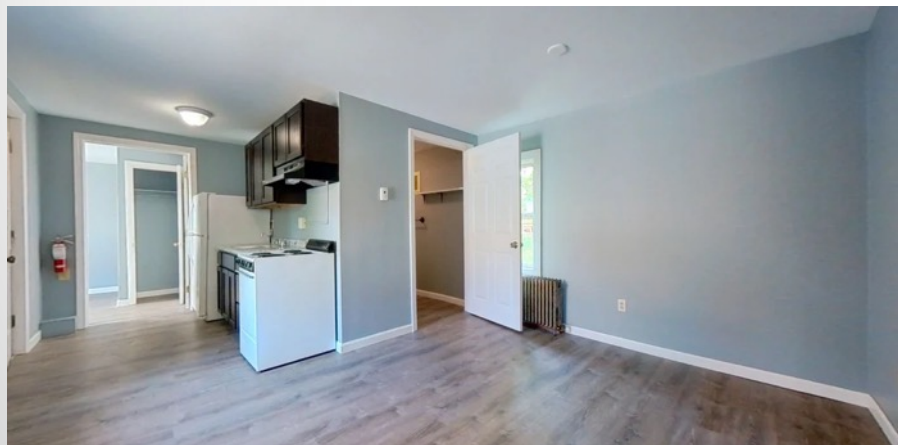
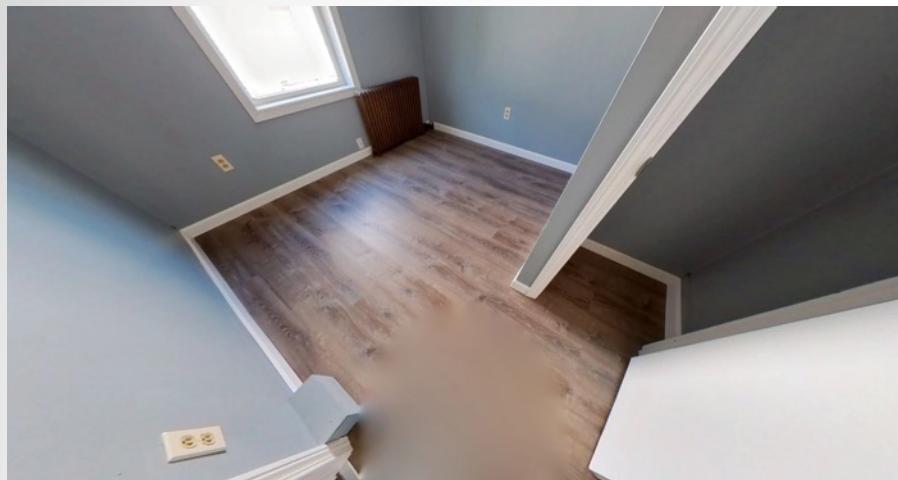
Medium

Large

Small projects 2020 – 2024

PROJECTS	TOTAL UNITS	RENOVATE	UNIT ADDED	SUBSIDY	PRIVATE	TDC
16	36	23	13	\$ 1,399,133	\$ 654,933	\$ 2,054,066
				68%	32%	\$ 57,057
				% OF TOTAL		Per Unit

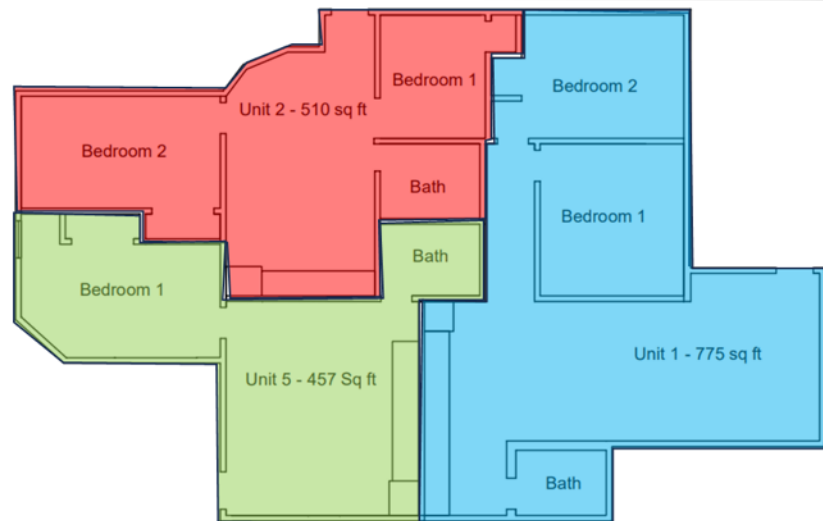
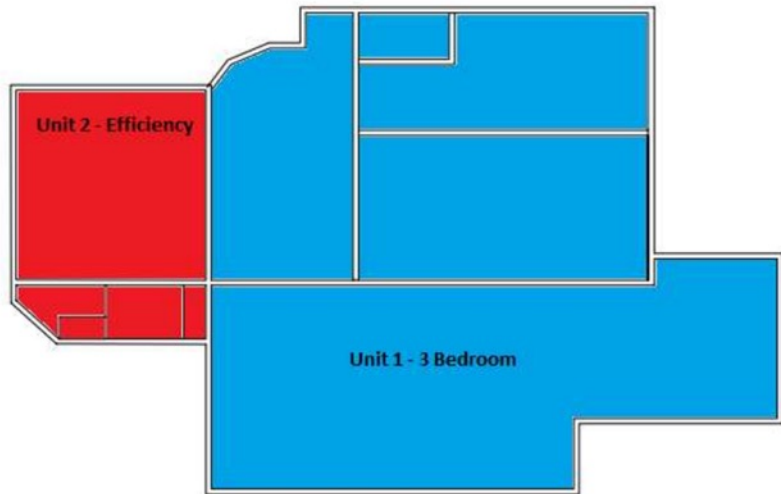


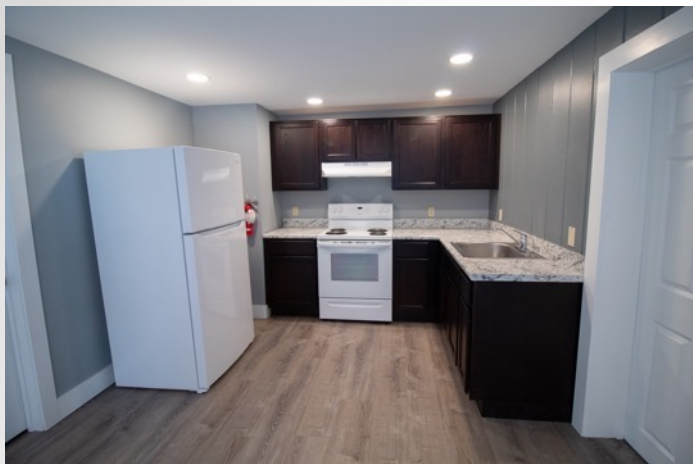


SCOPE OF WORK - 115 Gage St #3		
1	CLEANING	\$ 2,000
2	DEMO	\$ 520
3	FLOORING	\$ 3,234
4	HEATING/PLUMBING	\$ 19,696
5	INTERIOR PAINTING	\$ 2,020
6	KITCHEN	\$ 3,830
7	PUNCHLIST	\$ 1,940
8	ROOFING	\$ 2,000
9	TRIM/DOOR	\$ 2,240
10	SUPERVISING	\$ 3,748
TOTAL		\$ 41,228

SOURCES	
VHIP	\$ 30,000
PRIVATE	\$ 11,228
TOTAL	\$ 41,228



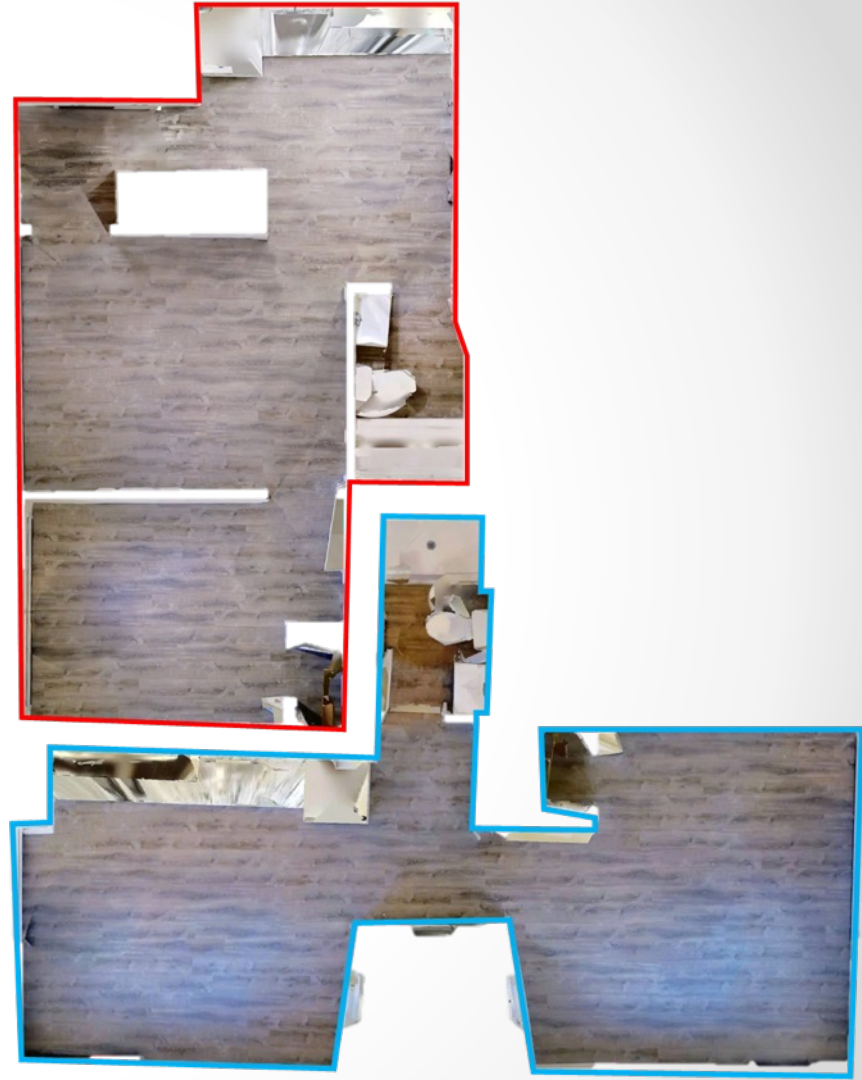




SCOPE OF WORK - 323 PLEASANT	
Demo	\$ 15,700
Electrical	\$ 36,000
Exterior/Siding	\$ 10,000
Flooring	\$ 15,700
Framing	\$ 12,400
Heating/Plumbing	\$ 40,100
Insulation	\$ 11,100
Interior Painting	\$ 12,200
Kitchen	\$ 17,700
Punch List	\$ 9,000
Sheetrock	\$ 21,800
Trim/Door	\$ 21,400
Window	\$ 3,800
Total Hard Costs	\$ 226,900.00
Contingency	\$ 22,690.00
TOTAL	\$ 249,590.00

SOURCES	
VHIP	\$ 140,000.00
HHI	\$ 30,000.00
Capstone	\$ 41,142.00
Private	\$ 38,448.00
TOTAL SOURCES	\$ 249,590.00







SCOPE OF WORK - 809 Main St		
1	CLEANING	\$ 11,146.30
2	DEMO	\$ 8,580.00
3	ELECTRICAL	\$ 25,000.00
4	EXTERIOR/SIDING	\$ 15,400.00
5	FLOORING	\$ 9,500.00
6	FRAMING	\$ 10,200.00
7	HEATING/PLUMBING	\$ 38,502.45
8	INSULATION	\$ 44,135.00
9	INTERIOR PAINTING	\$ 7,040.00
10	KITCHEN	\$ 11,480.00
11	PARKING/SIDEWALK	\$ 1,712.50
12	PUNCHLIST	\$ 4,080.00
13	ROOFING	\$ 4,000.00
14	SHEETROCK	\$ 9,000.00
15	TRIM/DOOR	\$ 7,200.00
16	WINDOW	\$ 3,096.00
17	SUPERVISING	\$ 16,805.78
SUBTOTAL		\$226,878.03
Contingency		\$ 22,687.80
Total		\$249,565.83

SOURCES	
VHIP	\$ 100,000
HHI	\$ 30,000
CAPSTONE	\$ 39,015
PRIVATE	\$ 80,551
TOTAL	\$ 249,565.83

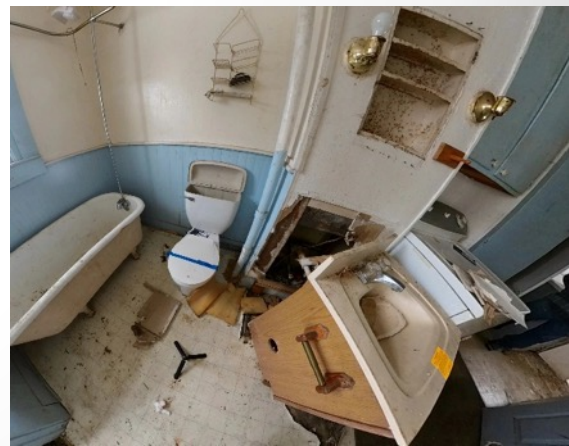
Medium projects 2020–2024

PROJECTS	TOTAL UNITS	UNIT RENO	UNIT ADDED	SUBSIDY	PRIVATE	TDC
2	16	13	3	\$ 2,174,862	\$ 693,108	\$ 2,867,970
				76%	24%	\$ 179,248
				% OF TOTAL		Per Unit









DEVELOPMENT COST	
HARD COSTS	\$ 958,870
SOFT COSTS	\$ 259,100
TOTAL DEVELOPMENT COST	\$1,217,970

PRIVATE INVESTMENT	
Private Capital	\$ 244,000
Hale In-Kind Contribution	\$ 143,000
TOTAL PRIVATE SOURCES	\$ 387,000
TOTAL OTHER SOURCES	
ACCD>DHCD>VCDP>CDBG	\$ 650,900
VHIP Funding	\$ 130,000
VHCB Lead (Pending)	\$ 15,070
WAP (Pending)	\$ 20,000
EVT & GMP Rebates (Pending)	\$ 15,000
TOTAL OTHER SOURCES	\$ 830,970
TOTAL SOURCES	\$1,217,970

Large projects 2023-2325

PROJECTS	TOTAL UNITS	UNIT RENO	UNIT ADDED	SUBSIDY	PRIVATE	TDC
1	LIHTC		17	\$ 7,008,492	\$ -	\$ 7,008,492
	NMTC		22	\$ 3,666,768	\$ 5,222,150	\$ 8,888,918
				\$10,675,260	\$ 5,222,150	\$15,897,410
	39	0	39	67%	33%	\$ 407,626
				% OF TOTAL		Per Unit



BENN HIGH - USES

CONDO #1 – LIHTC

1. HOUSING

a. 17 - Perpetually Affordable Housing Units

a.2 - <30% AMI

b.3 - <50% AMI

c. 12 - < 60% AMI

(3 targeted to homeless)

CONDO #2 – NON-LIHTC

1. HOUSING

a. 22 – NON-LIHTC UNITS

2. COMMERCIAL SPACE

a. Public Meeting Space

b. 104 Spot Childcare – *YMCA Run*

c. Office 1 - *University of VT Extension*

d. Office 2 - *The Council on Aging*

3. COMMUNITY CENTER (Leased to Town)

a. Senior Center – *TOWN Run*

b. Commercial Kitchen - *Meals on Wheels Run*

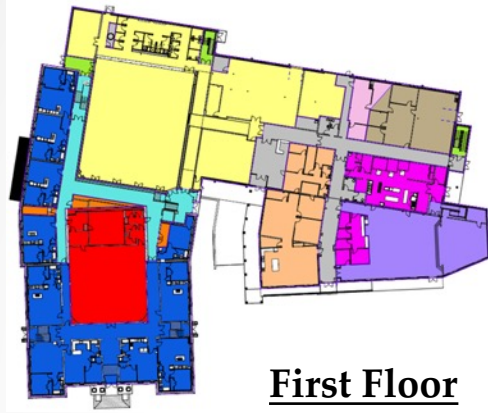
c. Gym/Locker Room – *YMCA Run*

d. Fitness Center – *YMCA Run*

FUNDING SOURCES SUMMARY

GRANTS	STATUS	CONDO #1	CONDO #2	TOTAL CONDO #1 & #2
		1A. LIHTC APTS (15)	TOTAL NON-LIHTC (NMTC ELIGABLE)	
VHCB: ARPA-SFR	Awarded	\$ 2,006,614	\$ -	\$ 2,006,614
DED: CRRP: Condo #1-LIHTC	Awarded	\$ 500,000	\$ -	\$ 500,000
DED: CRRP: Condo #2-NON-LIHTC	Applied on 4/30	\$ -	\$ 1,000,000	\$ 1,000,000
TOB: ARPA-LOCAL	Awarded	\$ -	\$ 2,250,000	\$ 2,250,000
TOB: CDBG Loan - Grant	Awarded	\$ 160,000		\$ 160,000
ACCD>DHCD>VCDP: CDBG	Awarded	\$ 386,190	\$ -	\$ 386,190
Becca Balint: FY24 Congressional Spending	Selected	\$ -	\$ 1,000,000	\$ 1,000,000
BCRC: BFR - for CAP	Awarded	\$ 9,559	\$ 35,441	\$ 45,000
GMP - Incentive	Pursuing	\$ 25,466	\$ 94,414	\$ 119,880
3E Thermal - Incentive/Rebate	Pursuing	\$ 34,000	\$ 10,000	\$ 44,000
EVT - Incentive	Pursuing	\$ -	\$ 97,904	\$ 97,904
<u>TOTAL GRANTS</u>		\$ 3,121,829	\$ 4,487,759	\$ 7,609,588
TAX CREDITS	STATUS	1A. LIHTC APTS (15)	TOTAL NON-LIHTC (NMTC ELIGABLE)	TOTAL CONDO #1 & #2
Inflation Reduction ACT - TC Equity	Pursuing	\$ 245,597	\$ 987,963	\$ 1,233,560
VHFA: LIHTC - TC Equity	Awarded	\$ 2,441,563	\$ -	\$ 2,441,563
RITC - TC Equity	Part 2 Submitted	\$ 873,502	\$ 3,018,039	\$ 3,891,542
NMTC - TC Equity	Intake Eval. 6/1 Start	\$ -	\$ 5,574,984	\$ 5,574,984
VDTC - State TC Equity	Awarded	\$ -	\$ 160,000	\$ 160,000
<u>TOTAL TAX CREDITS</u>		\$ 3,560,663	\$ 9,740,986	\$ 13,301,649
DEBT/PRIVATE EQUITY	STATUS	1A. LIHTC APTS (15)	TOTAL NON-LIHTC (NMTC ELIGABLE)	TOTAL CONDO #1 & #2
Private Investment Capital	Committed	\$ 1,000	\$ 715,787	\$ 716,787
VHFA Permanent Debt	Awarded	\$ 325,000	\$ -	\$ 325,000
Differed Developer Fee	Committed	\$ -		
Debt 1	Waiting to Apply		\$ 4,506,363	\$ 4,506,363
Debt 2	Waiting to Apply		\$ 4,790,591	\$ 4,790,591
<u>TOTAL PRIVATE EQUITY</u>		\$ 326,000	\$ 10,012,741	\$ 10,338,741
TOTAL FUNDING ALL SOURCES		\$ 7,008,492	\$ 24,241,486	\$ 31,249,977

AREA PLAN



First Floor



Ground
Floor



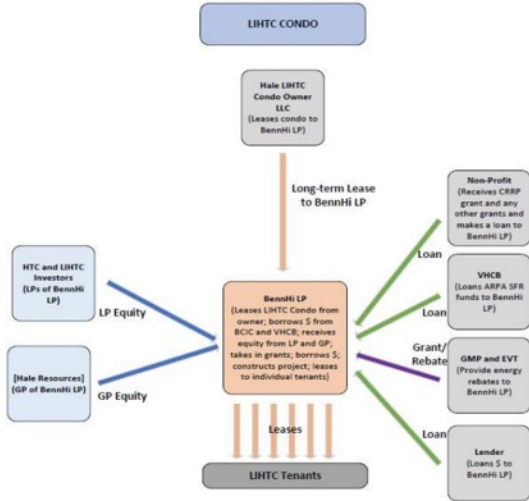
Second Floor

Benn High Gross Square Foot Areas						
AREA	Funding	Condo #	Space	S.F.	Use	Tenant
1	LIHTC APARTMENTS					
	LIHTC	1	A	19,026	< 60% AMI Apts.	Residential
	LIHTC	1			Laundry	Residential
	LIHTC	1			Storage	Residential
	LIHTC	1			Common Space	Residential
2	NON-LIHTC APARTMENTS					
	NON-LIHTC	2	B	23,536	> = 60% AMI Apts.	Residential
	NON-LIHTC	2			Common Space	Residential
	NON-LIHTC	2	C	3,926	Lounge	Common
3	CHILDCARE					
	NON-LIHTC	2	D	11,974	Childcare	YMCA
4	COMMON/SERVICE AREA					
	Both	1 & 2	E	6,176	Common Space	Condo Association
	Both	1 & 2			Elevator	Condo Association
	Both	1 & 2	F	3,221	Mechanical	Condo Association
5	COMMUNITY SPACE					
	NON-LIHTC	2	G	2,592	Kitchen	Town/Meals On Wheels
	NON-LIHTC	2			Office	Town/Meals On Wheels
	NON-LIHTC	2	H	3,484	Senior Center	Town
	NON-LIHTC	2	I	3,962	Auditorium	Town/YMCA
	NON-LIHTC	2	J	14,335	GYM/Locker/Ex. #2	Town/YMCA
	NON-LIHTC	2			Recreation	Town/YMCA
	NON-LIHTC	2	K	2,253	Office	UVM
	NON-LIHTC	2	L	671	Office	COA
	NON-LIHTC	2	M	3,806	Common Space	Community/Office
			13	98,962		

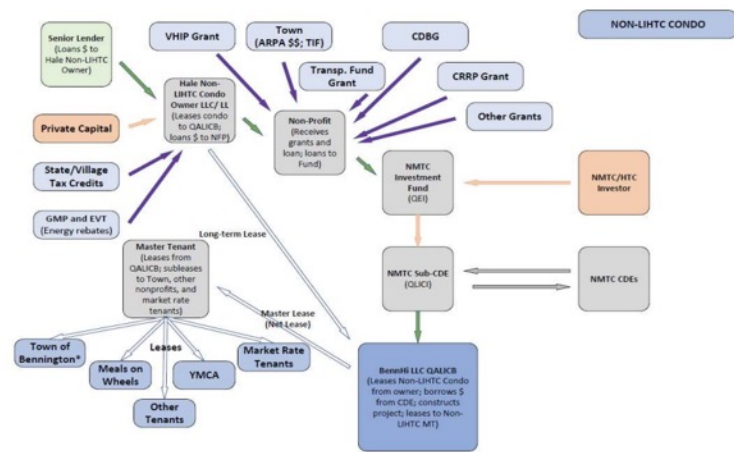
Benn High Redevelopment Project	11/5/2023												
FUNDING SOURCES		LIHTC CONDO #1	NON-LIHTC CONDO #2 (NMTC ELIGIBLE)										TOTAL
GRANTS	Status	1A. LIHTC APTS	2B. NON-LIHTC APTS	2C. LOUNGE	3D. CHILDCARE	5K. OFFICE (LARGE)	5L. OFFICE (SMALL)	5G. KITCHEN/OFFICE	5H. SENIOR CENTER	5I. AUDITORIUM	5J. RECREATION		
VHCB: ARPA-SFR	Awarded	\$ 2,006,614										\$ 2,006,614	
DED: CRRP: Condo #1-LIHTC	Awarded	\$ 500,000										\$ 500,000	
DED: CRRP: Condo #2-NON-LIHTC	Applied on 4/30				\$ 576,194			\$ 215,444		\$ 208,362		\$ 1,000,000	
TOB: ARPA-LOCAL	Awarded	\$ -						\$ 239,281	\$ 321,626	\$ 365,753	\$ 1,323,339	\$ 2,250,000	
TOB: CDBG Loan - Grant Contribution	Awarded	\$ 160,000										\$ 160,000	
ACCD>DHCD>VCDP: CDBG	Awarded	\$ 386,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,190	
Becca Balint: FY24 Congressional Spending	Selected	\$ -	\$ -	\$ -	\$ 419,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 580,559	\$ 1,000,000	
BCRC: BFR - for CAP	Awarded	\$ 9,559	\$ 11,825	\$ 1,973	\$ 6,016	\$ 1,132	\$ 337	\$ 1,506	\$ 2,024	\$ 2,301	\$ 8,327	\$ 45,000	
GMP - Incentive	Pursuing	\$ 25,466	\$ 31,502	\$ 5,255	\$ 16,027	\$ 3,016	\$ 898	\$ 4,011	\$ 5,391	\$ 6,131	\$ 22,183	\$ 119,880	
3E Thermal - Incentive/Rebate	Pursuing	\$ 34,000	\$ 10,000									\$ 44,000	
EVT - Incentive	Pursuing	\$ -	\$ 34,000	\$ 5,338	\$ 16,279	\$ 3,063	\$ 912	\$ 4,074	\$ 5,476	\$ 6,228	\$ 22,533	\$ 97,904	
												\$ -	
TOTAL GRANTS		\$ 3,121,829	\$ 87,327	\$ 12,568	\$ 1,033,957	\$ 7,211	\$ 2,148	\$ 464,316	\$ 334,518	\$ 588,775	\$ 1,956,941	\$ 7,609,588	
TAX CREDITS	Status	1A. LIHTC APTS	2B. NON-LIHTC APTS	2C. LOUNGE	3D. CHILDCARE	5K. OFFICE (LARGE)	5L. OFFICE (SMALL)	5G. KITCHEN/OFFICE	5H. SENIOR CENTER	5I. AUDITORIUM	5J. RECREATION	TOTAL	
Inflation Reduction Act - Tax Credit Equity	Pursuing	\$ 245,597	\$ 320,254	\$ 52,276	\$ 162,424	\$ 31,188	\$ 9,254	\$ 62,087	\$ 74,410	\$ 70,411	\$ 205,659	\$ 1,233,560	
VHFA: LIHTC - Tax Credit Equity	Awarded	\$ 2,441,563										\$ 2,441,563	
RTIC - Tax Credit Equity	Part 2 Submitted	\$ 873,502	\$ 1,148,542	\$ 156,153	\$ 476,254	\$ 89,611	\$ 26,688	\$ 119,193	\$ 160,212	\$ 182,192	\$ 659,194	\$ 3,891,542	
NMTC - Tax Credit Equity	Intake Eval 6/1 Start		\$ 2,057,259	\$ 293,824	\$ 896,139	\$ 168,615	\$ 50,218	\$ 224,279	\$ 301,461	\$ 342,821	\$ 1,240,368	\$ 5,574,984	
VDTC - State Tax Credit Equity	Awarded		\$ 53,386	\$ 8,905	\$ 27,160	\$ 5,110	\$ 1,522	\$ 6,797	\$ 9,137	\$ 10,390	\$ 37,593	\$ 160,000	
												\$ -	
TOTAL TAX CREDITS		\$ 3,560,663	\$ 3,579,441	\$ 511,157	\$ 1,561,977	\$ 294,524	\$ 87,683	\$ 412,356	\$ 545,219	\$ 605,814	\$ 2,142,815	\$ 13,301,649	
DEBT/PRIVATE EQUITY	Status	1A. LIHTC APTS	2B. NON-LIHTC APTS	2C. LOUNGE	3D. CHILDCARE	5K. OFFICE (LARGE)	5L. OFFICE (SMALL)	5G. KITCHEN/OFFICE	5H. SENIOR CENTER	5I. AUDITORIUM	5J. RECREATION	TOTAL	
Private Investment Capital	Committed	\$ 1,000	\$ 715,787									\$ 716,787	
VHFA Permanent Debt	Awarded	\$ 325,000										\$ 325,000	
Debt 1	Waiting to Apply		\$ 4,506,363									\$ 4,506,363	
Debt 2	Waiting to Apply			\$ 580,341	\$ 1,422,392	\$ 310,089	\$ 124,456	\$ 485,198	\$ 585,228	\$ 282,320	\$ 1,000,566	\$ 4,790,591	
TOTAL PRIVATE EQUITY		\$ 326,000	\$ 5,222,150	\$ 580,341	\$ 1,422,392	\$ 310,089	\$ 124,456	\$ 485,198	\$ 585,228	\$ 282,320	\$ 1,000,566	\$ 10,338,741	
TOTAL FUNDING ALL SOURCES		\$ 7,008,492	\$ 8,888,918	\$ 1,104,064	\$ 4,018,327	\$ 611,824	\$ 214,286	\$ 1,361,870	\$ 1,464,965	\$ 1,476,910	\$ 5,100,322	\$ 31,249,977	

**BENN HIGH REDEVELOPMENT
(PROJECT)
(Condo Association)**

**LOW-INCOME HOUSING TAX CREDITS
(CONDO #1)**



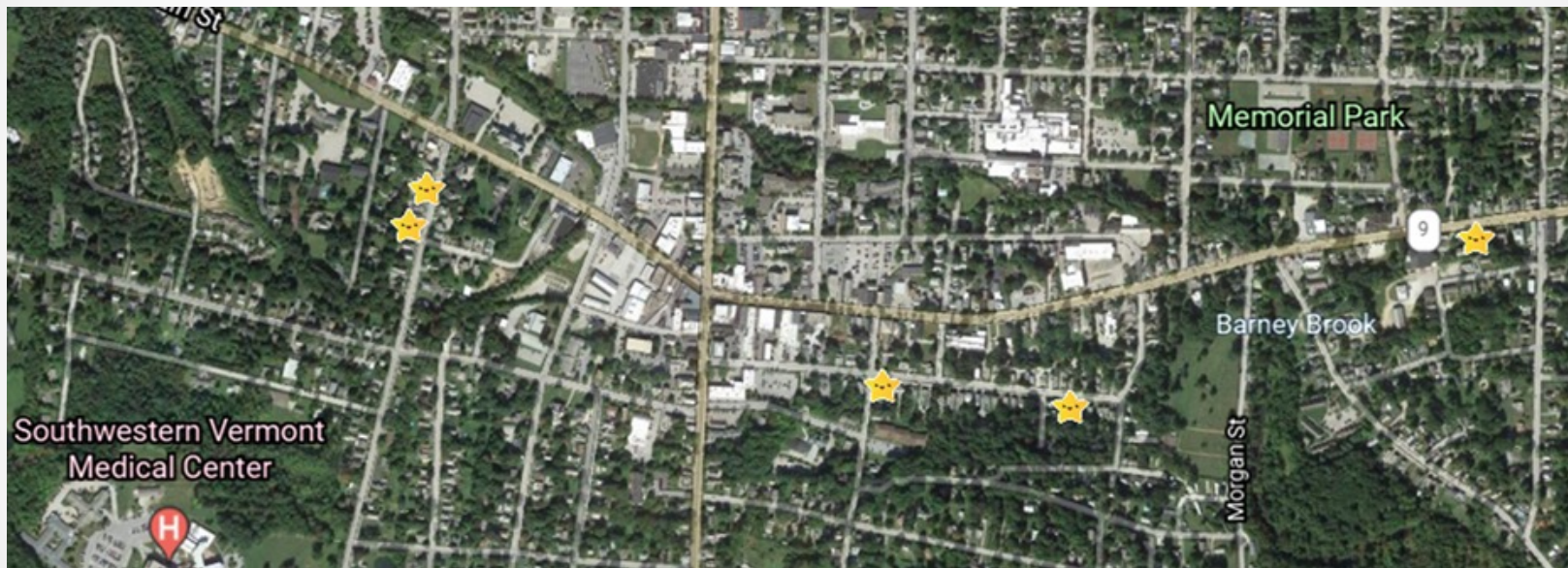
**NEW MARKET TAX CREDITS
(CONDO #2)**



All Projects

TYPE	PROJECTS	TOTAL UNITS	RENOVATE	UNIT ADDED	SUBSIDY	PRIVATE	TDC
TOTAL	19	91	36	55	\$ 14,249,255	\$ 6,570,191	\$ 20,819,446
					70%	30%	\$ 214,644
					% OF TOTAL		Avg Per Unit

SUBSIDY	PRIVATE
\$ 40,149	\$ 16,908
\$ 126,088	\$ 53,100
\$ 286,831	\$ 120,794
\$ 151,023	\$ 63,601
AVERAGE PER UNIT	



Property	Units	Add	As Is	Renovation	As Complete	Increase
123 Dewey	4	0	265,000	\$ 8,900	265,000	0
133 Dewey	3	0	225,000	\$ 13,975	225,000	0
201 Union	4	1	240,000	\$ 166,632	275,000	35,000
253 Union	2	1	140,000	\$ 147,592	210,000	70,000
809 Main	5	1	315,000	\$ 239,914	335,000	20,000
TOTAL	18	3	1,185,000	\$ 577,013	1,310,000	125,000

Renovation	Grants	Invest	Value Up	Over Value
8,900	-	8,900	-	(8,900)
13,975	-	13,975	-	(13,975)
166,632	80,000	86,632	35,000	(51,632)
147,592	80,000	67,592	70,000	2,408
239,914	169,015	70,899	20,000	(50,899)
577,013	329,015	247,998	125,000	(122,998)

QUESTIONS?

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