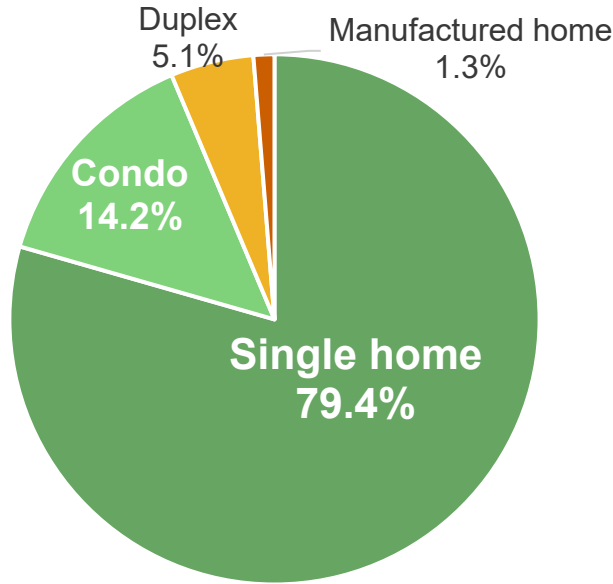


About VHFA

- Created in 1974
- Quasi-Governmental...created by legislature but do not receive operational appropriations
- Over 30,000 homeowners supported through mortgage programs
- Financed over 9,000 affordable apartments statewide – through combination of the Low-Income Housing Tax Credits and Loans
- Housing Policy, Data & Research – including Statewide Housing Needs Assessment



VHFA's Average Homebuyer




Homebuyer Zeynab Kouyate and her daughter

213 

home loans made by
VHFA

94% 

loans made to first-time buyers

70% 

received down payment
assistance

\$67,950

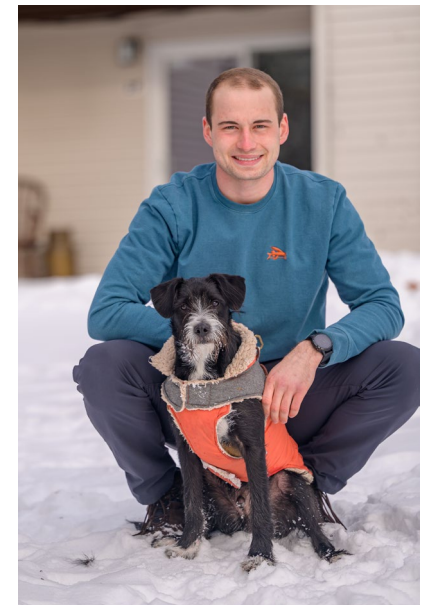
Median VHFA borrower
income

\$225,500

Median VHFA home
purchase price

98%

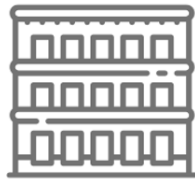
received pre-purchase
homebuyer education



Nathan Lalonde at his home near Bolton Valley Resort

Rental Housing Development

\$115 million



in tax credit equity and long-term financing for affordable multifamily development projects

Monitor 9,800
apartments for
financial strength,
health & safety, and
program compliance



10% for Vermont funding

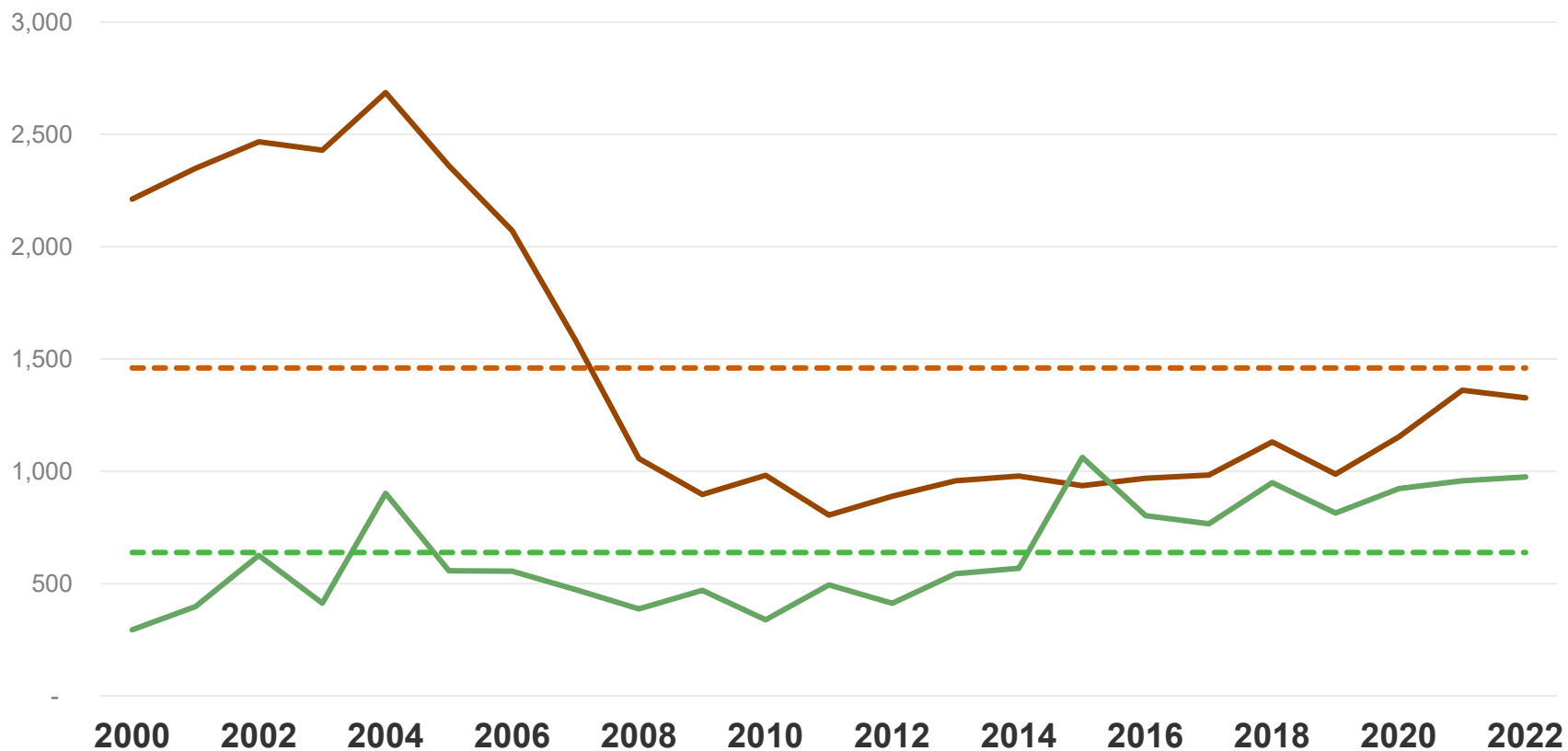


- Traditional affordable housing
- Priority economic development projects
- Small and emerging developers of smaller or infill housing developments
- Infrastructure to support homeownership development
- Manufactured housing communities
- Innovation and flood-impacted communities

Single-Family Construction Dropped Dramatically, While Multifamily Development Remained Strong



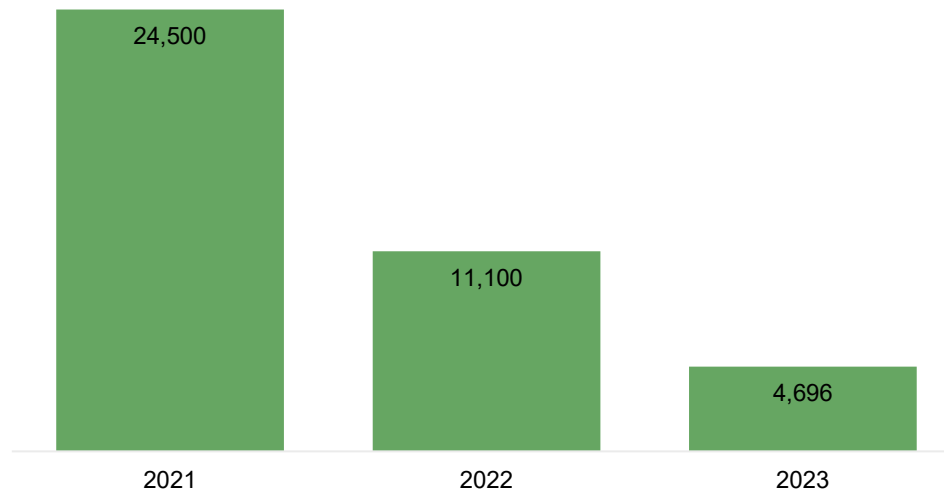
New homes permitted in Vermont



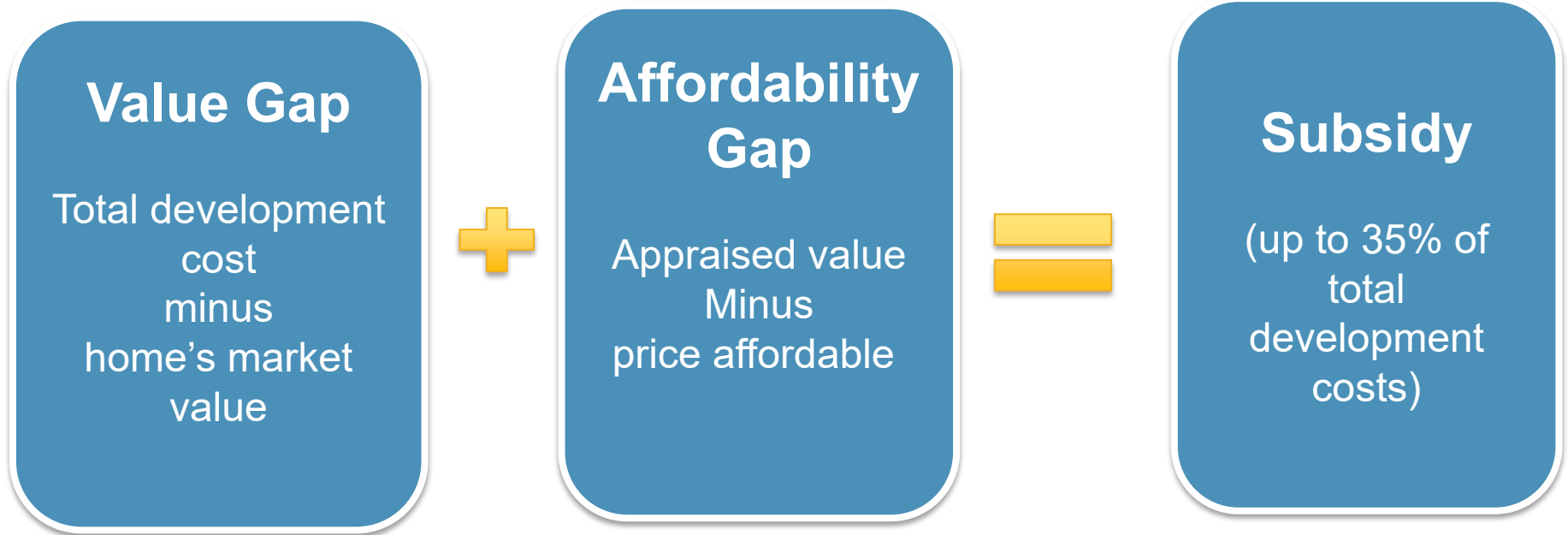
— Single-family — Multifamily - - - Single-family historical average - - - Multifamily historical average

	January-June 2021	January-June 2022	January-June 2023
Vermont median primary home price	\$259,900	\$295,000	\$315,000
Average interest rate on 30-year mortgage, no points	3.11%	4.72%	6.44%
Monthly mortgage payment (includes mortgage, PMI, insurance, property taxes)	\$1,710	\$2,192	\$2,595
Income needed to afford	\$68,394	\$87,671	\$103,776
Estimated Vermont renters with enough income to purchase median priced home	24,500	11,100	4,696

Renters who could likely afford to buy median home



Program fills gaps that hamper creating homes affordable for middle income buyers



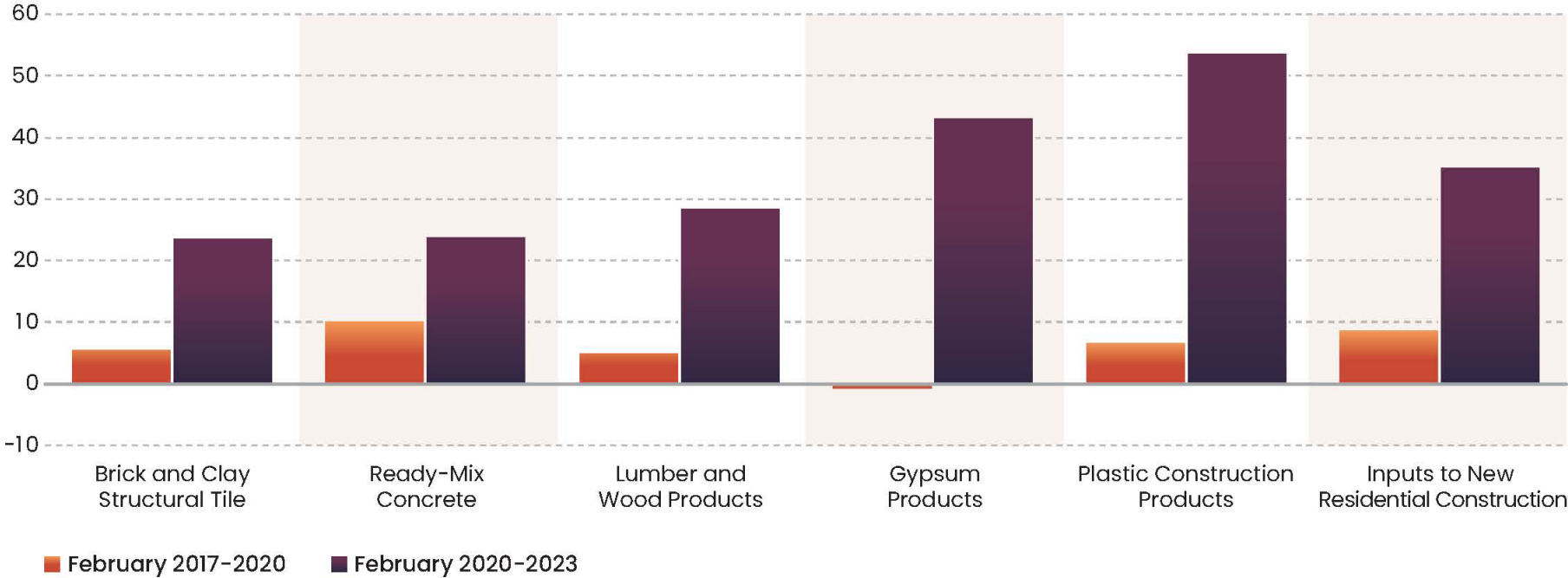
Why do these gaps exist?

Homes cost more to build than they will appraise for
Homes cost more to build than middle income buyers can afford

Costs of Building Materials Have Surged Since the Start of the Pandemic

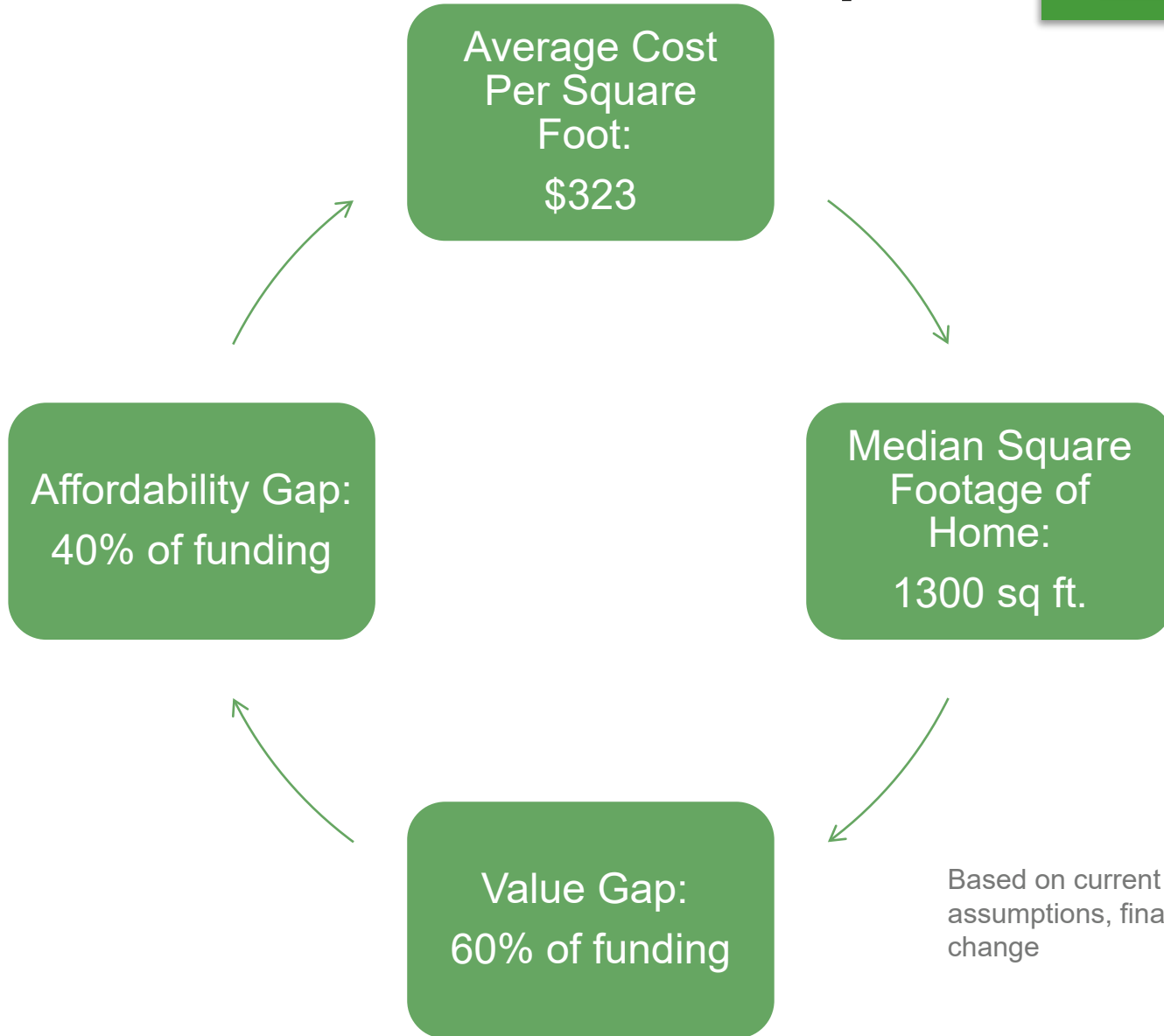


Change in Prices (Percent)



Note: Inputs to new residential construction is not a composite of the other components and excludes capital, labor, and imports.
 Source: JCHS tabulations of US Bureau of Labor Statistics, Producer Price Indexes.

Continued construction price inflation led to larger Value Gap



Homes underway in 20 communities



Home under construction in Burlington's Old North End



Middlebury College-owned land will become 37 homes



Homebuyers and volunteers in front of new Vergennes home

"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



First home completed in Rutland



The Corlew family's new home in Londonderry

First year impacts are wide-reaching

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



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

Lower photo: Homebuyer Elizabeth Poquette, her mother, Janet Brunet, and Elizabeth's son, Thatcher.



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

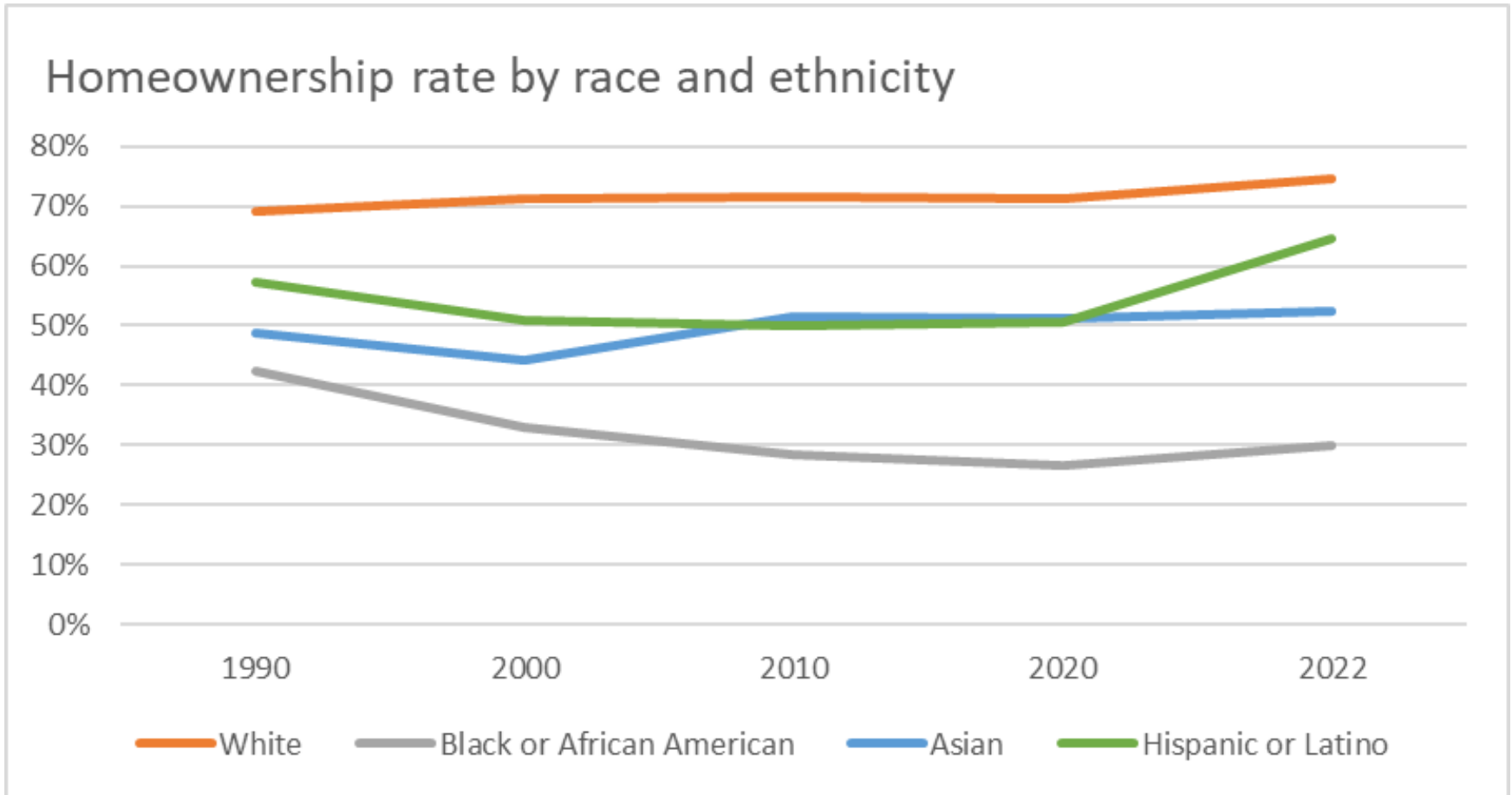
(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

~~(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~~

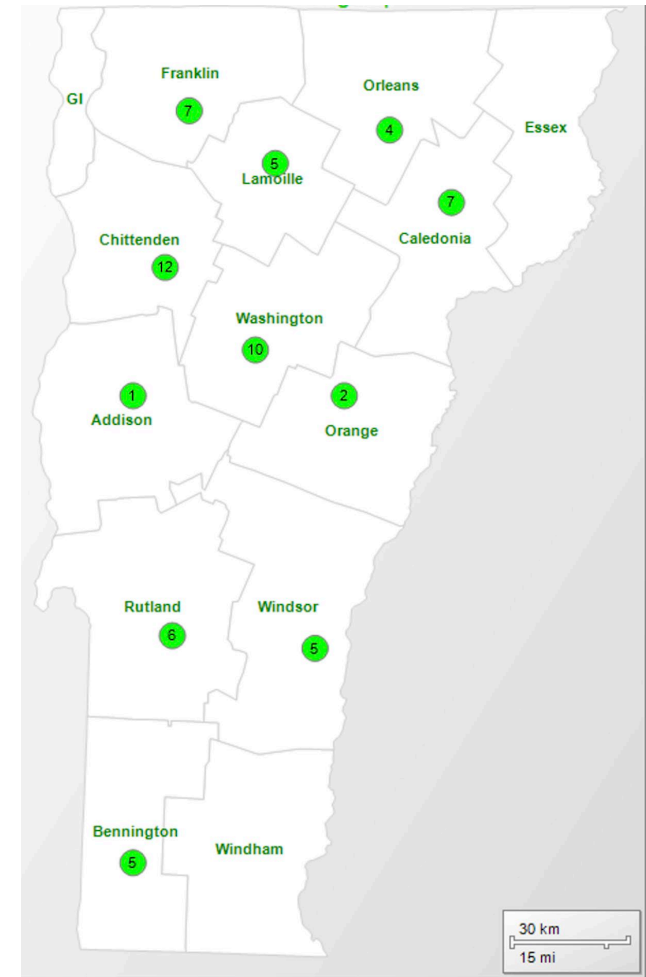
~~(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.~~

Large disparities remain



First Generation Homebuyer Grant Program outcomes

- ✓ 64 grant applications
- ✓ 59 grants funded
- ✓ \$14,991 average grant awarded
- ✓ \$70,647 median income of households
- ✓ \$225,000 median purchase price



First Generation Homebuyer Program



Who is a “First-Generation” homebuyer?

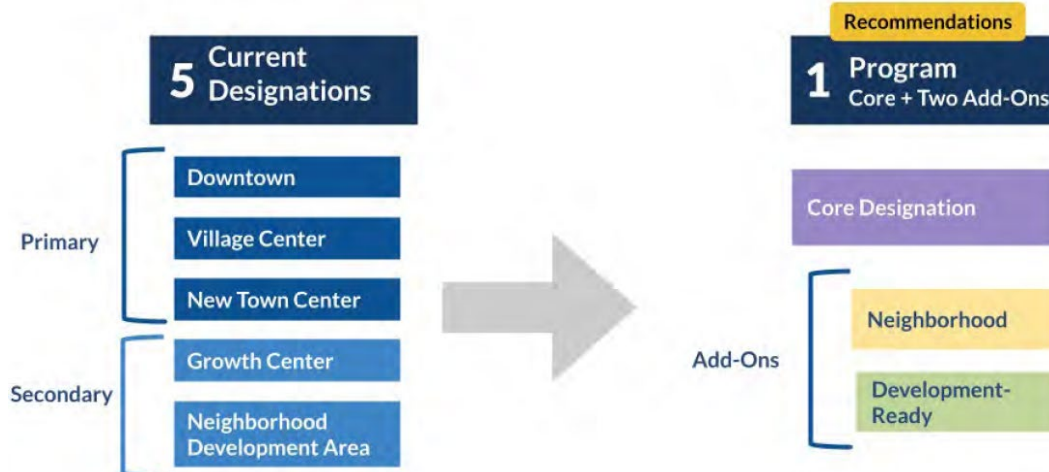
- ✓ First time homebuyer; AND
 - Parents of one or more borrower never owned a home; OR
 - One borrower was in foster care

- ✓ Lowers barriers to homeownership
- ✓ Launched November '22 with \$1M. Additional \$1 million added '23
- ✓ Provides up to \$15,000 grant to qualified applicants
- ✓ Broad marketing and focused outreach to BIPOC-led groups and communities
- ✓ Outreach & support to all participating lenders



Important Policy Discussions

- Designation updates
- Permitting reform (Housing appeals board and more)
- Panelized housing (study?)
- Energy initiatives (RES and more)
- Additional support for housing and services



List of Vermont's Rental Housing



- Landlord Certificate

Add STRs?

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

- 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 email/phone?

Add accessibility?

- Directory of Affordable Rental Housing

Add for non-subsidized?

- Grand list records coded as “commercial apartments”

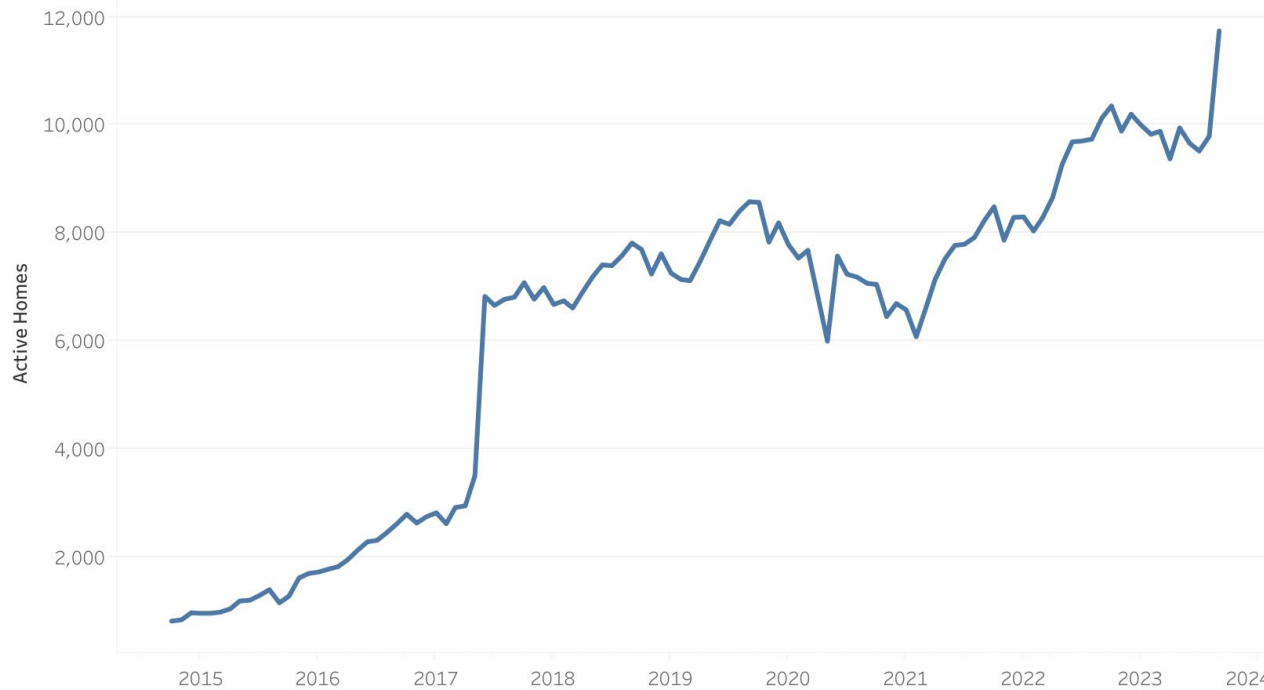
- Landlord's name & address (# properties, in/out of state)
- Rental unit address, SPAN (assessment, use etc)

Information on Short Term Rentals



- 72% increase in STRs since June 2017
- September and October = most active STRs
- February, March, and November = weakest
- Not evenly distributed across the state!

Entire homes listed as short term rentals



Rich monthly data now available for every county and town on housingdata.org



	Vermont (Sept 2023)
Active STR homes	11,747
Average monthly revenue per home	\$4,181
Occupancy rate	57%
Average daily rate	\$323
Average reservations (stays) per home for the month	5
Average listed days per home	25

Median gross rent: \$1,070 in 2021

Data quality issues have extended the timing for reporting monthly metrics on hosts, property type and number of bedrooms in Vermont STR homes.

- Most short-term rental listings = Stowe, Killington, Ludlow, Dover, and Warren
- Vermont's seasonal homes = 16% of the state's total housing stock
- Short-Term Rentals = 3.6%, we cannot determine the overlap

Short-term rentals increased 16% in 2023



- Number of homes used as short-term rentals (STR) continued to increase in 2023 up to nearly 12,000 homes (4% of all homes).
- About half of all hosts reporting their location were from Vermont, with most remaining hosts from other northeastern U.S. states.
- Average monthly revenue to hosts is about \$4,000.
- Recent New Hampshire study shows that STRs had a small impact on rental vacancy rates but no impact on rents there in 2014-2021.



Black & Hispanic developers



- Initiative for a Competitive Inner City (ICIC) with Grove Collective Foundation researched Black and Hispanic real estate developers
 - <1% of the industry
 - Small Black and Hispanic developers (<\$350,000 in annual revenue) generate more revenue, on average, than similarly sized white developers
 - Black and Hispanic developers are involved in larger deals than white developers, at the top of the market
 - Medium-sized Black developers (\$350,000 to \$17 million in revenue) generate less revenue on average than both their Hispanic and white peers.
- Map and Directory of Black and Hispanic Real Estate Developers
 - 0 in Vermont now
 - Impact of removing barriers: 11 developers
- <https://reports.groveimpact.org/breaking-the-glass-bottleneck>

Encouraging BIPOC Housing Developers



- RFP to find an organization or consortium to design a housing development technical assistance (TA) program for Black, Indigenous, and People of Color (BIPOC) seeking to develop housing in Vermont.
- \$15,000 for a contractor or consortium to design a TA program (essentially a planning grant to develop programming components)
- Additional funding will be made available to launch and offer the programming for BIPOC individual and BIPOC-owned entities.