



For Immediate Release

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Contact: Nancy Eldridge (Cathedral Square Corporation) 863-2224
John Fairbanks, Vermont Housing Finance Agency 652-3424

Heineberg Celebrates Success of Housing Model

BURLINGTON—Ninety seniors living in Burlington's New North End will be able to keep their affordable housing thanks to efforts of a team of housing non-profits.

Heineberg Senior Housing, an 82-unit apartment complex these seniors call home, was built in 1990 using a combination of public and private funding. It also used low income housing tax credits, which require that rents remain affordable for 15 years. With the end of that 15-year term in sight, the non-profit group, led by Cathedral Square Corporation and Vermont Housing Finance Agency and supported by the City of Burlington, Housing Vermont and the Heineberg Senior Housing Corporation, put a deal together to purchase the property and keep rents affordable.

"Heineberg Senior Housing has some of the lowest rents in Burlington," said resident Jean McEntee. "I live on a fixed income and I am really happy that my rent will stay the same."

The celebration on May 13th honors the sale of the partnership to Cathedral Square Corporation and the beginning of property improvements designed to improve accessibility and comfort for the residents of Heineberg.

"This is a great example of how our network of housing organizations comes together to provide more affordable housing opportunities for Vermonters," said Sarah Carpenter, Executive Director of the Vermont Housing Finance Agency. "This is particularly important in the current environment, when housing costs are soaring and more and more Vermont households are getting squeezed."

Carpenter noted a recent study gave Vermont's housing non-profits high marks for their creativity and their cost-effectiveness developing and preserving affordable housing.

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Burlington Mayor Peter Clavelle remembers when the Heineberg seniors came to the City 18 years ago saying they needed housing in their neighborhood. "There was no stopping this group of very committed senior citizens," said Clavelle. The City of Burlington passed the first ordinance in the state to give a density bonus for affordable housing, paving the way for the seniors to build 82 apartments affordable to seniors with a wide range of incomes. "The City was just beginning to put together a strong housing program in 1987. I'm glad to see that we have been able to deliver what we promised."

"The enthusiasm for the project was amazing", said Geneva Sprague, a Heineberg Senior Center Board member who was instrumental planning the project. "We really needed this housing and we were determined to make it happen!"

Heineberg is the first of more than 3,000 affordable housing units in Vermont built under the Low Income Housing Tax Credit Program that expect to return to non-profit ownership, demonstrating the success of Vermont's innovative non-profit housing delivery system. At the time Heineberg was built, most federal housing programs promised a limited period of affordability, after which rents could be increased to market rate.

Affordable housing advocates recognized the problems created by limited affordability requirements.

"We did not want residents to feel like there was a clock ticking over their heads" said Cathedral Square Executive Director Nancy Eldridge. "The market rate for housing like Heineberg is almost double our lowest rent at Heineberg. There is no way Heineberg residents could afford a major rent increase like that. Vermont has created a housing delivery system that gives our residents security. And we owe a great deal to Housing Vermont, VHFA, our local finance institutions, and the Vermont Housing and Conservation Board."

Housing Vermont, a state wide non-profit founded by the VHFA, crafted a way of using the Low Income Housing Tax Credit Program that would allow projects to remain affordable after the 15 year requirement. "Our partnerships are intended to provide a reasonable return to our investors," said Andy Broderick, President of Housing Vermont. "But we work with investors who understand and support the goal of insuring the housing remains affordable at the end of the 15 year tax credit period."

The Vermont Housing and Conservation Board (VHCB) was founded on the principle of permanent affordability. VHCB provided the mechanism for the housing's permanent affordability by requiring that the Heineberg Senior Housing Partnership, and other partnerships that followed, agree to a Housing Subsidy Covenant. The Covenant assures that state funds committed to the project provide permanent rent restrictions.

Merchant's Bank President Joseph Boutin was one of the first to see the value of this investment partnership. "The Merchants Bank is committed to helping Vermont's communities grow and prosper," said Boutin. "Housing Vermont created an excellent way for the banking community to invest in affordable housing, and we have been strong supporters. It's good business and good for the community. We are proud to be a part of Heineberg Senior Housing's success."