



Addison County Habitat for Humanity volunteers and board with the Poquette family outside their home when they took ownership in July 2023

VHFA's Testimony on a few elements of BE HOME bill

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Two VHFA-Administered Programs in H.719



*** Housing Infrastructure Revolving Loan Fund ***

Sec. 29. HOUSING INFRASTRUCTURE REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Housing Infrastructure Revolving Loan Program and shall create and administer a revolving loan fund to provide low- to no-interest loans to developers of residential units and municipalities of jurisdiction investments in infrastructure to support the construction of housing use developments. The Agency may utilize a reasonable percentage of appropriations made to the Agency for the Program to administer the Agency may cooperate with and subgrant funds to political subdivisions and public and private organizations for the purposes of this section.

Sec. 11. MISSING MIDDLE INCOME HOMEOWNERSHIP DEVELOPMENT PILOT PROGRAM VERMONT AFFORDABLE HOME DEVELOPMENT PROGRAM

(a) The following amounts are appropriated to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency to establish the Missing Middle Income Homeownership Development Pilot Program Vermont Affordable Home Development Program:

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- (B) the Agency recaptures the subsidy upon sale of the home and uses it for future awards under this Program; or
- (C) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

Missing Middle Homeownership ⇒ Middle Income Homeownership



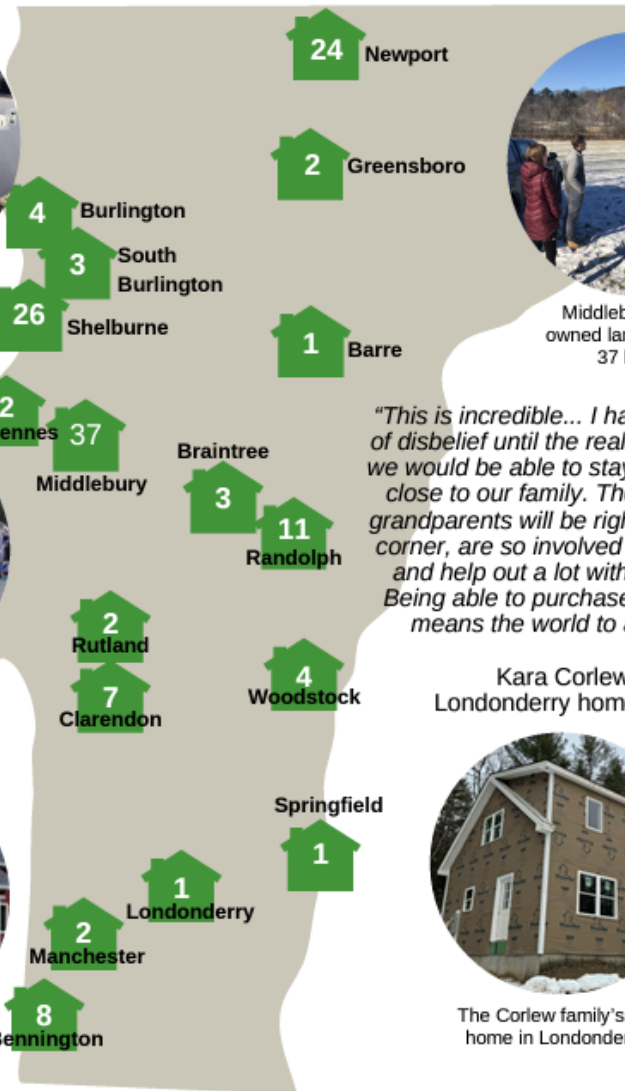
Home under construction in Burlington's Old North End



Homebuyers and volunteers in front of new Vergennes home



First home completed in Rutland



Middlebury College-owned land will become 37 homes

"This is incredible... I had a moment of disbelief until the reality set in that we would be able to stay in this area, close to our family. The children's grandparents will be right around the corner, are so involved in their lives and help out a lot with childcare. Being able to purchase this house means the world to all of us."

Kara Corlew Londonderry homebuyer



The Corlew family's new home in Londonderry

Homes funded	138
Bedrooms built	361
Average subsidy per home	\$155,416
Average price to buyers	\$194,321
Shared equity homes	68 (49%)
Neighborhoods expanded	20
Total funding deployed	\$24 million

Language changes



2023 Act 47, Sec. 36 (d)(2) **Affordability subsidy.** Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, agreement or uses another legal mechanism, to ensure that, ~~to the extent the home value has risen, the amount of the subsidy upon sale of the home, to the extent proceeds are available, the amount of the affordability subsidy either:~~

(i) remains with the home to offset the cost to future homebuyers; or

(ii) is recaptured by the Agency upon sale of the home for use in a similar program to support affordable homeownership development; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

2023 Acts and Resolves No. 47, Sec. 37 is repealed.

Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; IMPLEMENTATION

~~The duty to implement Sec. 36 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Middle-Income Homeownership Development Program.~~

Language changes

2023 Act 47, Sec. 36(f) (1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

~~(3) The Agency shall use its best efforts to ensure:~~

~~(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and~~

~~(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.~~

Other language to consider?

Value gap (cost to build minus appraised value)
+ Affordability subsidy
35% of total development cost

- Cost \$550,000 to build x 35% = \$192,500 in subsidy

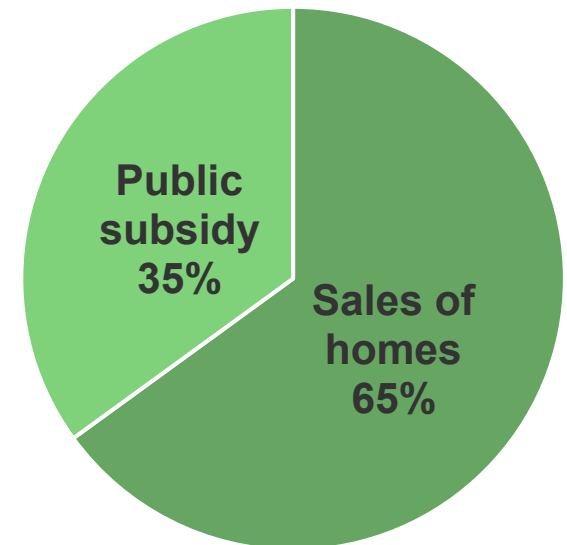
- @ application:

- \$100,000 in value gap + \$92,500 in affordability
- \$450,000 appraised value - \$92,500 = \$357,500
- goal = Affordable to 120% AMI (~\$341,000)

- Solution:

- Start with 35% target. Approve @ application. If at time

of sale need to adjust, have the authority to either award more \$ or adjust AMI.



Maximum rent and purchase price affordability thresholds by income and household size, November 2023



Area	Income level (% of median income)	INCOME THRESHOLD BY HOUSEHOLD SIZE**								MAX GROSS RENT AFFORDABLE (INCLUDING UTILITIES)***				MAX PURCHASE PRICE AFFORDABLE****			
		ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	STUDIO	1	2	3	1	2	3	4
		PERSON	PERSON	PERSON	PERSON	PERSON	PERSON	PERSON	PERSON	PERSON	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM
VERMONT (also applies to all 10 counties not listed below*)	30%	20,600	23,550	26,500	29,450	31,850	35,200	36,550	38,900	515	551	662	766	59,000	71,500	82,500	95,500
	50%	34,400	39,300	44,200	49,100	53,050	57,000	60,900	64,850	860	921	1,105	1,276	100,000	121,000	139,500	156,000
	60%	41,200	47,100	53,000	58,900	63,700	70,400	73,100	77,800	1,030	1,103	1,325	1,532	120,500	145,000	168,000	193,500
	80%	55,050	62,900	70,750	78,600	84,900	91,200	97,500	103,800	1,376	1,474	1,768	2,043	161,500	194,000	224,500	250,500
	100%	68,800	78,600	88,400	98,200	106,100	114,000	121,800	129,700	1,720	1,842	2,210	2,553	202,500	243,000	281,500	314,000
	120%	82,400	94,200	106,000	117,800	127,400	140,800	146,200	155,600	2,060	2,207	2,650	3,065	242,500	292,000	337,500	388,000
CHITTENDEN	30%	23,900	27,300	30,700	34,100	36,850	40,280	45,420	50,560	597	640	767	886	69,000	83,000	96,500	109,500
FRANKLIN	50%	39,800	45,450	51,150	56,800	61,350	65,900	70,450	75,000	995	1,065	1,278	1,476	116,000	140,000	162,000	180,500
GRAND ISLE	60%	47,800	54,600	61,400	68,200	73,700	80,560	90,840	101,120	1,195	1,280	1,535	1,773	140,000	168,000	195,000	221,000
	80%	63,600	72,700	81,800	90,850	98,150	105,400	112,700	119,950	1,590	1,703	2,045	2,362	186,500	224,500	260,000	290,500
	100%	79,600	90,900	102,300	113,600	122,700	131,800	140,900	150,000	1,990	2,131	2,557	2,953	234,000	281,500	325,500	363,000
	120%	95,600	109,200	122,800	136,400	147,400	161,120	181,680	202,240	2,390	2,560	3,070	3,547	282,000	338,000	391,000	444,000
ADDISON	30%	20,850	23,800	26,800	30,000	35,140	40,280	45,420	50,560	521	558	670	814	60,000	72,500	88,000	109,500
	50%	34,700	39,650	44,600	49,550	53,550	57,500	61,450	65,450	867	929	1,115	1,288	101,000	122,000	141,000	157,000
	60%	41,640	47,580	53,520	59,460	64,260	69,000	73,740	78,540	1,041	1,115	1,338	1,546	122,000	146,500	169,500	189,000
	80%	55,550	63,450	71,400	79,300	85,650	92,000	98,350	104,700	1,388	1,487	1,785	2,061	163,000	196,000	226,500	253,000
	100%	69,400	79,300	89,200	99,100	107,100	115,000	122,900	130,900	1,735	1,858	2,230	2,577	204,000	245,000	284,000	316,500
	120%	83,280	95,160	107,040	118,920	128,520	138,000	147,480	157,080	2,082	2,230	2,676	3,093	245,000	295,000	341,000	380,000

Disclaimer: This table is provided for information purposes only with no statutory enforcement power. Some housing programs have program-specific income, rent and/or purchase price requirements which should be used for activities conducted through these programs. The information provided above is not necessarily applicable in any way to any VHFA non-loan programs. These estimates do not constitute in any way any pre-qualification, evaluation of loan amount, qualification or approval of any loan by any lender, including lenders under VHFA mortgage programs. This is not a disclosure, nor an offer of credit and no guarantees are implied. Your actual loan amount and payments may vary. The managers of this website assume no responsibility for any errors, omissions or calculations made with this table. For actual loan and payment amounts, please contact a lender in your local area. Visit VHFA's website at <http://www.vhfa.org/homebuyers/lenders> for a list of lenders offering VHFA affordable home mortgage products.

*In counties with median income estimates lower than for the entire state, Vermont Chapter 117 recommends the use of the median for the entire state. For 2023, Bennington, Caledonia, Essex, Lamoille, Orange, Orleans, Rutland, Washington, Windham, and Windsor counties all had median income estimates lower than the statewide median.

**Income levels shown are based on HUD estimated median income for 4-person households and on HUD adjustment factors for other household sizes. Maximum gross rent and purchase prices affordable are based on HUD guidance stipulating that homes have at least 1 bedroom for every 1.5 people in the household. This means that the affordable rent and purchase price of a 1-bedroom home are based on the average of the median incomes of 1 person household and of a 2-person household as a proxy for the median income of a "1.5-person household". The affordable rent and purchase price for a 2-bedroom home are based on the median income of a 3-person household (i.e., 2 bedrooms x 1.5 people/bedroom = 3-person household). For a 3-bedroom home, the rent and price are based on the average of the median incomes of a 4- and 5-person household. For larger households, the 4-person income threshold should be multiplied by an additional 8% for each person beyond 4. For ex., the threshold for an 8-person household is 32% (4 additional people * 8%) multiplied by the relevant 4-person income threshold.

***Consult the manager or developer for utility cost estimates of specific rental units. Alternatively, utility allowances linked on this page can help estimate utility costs.

****Purchase price affordable assumes 5% down payment, average VT insurance, taxes and interest rates and a 30% affordability threshold (i.e. that the buyer spends 30% of income for principal and interest payment, taxes and insurance). To adjust for all or a portion of mandatory condo or HOA fees, reduce the Max Purchase Price Affordable by monthly fee amount times 40.

Source: Based on HUD median income estimates for 2023 (<https://www.huduser.gov/portal/datasets/il.html>)

Vermont's Rental Housing



- Landlord Certificate <https://tax.vermont.gov/property/landlord-certificates>

Add email/phone

- › Landlord's name & address (# properties, in/out of state)
- › Rental unit address, SPAN (assessment, use etc), # units per building
- › Housing type (apartment, condo, room, house, mobile home)
- › Name of renter, unit #, months rented, subsidized?, net rent paid

Add accessibility?

- Additional fields:

Add for non-subsidized

- › Year built
- › # months rented in last year
- › # bedrooms
- › # unique households per year

Doesn't pay for inspection system
Doesn't cover Short Term Rentals
(collect through Meals & Rooms Tax?)

- Add annual reporting to committees of jurisdiction