

COMMUNITY RECOVERY

Vermont Housing Investment Program



- **WHAT: Vermont Housing Investment Program (VHIP): \$3,000,000**

1. **Rental Housing Investment Program: \$2,000,000**

The Department of Housing and Community Development will be reallocating available Coronavirus Relief Funds to VHIP's Rental Housing Program to incentivize private apartment owners to re-invest in rental units that have been closed due to housing quality concerns. By providing more available grants, to be matched with private investments, VHIP will continue to allow owners of blighted, vacant and non-code compliant units to make the necessary safety and weatherization improvements to increase the availability of affordable housing.

2. **Homeowner Purchase & Rehabilitation Investment: \$1,000,000**

The Department of Housing and Community Development proposes a new program that will assist middle income families to purchase and rehabilitate affordable homes currently available in "Opportunity Neighborhoods" throughout Vermont's slower growing regions. Incentives will encourage the purchase and rehabilitation of dilapidated and deteriorated housing. This will provide families new options to create safe, energy efficient, and more affordable housing while also reinvigorating housing stock in our communities. By targeting incentives and rewarding employer participation, regional demographic challenges will also be addressed.

- **Minority Ownership Set-aside: 25%**

Vermont is fortunate to have a high homeownership rate, over 70%. However, taking a closer look, the homeownership rate for Black, Indigenous and People of Color (BIPOC) is disproportionately less than that of white Vermonters. Systemic racism, lack of access to capital and federal housing policies have contributed to these inequities. We must acknowledge and correct these wrongs and we must provide opportunity for people of color to live the American dream and become homeowners here in Vermont. The Department of Housing and Community Development is recommending 25 percent of all newly invested VHIP Homeowner funds be set-aside for minority and marginalized households.

- **WHY:** There is a lack of available housing in the most populous counties in our state. In other counties, affordable housing options exist but tend to be of very poor quality. This deters new families from choosing to live in VT, pushes our maturing youth to seek opportunities out of state, and makes it hard for employers to attract new workers. Permanent housing solutions are needed to help families secure economic stability, productivity and to help stabilize economic growth in our communities.

- **WHO:** The VHIP Rental Housing Investment Program will help owners of rental properties to bring defunct units back online to provide safe, healthful, and affordable housing to low and moderate income households. Strong emphasis will be placed on housing Vermonters who are experiencing or at risk of homelessness.

The VHIP Homeowner Purchase and Rehabilitation Investment program will assist moderate-income prospective homebuyers to purchase and rehabilitate distressed housing stock. Priority will be given to assisting Black, Indigenous, and people of color with concerted outreach and program assistance to make resources available to these households.

Both VHIP programs will benefit the surrounding community by improving existing housing stock and increasing vibrance and resiliency for our towns and villages.

- **HOW & FUNDING:** \$3,000,000 in onetime General Fund investment. The Department of Housing and Community Development, building off successful programs funded by the original CARES Act of 2020, will work with statewide and regional housing partners to administer funds, identify interested property owners and prospective home purchasers, and oversee project completion. Project timelines and ongoing affordability will be verified by DHCD.

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