

About Housing Vermont

For 30 years, Housing Vermont has been a leader in producing permanently affordable housing and enabling investments in economic and community development through partnerships with local organizations, public agencies, and the private sector.

5,120+ permanently affordable apartments | 190+ developments
\$333MM+ in private equity | \$435MM+ in private & public investments

3 Paths to Homeownership

Down Payment Assistance

For many, the only barrier to homeownership is a down payment. A simple down payment program can jump-start renters to building equity through a mortgage. Increased student debt, the rising cost of living, and growing rental housing costs all limit the ability of people to save for a down payment.

Mobile Home Purchase

Mobile homes are the only affordable ownership option for households with incomes below \$50,000, especially in rural markets. This program assures quality and energy efficiency along with affordability.

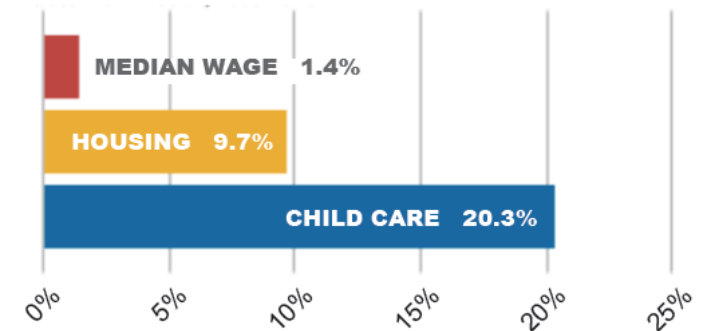
Single Family Home Purchase

Newly constructed homes are out of reach for most Vermonters, but with assistance many could purchase an existing home if they could afford to bring it up to current standards and make it energy efficient. This program not only helps the buyer with costs, but supports repairs like weatherization that don't add to appraised value.

Nonprofit developers have used the program to build new homes and convert rental properties like townhome condominiums or duplexes to homeownership. All of which remain permanently affordable for future buyers.

Wage growth lagged behind costs

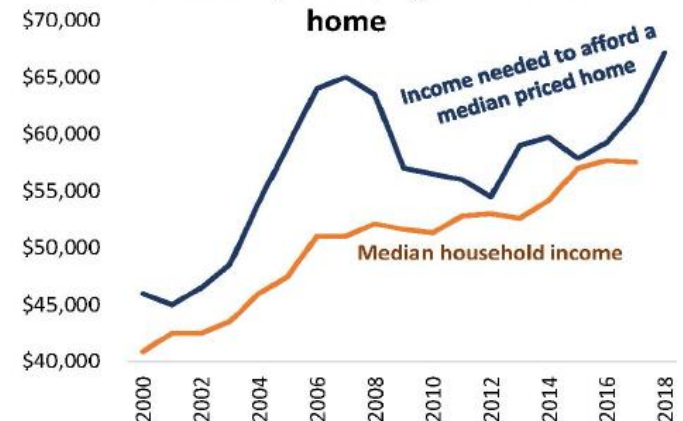
Growth in median wage, housing and child care costs,* adjusted for inflation, 2006-2016



*The housing cost is for rural housing for a single person; the child care cost is a weighted average of the cost of care in all counties except Chittenden.

Data sources: Joint Fiscal Office; Economic Policy Institute analysis of Current Population Survey data
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Affordability of buying a Vermont home

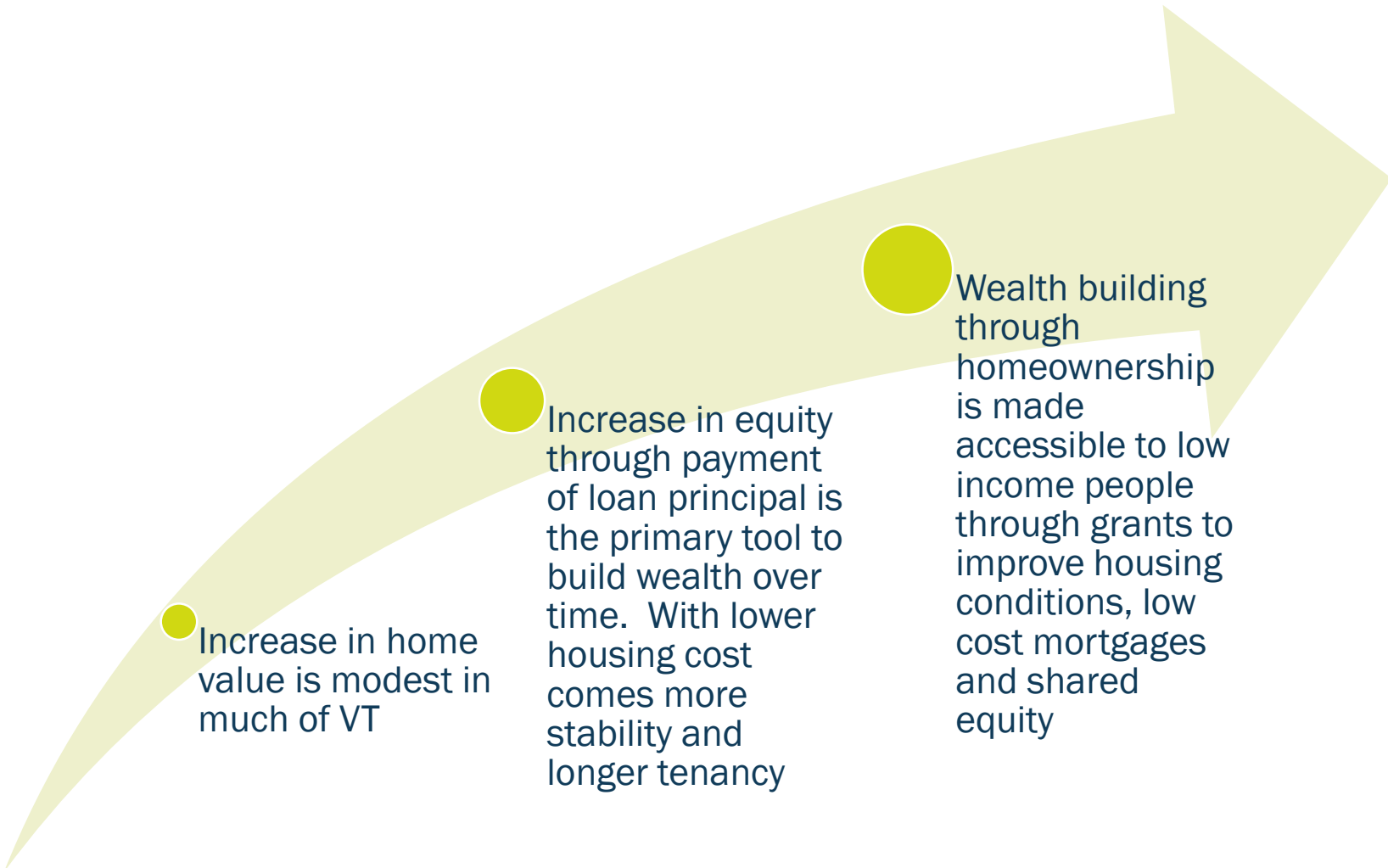


Why Homeownership?

Homeownership represents the largest source of household wealth in the U.S. and creates a pathway for people to build financial health.



Appreciation & Equity



Increase in home value is modest in much of VT

Increase in equity through payment of loan principal is the primary tool to build wealth over time. With lower housing cost comes more stability and longer tenancy

Wealth building through homeownership is made accessible to low income people through grants to improve housing conditions, low cost mortgages and shared equity

Buyer Profile Concerns

Rising medical, consumer and student **debt** limits mortgage capacity

Insufficient income or **savings** to purchase or maintain a home

Seeking communities with high **quality jobs** and opportunity to grow

Healthcare, energy and transportation costs impact **household budgets**

Market does not address

3 challenging issues

Priced Out

There's a widening **G A P** between existing home prices and median income and new homes are 30% more expensive than existing homes making them out of reach for many households.

Repair Cost vs Appraised Value

Existing homes need investment in building systems but home values don't increase proportionally to the cost of renovation.

Other affordability factors

High transportation costs as well as energy, lead and weatherization problems in older homes create health impacts and stress household budgets.

3 Paths to Homeownership

New Construction

**Conversion of Rentals
to Homeownership**

Acquisition & Rehab



HOUSINGVERMONT

**AFFORDABLE
HOMEOWNERSHIP
INITIATIVE**

Affordable homes for low income people

Energy Efficiency

Investments in energy efficiency & weatherization save money and reduce carbon footprint.

Healthy outcomes

People with asthma and COPD have better health outcomes when they live in weatherized homes. All people have less stress, missing fewer days at work and school, when they have safe affordable homes.

Housing Stability

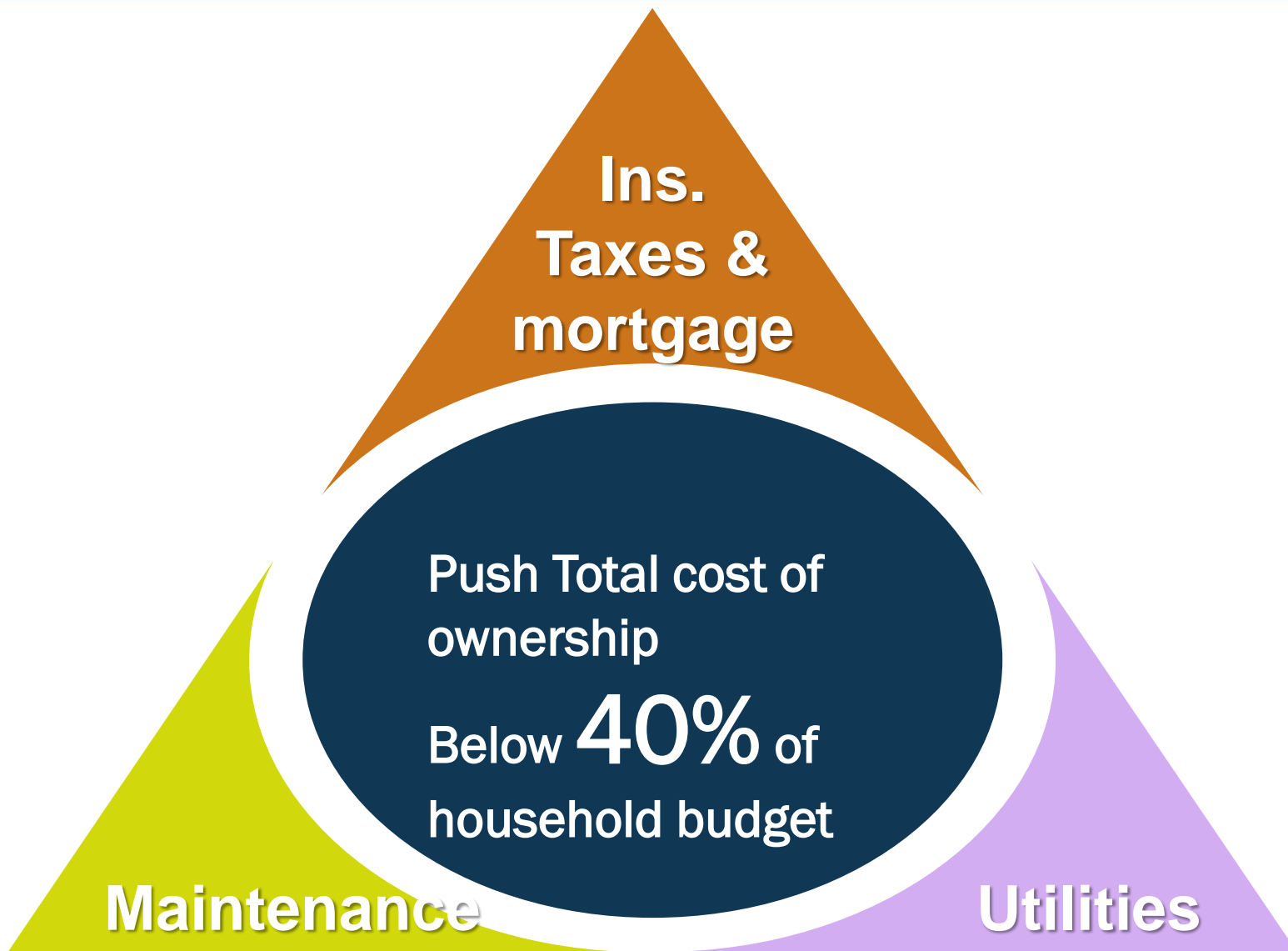
Children's education and health outcomes improve when they have stable housing.

Wealth building

Low income people can build wealth through shared equity homeownership.



Total Cost of Ownership



Homeownership Centers

HV will work with the regional nonprofit housing organizations to:

- Select communities and properties
- Market properties to homeowners
- Provide financial education and support to homeowners
- Steward the home
- Manage the shared equity re-sales

Putting it all Together

Community and home selection combined with a targeted scope of work will achieve our goal to build wealth, create stability, save energy and improve health for low income households.

\$700 in annual energy savings translates to \$10,000 in additional borrowing capacity.

Low wage workers have minimal paid sick leave– the savings from just 3 fewer sick days a year translates to over \$300 in lost income for the household.

A commute shortened by even 10 miles each work day can save a household \$27.50 each month, over \$330 a year.

By the Numbers – Buyers

Family of 2 in Washington County

78% AMI

HH income: \$48,516

35% of HH income: \$16,981

Utility expenses: -\$2,424

Capital/maint: -\$2,901

Property taxes: -\$3,473

Insurance: -\$900

HOC Fee: -\$180

Max annual payment: \$7,103

Max mortgage @ 4.6%int: \$116,962

Max home value with 20% assistance: \$146,202

By the Numbers: Energy/Health upgrades

\$24K buys

Full insulation package

ASHP

Minor cosmetics

20% down payment assistance



By the Numbers: Gut Rehab

\$110,000 Buys

New Mech, electric, interior finishes, insulation, paint, etc

A light gut rehab

20% down payment assistance



By the Numbers - Outcomes



	Energy/Health Upgrades	Gut Rehab
Renovation Hard Costs	\$24,000	\$110,000
Mortgage Tax Insurance*	\$10,000	\$9,700
Maintenance*	\$0	\$0
Utilities*	\$2,400	\$2,400
TCO*	\$12,400	\$12,100
%HH Income	26%	25%
*Annually		

Measures of Success

- Homeowner's Total Cost of Ownership
- Income growth
- Equity building
- Improving and stabilizing health
- Energy Savings
- Carbon footprint reduction
- Foreclosure rates as compared to general market

**INCREASING
VERMONT'S
HOUSING CREDIT
PROGRAM BY
\$250,000
STRENGTHENS
3 PATHS TO
HOMEOWNERSHIP**

HOUSINGVERMONT

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