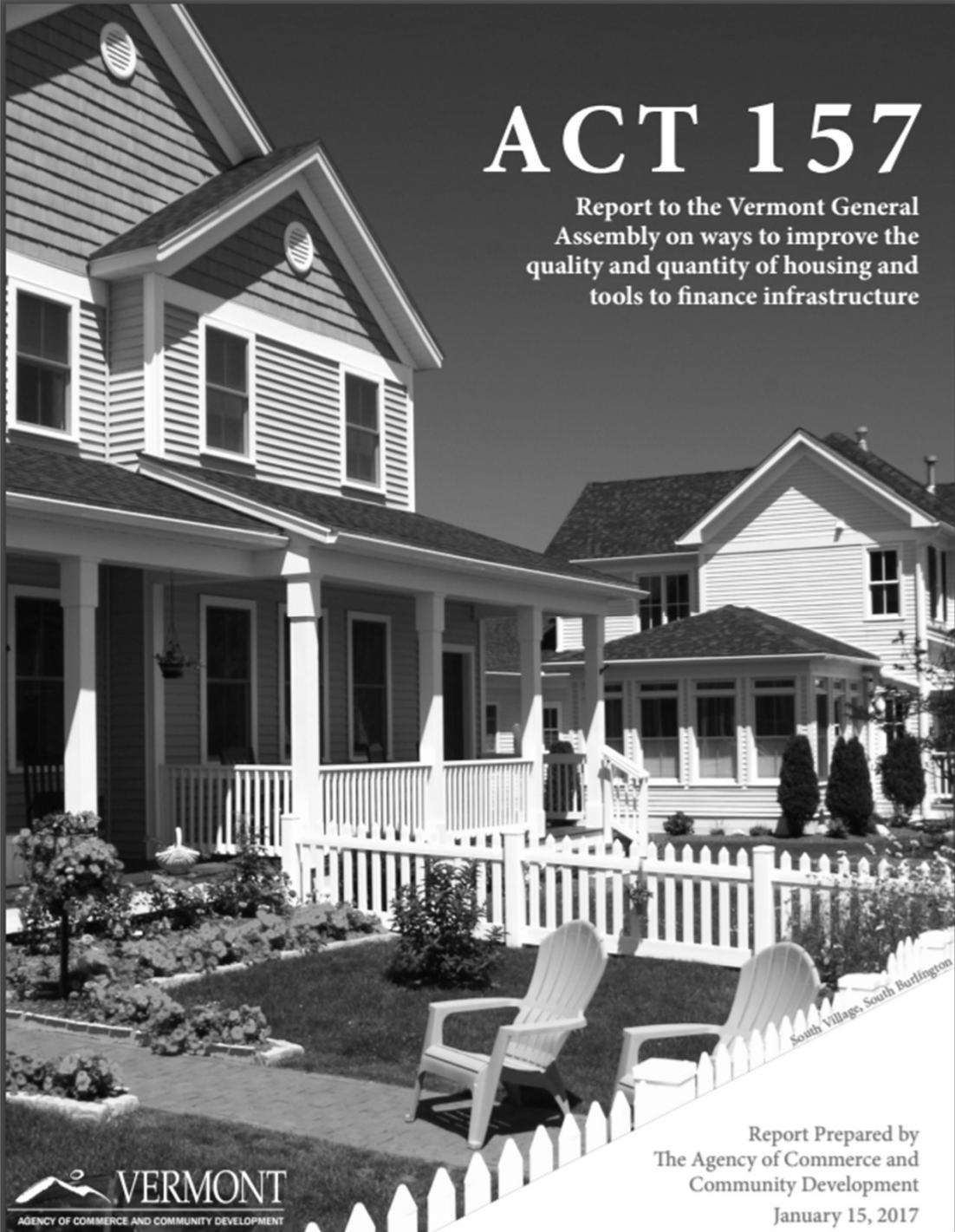


# Homeowner Rehabilitation Tax Credit



**Katie Buckley + Chris Cochran**  
Department of Housing and Community Development

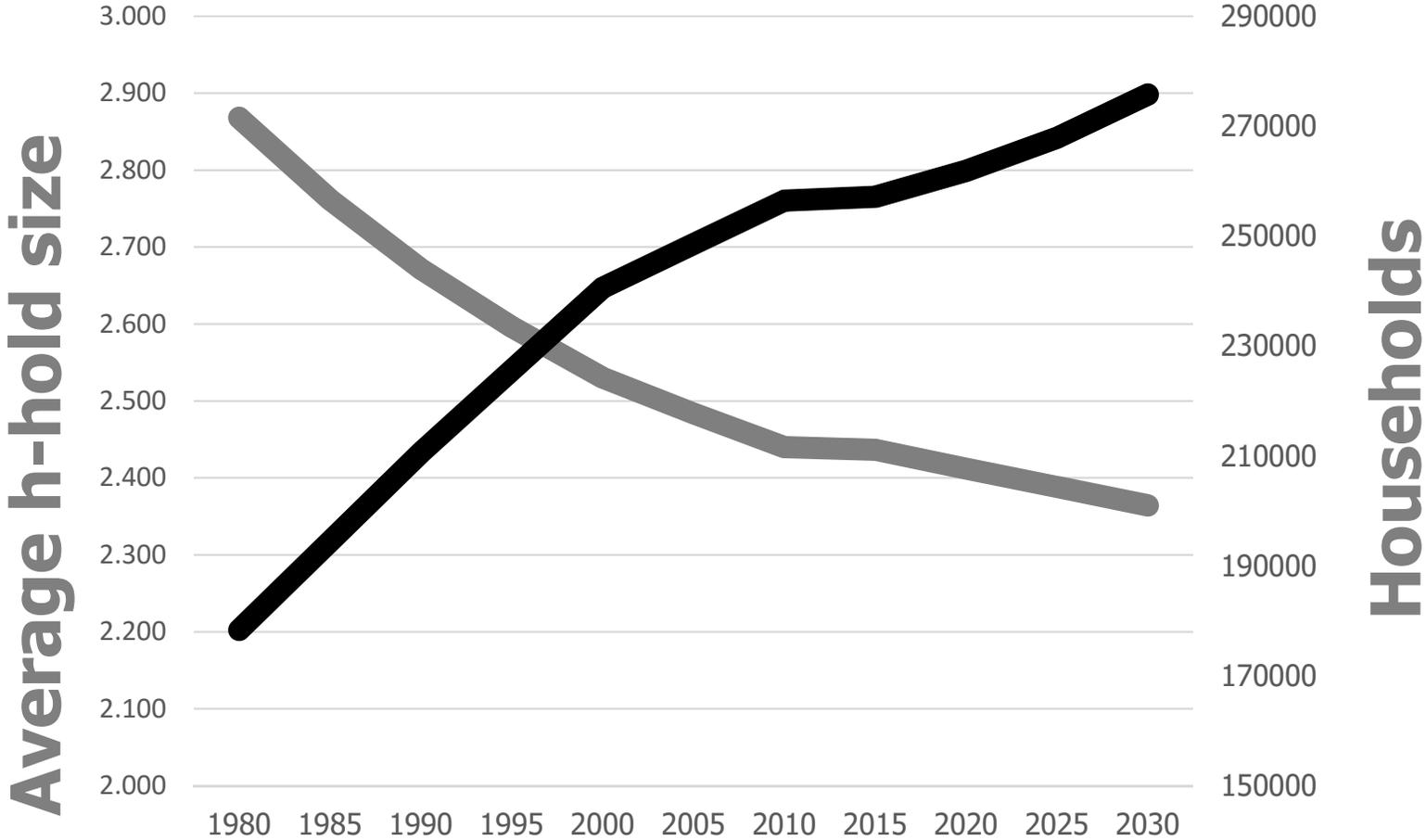
February 6, 2018



# ACT 157

Report to the Vermont General  
Assembly on ways to improve the  
quality and quantity of housing and  
tools to finance infrastructure

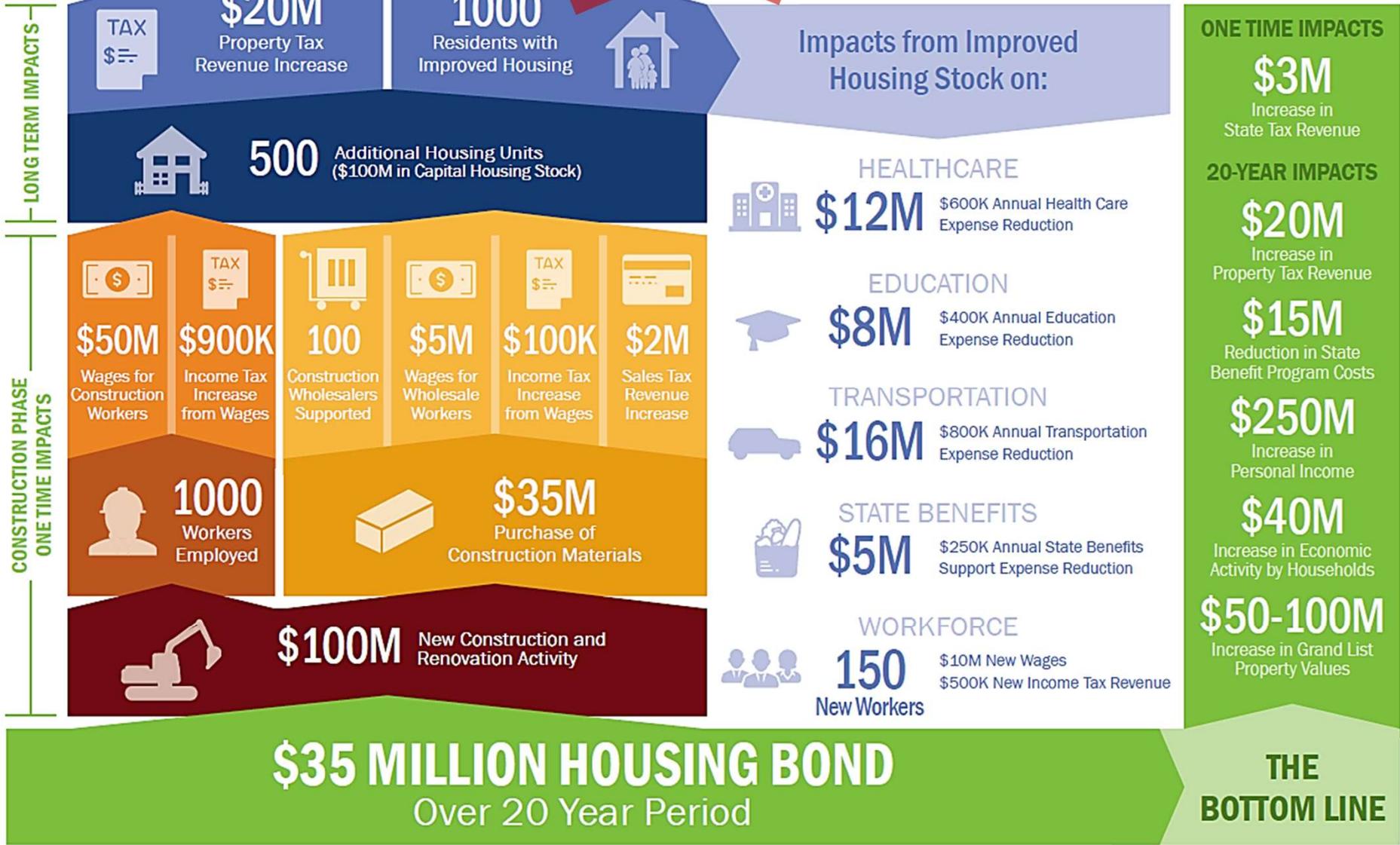
# Vermont Household Size and Number





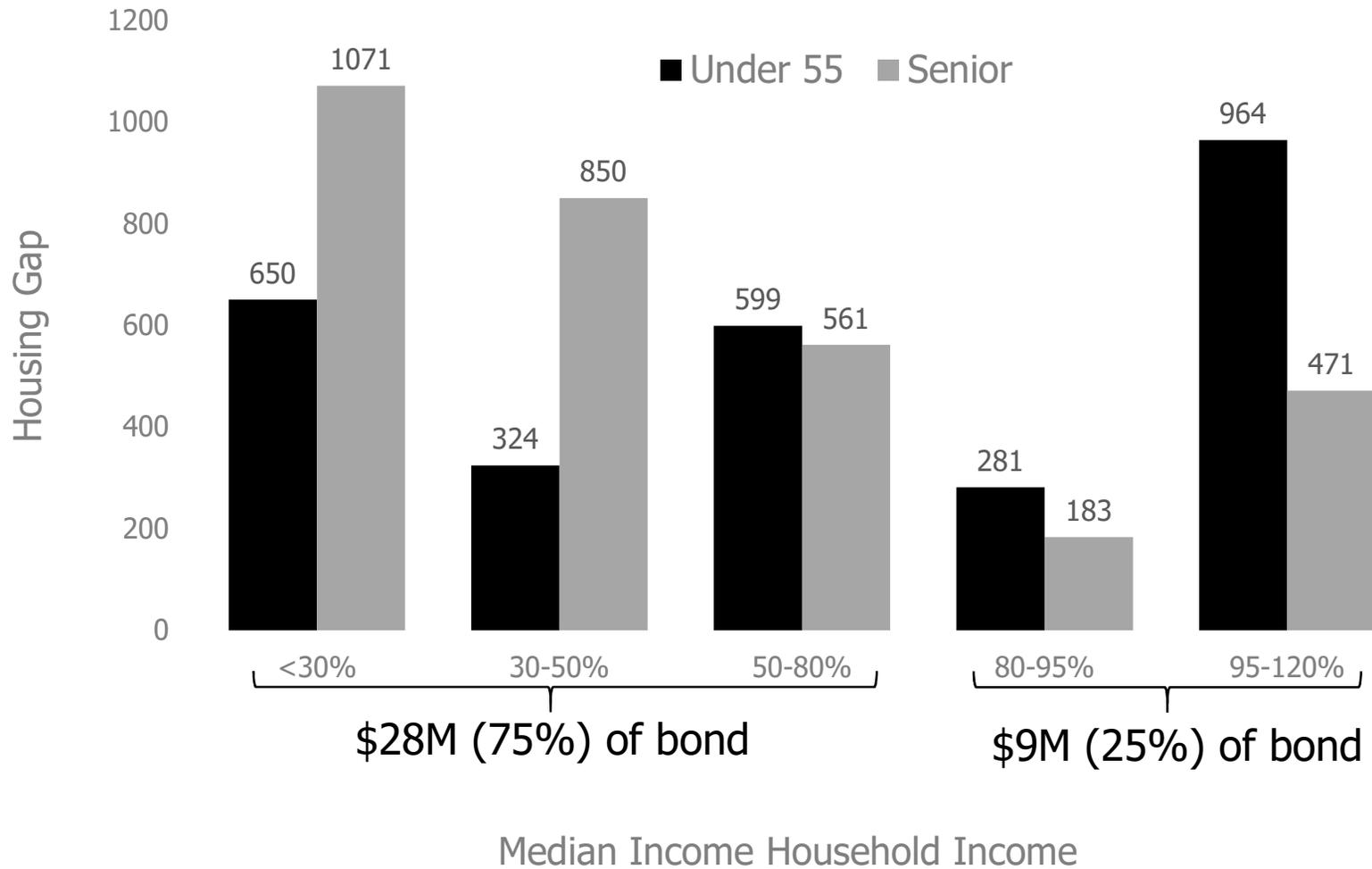
**VERMONT**  
**FUTURES**  
*Project*

# ~~\$35M~~ \$37M Housing Bond



# Vermont Rental Housing Gap

2015-2020



# Priority Housing Projects

Supported the development of 586 housing units

Saved an average of \$50,000 in permit fees per project

Reduced permit timelines an estimated average of 7 months

- Act 157 Report 2016, updated 2017



# TIF and Downtown Tax Credits



White River Junction

"The extensive public investments in the downtown signaled that White River Junction is a good place to invest. The TIF supported construction created a buzz that things are happening in downtown. Success breeds success and attracts even more businesses, housing and jobs to the downtown. I believe without the TIF, many businesses and developers would have made their investments elsewhere."

Lori Hirshfield, Town of Hartford

# Downtown & Village Center Tax Credits



## **Aldrich Block**

Total Project Cost  
\$1,160,000

Tax Credits Awarded  
\$112,500



## **Blanchard Block**

Total Project Cost  
\$5,500,000

Tax Credits Awarded  
\$287,500

Barre

# Downtown & Village Center Tax Credits



## **Dot's Restaurant**

Total Project Cost  
\$802,000

Tax Credits Awarded  
\$92,087



## **The Village Roost**

Total Project Cost  
\$575,000

Tax Credits Awarded  
\$41,764

Wilmington

# Downtown & Village Center Tax Credits



Brattleboro

## Applicant Survey\*

80 Million Invested

56%

Spent on Labor

98% of materials  
purchased in Vermont

44%

Spent on Construction Materials

Businesses and Jobs Created

622

Permanent Jobs Created

754

Temporary Jobs Created

34

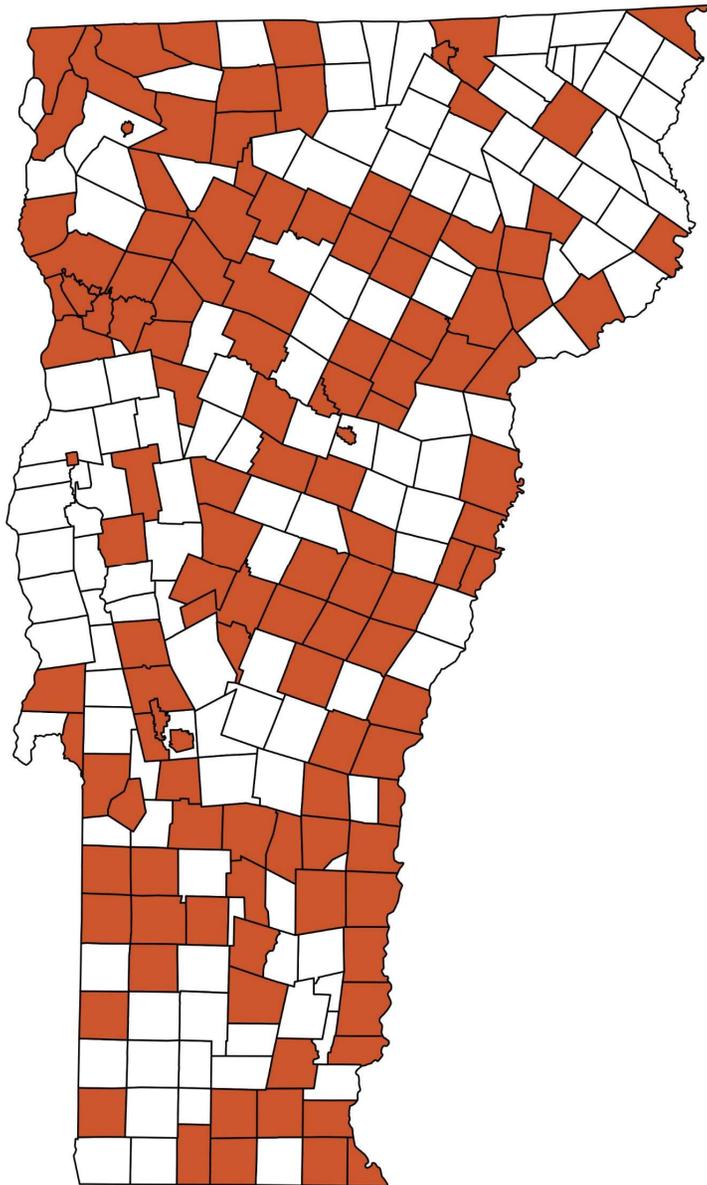
New Businesses

16

Expanded Businesses

\* N=59

# State Designated Centers



**23 - Downtowns**  
**139 - Village Centers**  
**2 - New Town  
Centers**  
**5 - Neighborhoods**  
**6 - Growth Centers**

# Homeowner Tax Credits



# Housing Investment in the Right Places

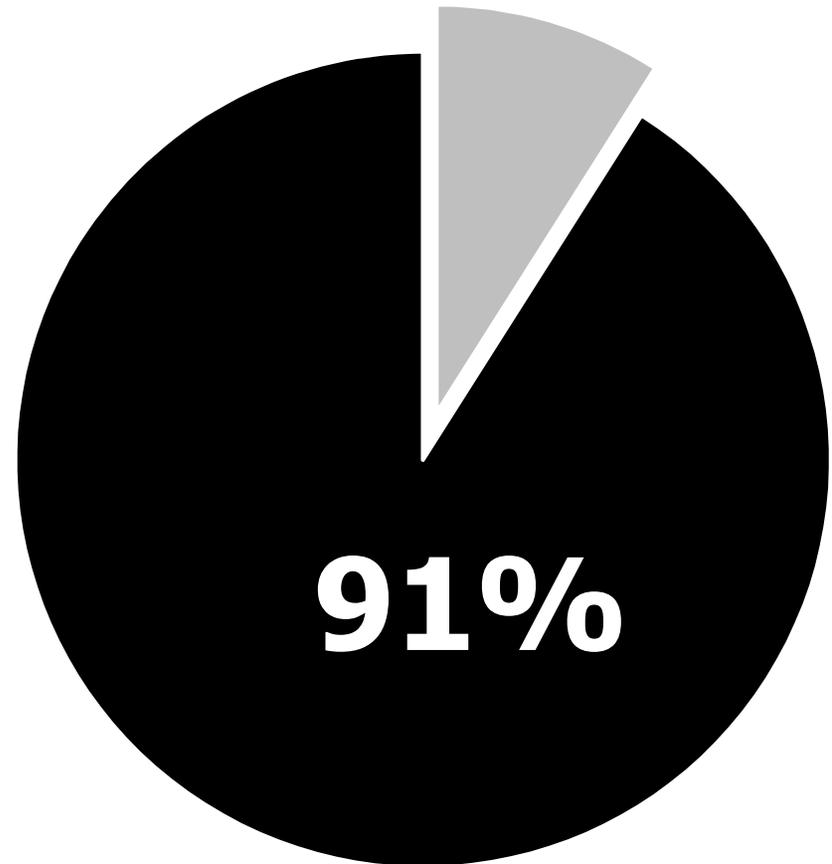
The availability of housing can help or hinder an employer's ability to attract and retain workers

Construction is an important part of the economy that pays living wages and generates tax revenues

Building new and refurbishing housing located in villages and downtowns close to business, stores and schools supports a variety of state and local goals ...

- Revitalizes communities
- Improves the value of the grand list
- Supports downtown and villages businesses
- Gets the most out of past investments in infrastructure
- Reduces taxes needed to support town services like fire, police and ambulance
- Improves public health by promoting walking and biking
- Reduced commuting times saves money, improves air and water quality
- Protects rural working lands from development

**I would walk to  
work, school,  
shopping or other  
activities if they  
were close  
enough...**



# Homeowner Tax Credits

1. Alabama
2. Arkansas
3. Colorado
4. Connecticut
5. Delaware
6. Georgia
7. Iowa
8. Kansas
9. Kentucky
10. Louisiana
11. Maryland
12. Mississippi
13. Missouri
14. New Mexico
15. New York
16. North Carolina
17. North Dakota
18. Ohio
19. South Carolina
20. Utah
21. Virginia
22. West Virginia
23. Wisconsin



## Homeowner Rehabilitation Tax Credit

A new initiative to revitalize Vermont's neighborhoods in and around downtown and village centers.



### Background

Act 157 directed the Agency of Commerce and Community Development (ACCD) to convene a diverse steering committee of housing, municipal, financial policy experts and ACCD staff to review existing programs and statutes, gather data and stakeholder input and evaluate the housing and infrastructure needs throughout Vermont.

These recommendations helped set the stage for a successful legislative session that streamlined state permitting for housing within state designated centers, created a \$35M bond for affordable and market rate housing, and allowed six new Tax Increment Financing Districts to support new investment in infrastructure. However, several recommendations to address the quality of Vermont's existing housing stock were not taken up.



### The Challenge

Despite the \$35M housing bond and the good work of many Vermont-based institutions to improve and increase the supply of housing in Vermont – there's a growing gap between existing housing availability and need. The Act 157 report highlighted the success of state tax investment credits to improve "Main Street" buildings and bring new vitality to Vermont's downtowns and village centers. The report noted a similarly structured homeowner rehabilitation tax credit could do the same to improve the quality of the housing stock that surrounds Vermont's downtowns and villages.

In many communities the cost to repair and update existing housing stock can exceed the appraised value of the building or an owner's ability to borrow. Without tools or funding to close that gap, property values and quality of life continue to decline in many neighborhoods.

### The Solution

Policy makers recognize that investing in housing improves our quality of life, creates jobs, leverages private investment, generates local property tax revenues, revitalizes downtowns and villages and builds stronger communities. Targeted rehabilitation tax credits are a proven strategy to spark new investment needed to increase the value of the grand list. H 766 is modeled after the state's downtown and village center tax credits that have helped transform communities – supporting new rental housing, attracting new businesses, fostering business expansions, and creating good jobs in downtowns and villages across the state.

More public investment in homes that are affordable, desirable and within a reasonable distance of work, schools or shopping, is needed to attract and house the young families and the workforce needed for businesses and communities to thrive. This program will help meet the pent-up demand for walkable housing in and around our centers, it will help reverse grand list declines and transform economies in Vermont's distressed downtowns and villages.

For more information, please contact:  
Katie Buckley, [katie.buckley@vermont.gov](mailto:katie.buckley@vermont.gov),  
802.828.3080



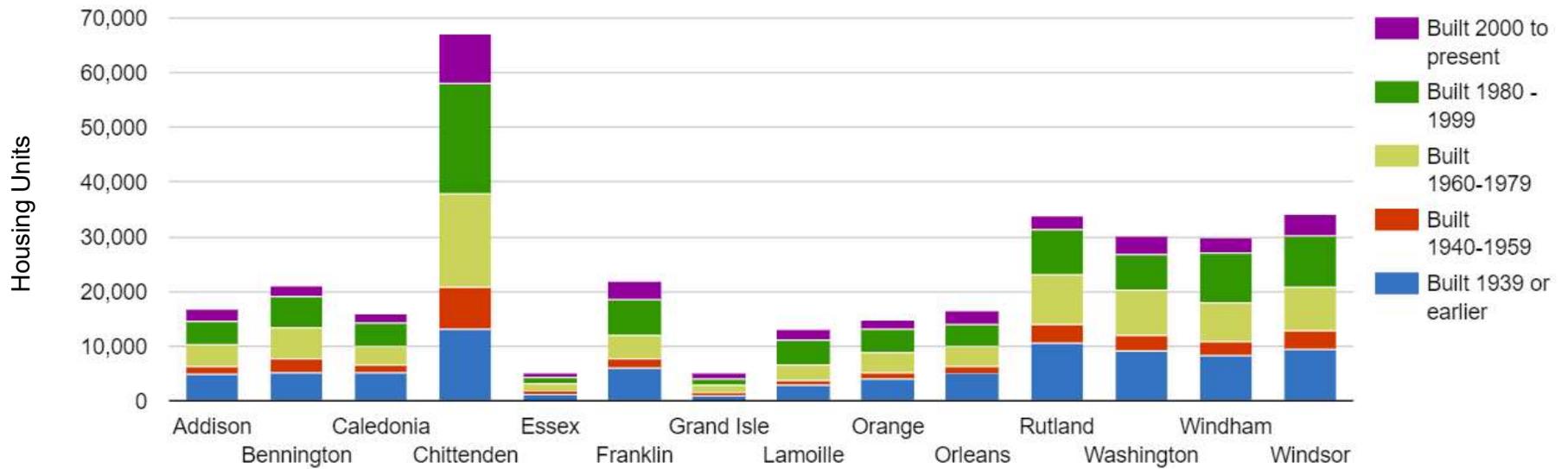
**Questions?**

**Additional slides**

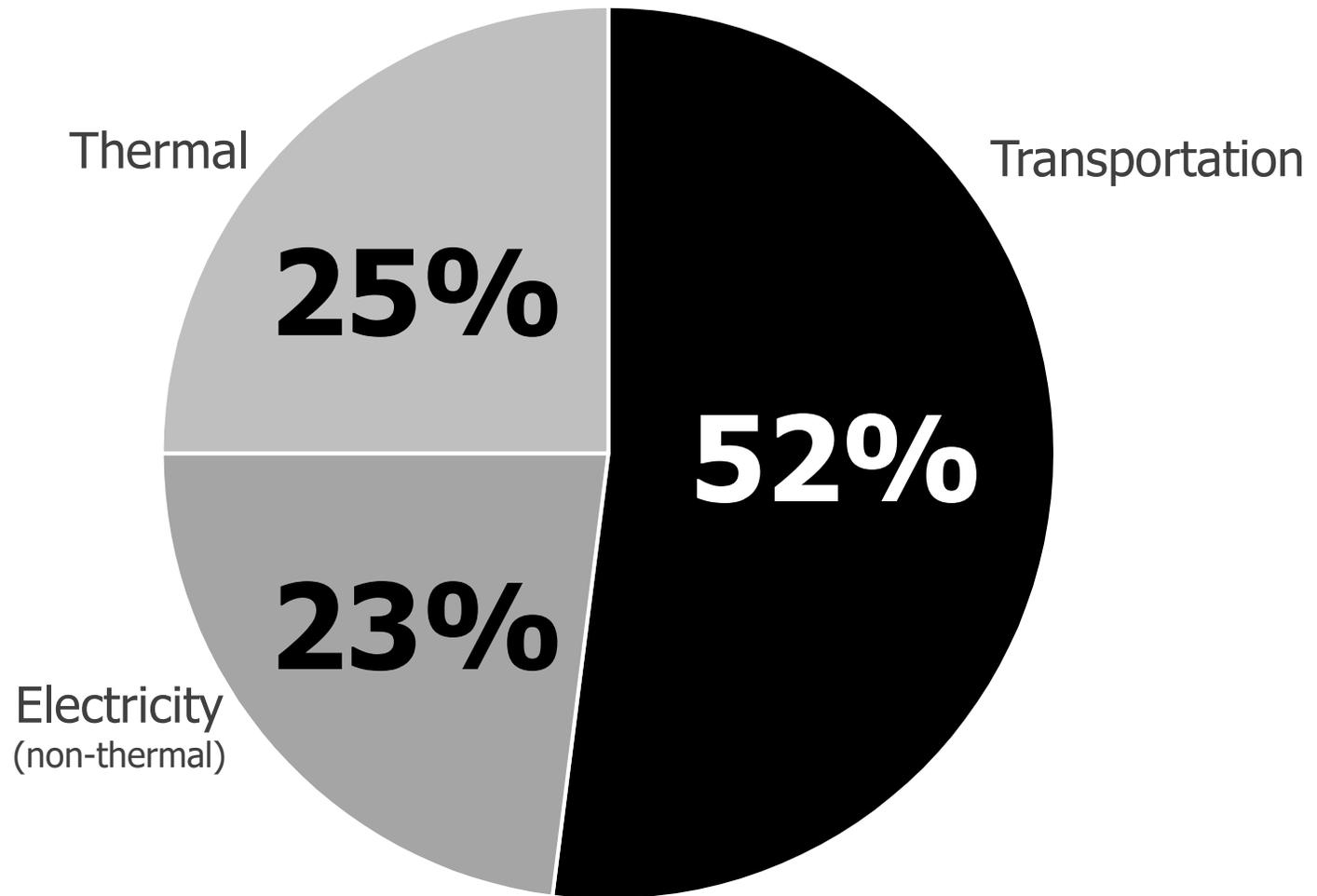
# Homeowner Tax Credits



# Housing Units by Age and County



# Total Energy Cost for Vermont Households



# Median Household Annual Vehicle Miles Traveled by Area

