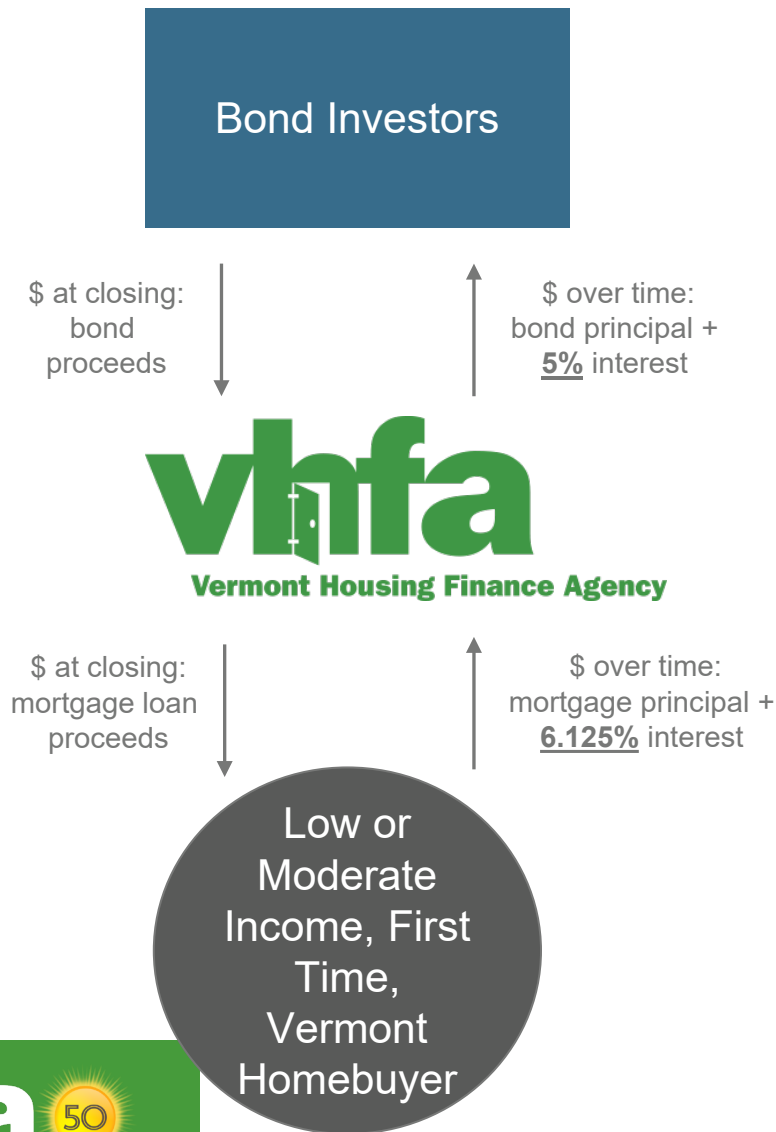


About us

- 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 Funding – Simplified Version



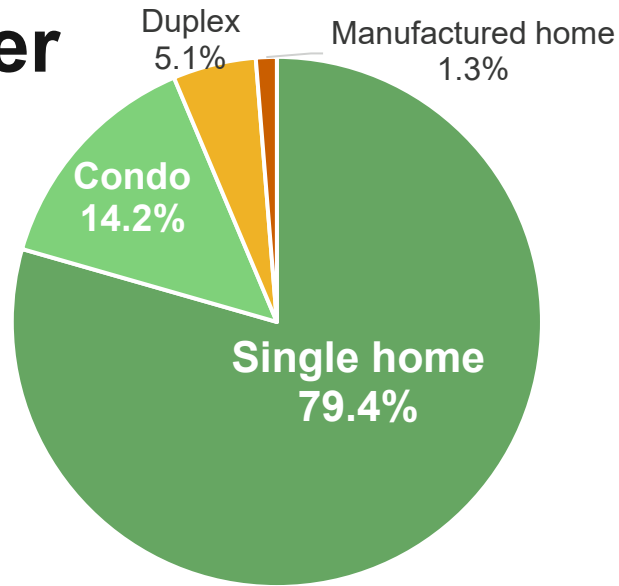
VHFA Economics

- 6.125% earnings rate from borrower mortgage payments, less
- 5% interest payments on bonds, equals
- 1.125% "spread" to VHFA which pays for VHFA operations

Benefits to LMI Homebuyer

- 6.125% mortgage rate for borrower at a time when comparable mortgage rates in market are 6.50% or higher
- VHFA also offers up to \$15k in downpayment and closing cost assistance for qualifying borrowers plus another \$15k for First Generation borrowers.

VHFA's Average Homebuyer



Homebuyer Zeynab Kouyate and her daughter

184 

home loans made by
VHFA

97% 

loans made to first-time buyers

77% 

received down payment
assistance

\$57,360

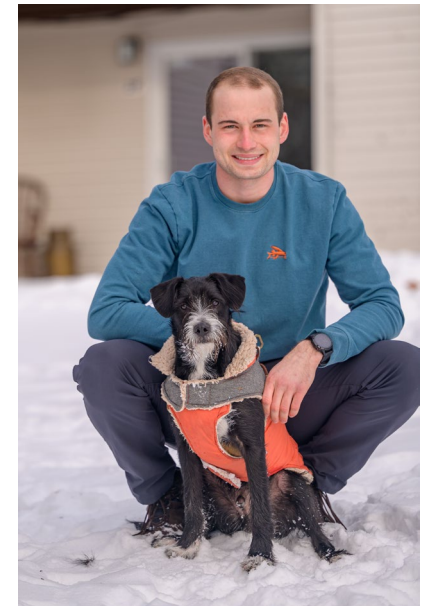
Median VHFA borrower
income

\$186,500

Median VHFA home
purchase price

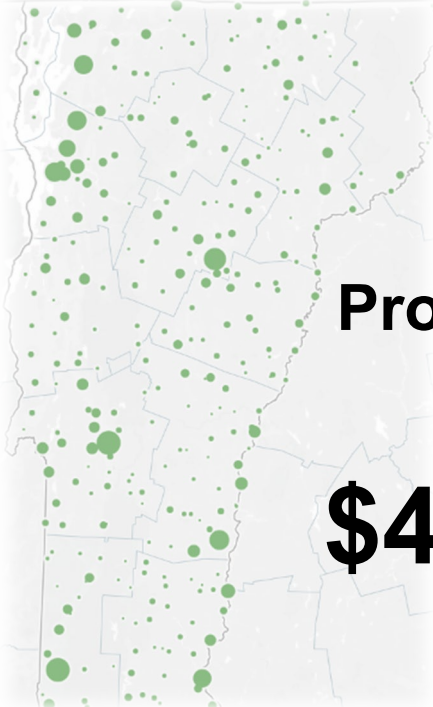
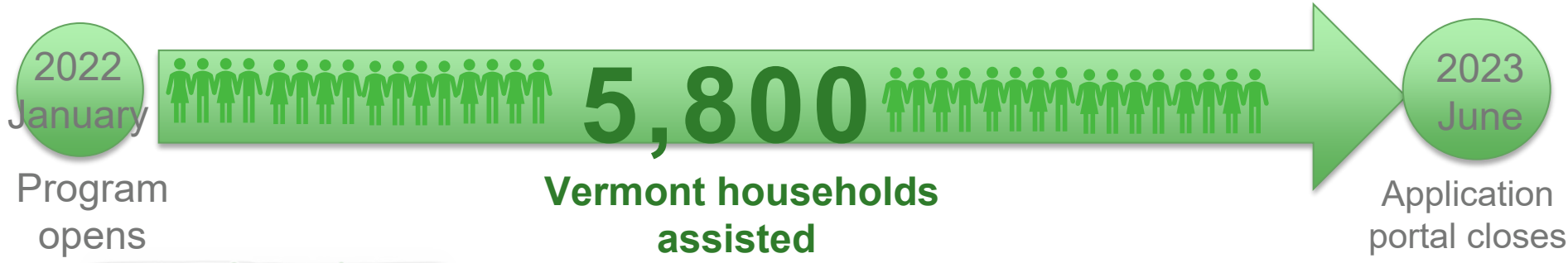
99.5%

received pre-purchase
homebuyer education



Nathan Lalonde at his home near Bolton Valley Resort

Vermont Homeowner Assistance Program



**Mortgage relief of \$21 million +
Utility assistance of \$10 million +
Property tax payments of \$ 9 million +
Property association fee help of \$ 1 million =**

\$41 million in ARPA-funded grants to Vermonters
+ legal, financial & other help

Rental Housing Development

\$46 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



Vermont Housing Investment Fund

- ❖ Established in 2020 as a platform for non-traditional investments into housing
- ❖ Grown to \$16 million fund with employer, philanthropy, financial sector, and federal programs that require leverage
- ❖ Gap loans for tax credit developments with deep affordability
- ❖ Investment from Vermont philanthropy and business community has attracted \$9 million in unique funding from US Treasury and Federal Home Loan Bank
- ❖ Grants are most powerful investments, but low rate of return patient capital is also high impact

17 
multifamily projects

834 
units supported

80 
units for Vermonters exiting homelessness

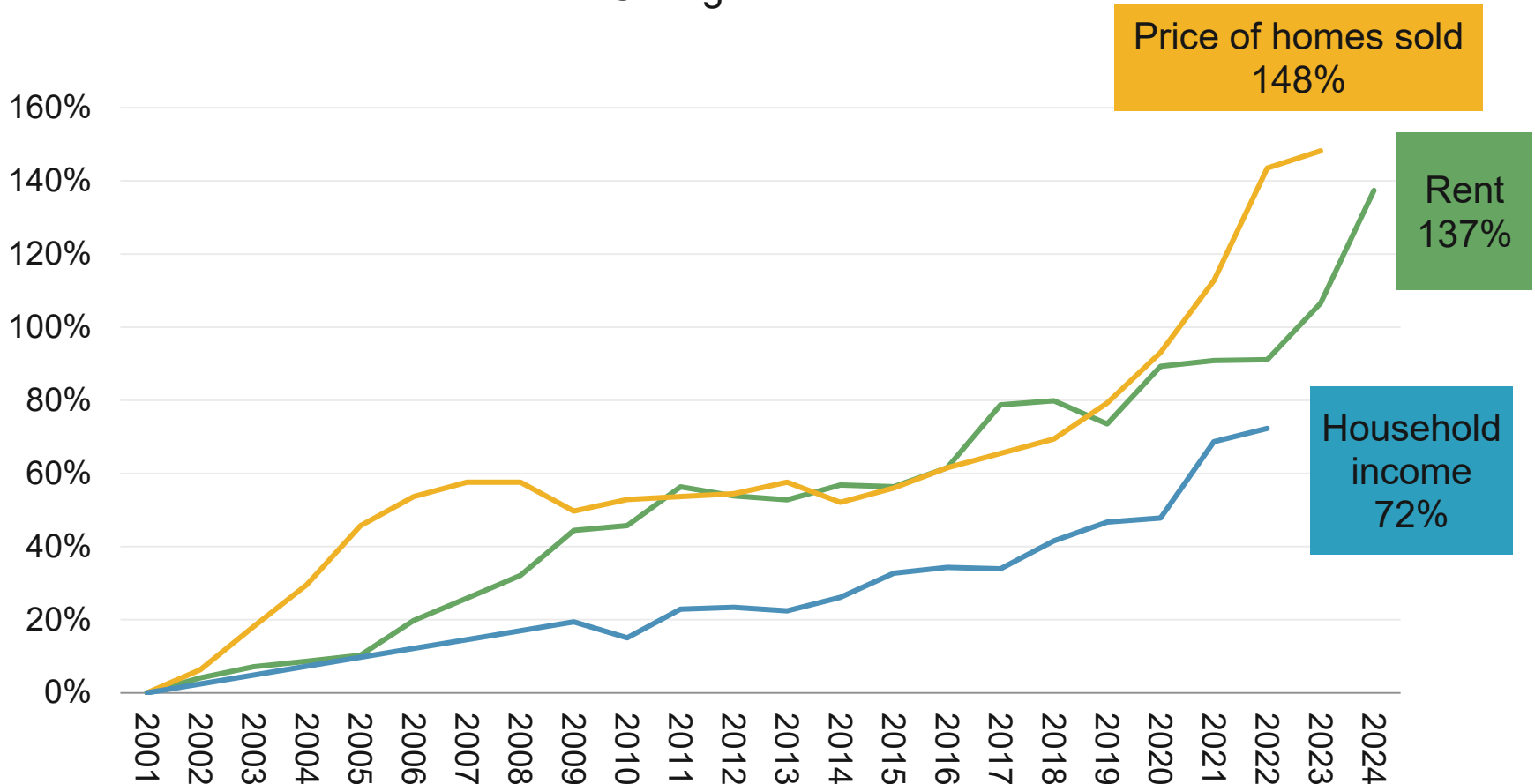
15 
Vermont communities

10% for Vermont funding

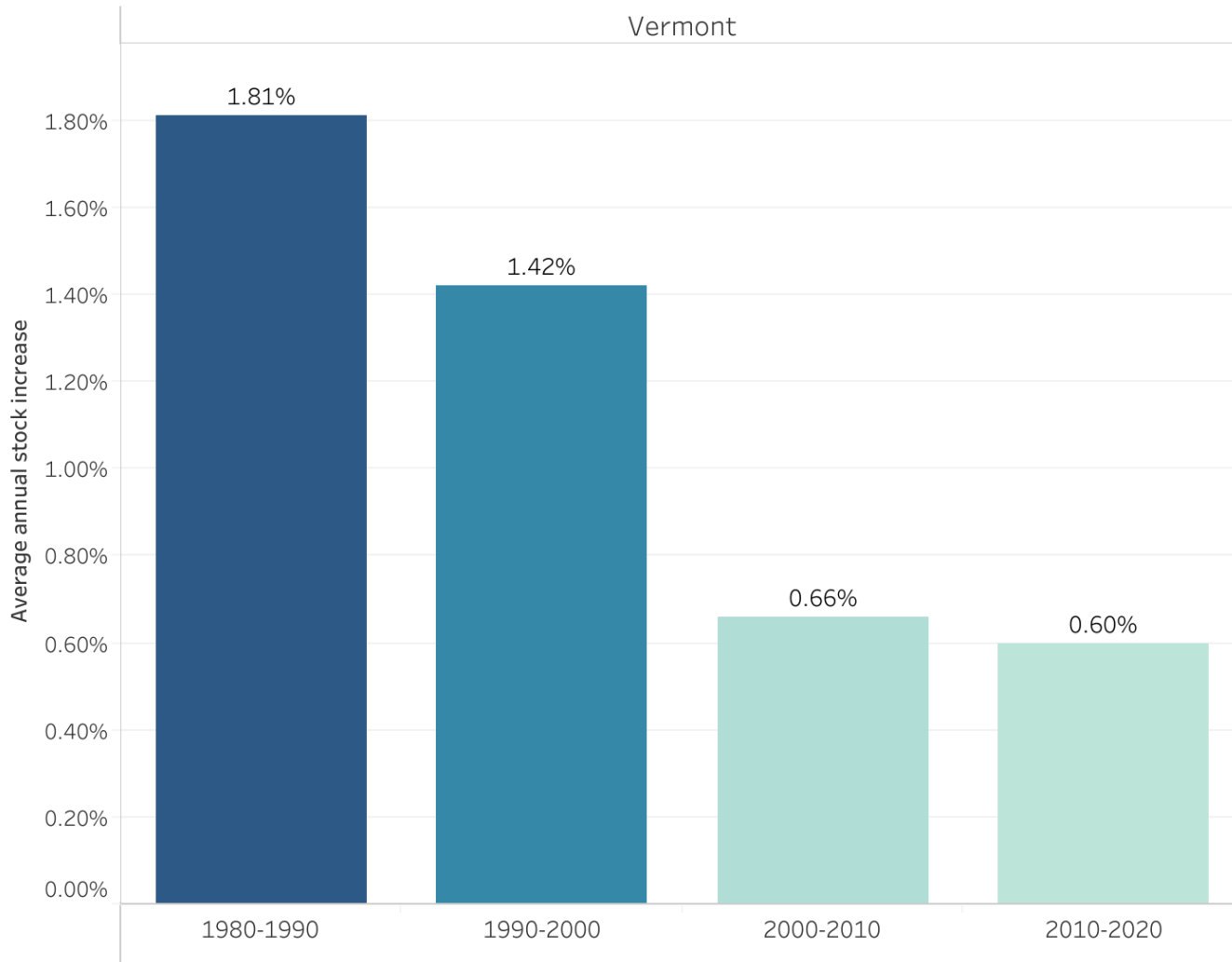
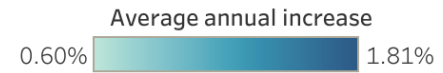
- **\$14 million** for traditional affordable housing
- **\$14 million** for priority economic development projects
- **\$6 million** for small and emerging developers of smaller or infill housing developments
- **\$5 million** towards homeownership development
- **\$5 million** for manufactured housing communities
- **\$6 million** for flood resiliency and sustainable innovation

Why we have a problem...

Change in median



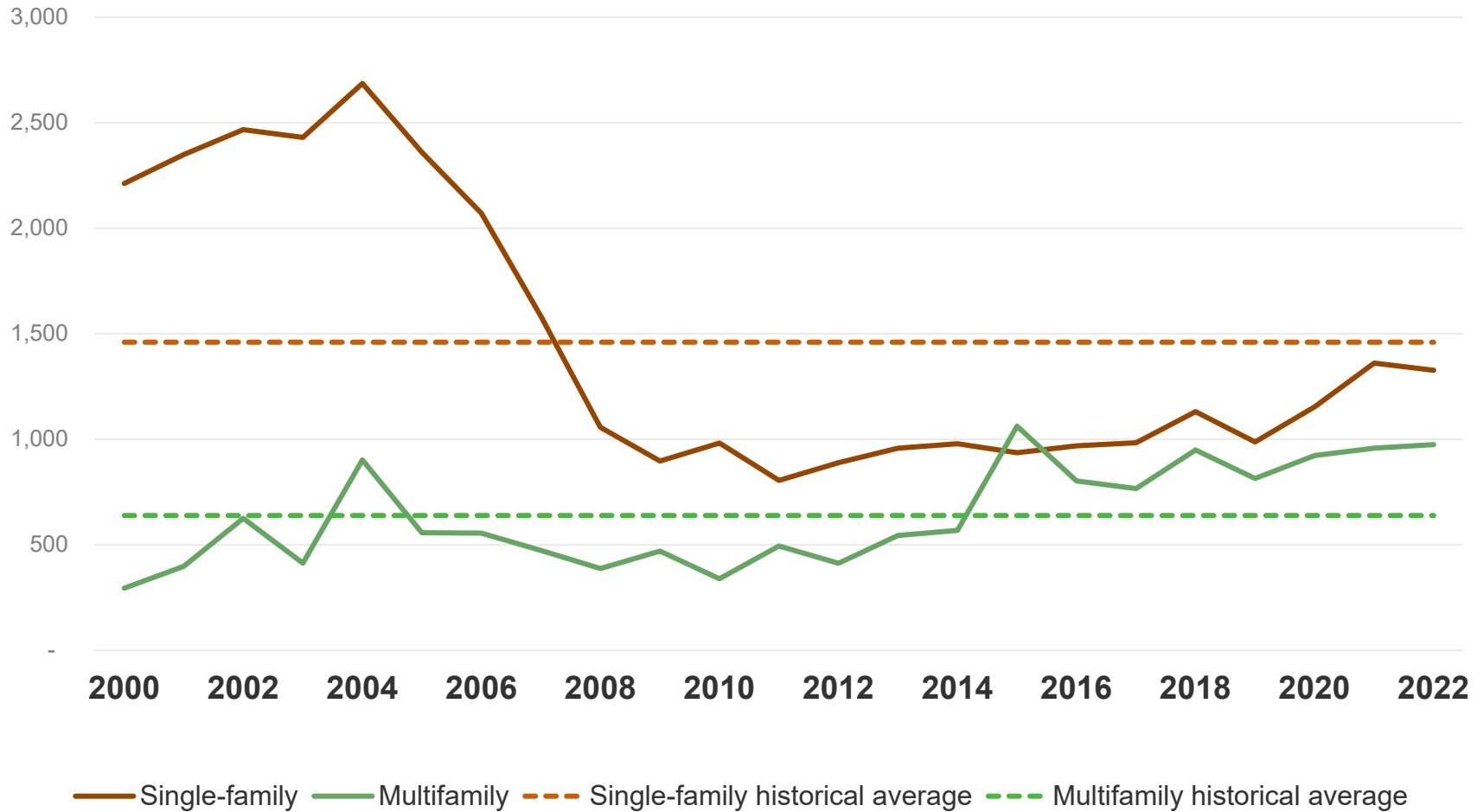
Rate of change in occupied housing supply



Source: <https://www.housingdata.org/profile/housing-stock/rate-of-change>

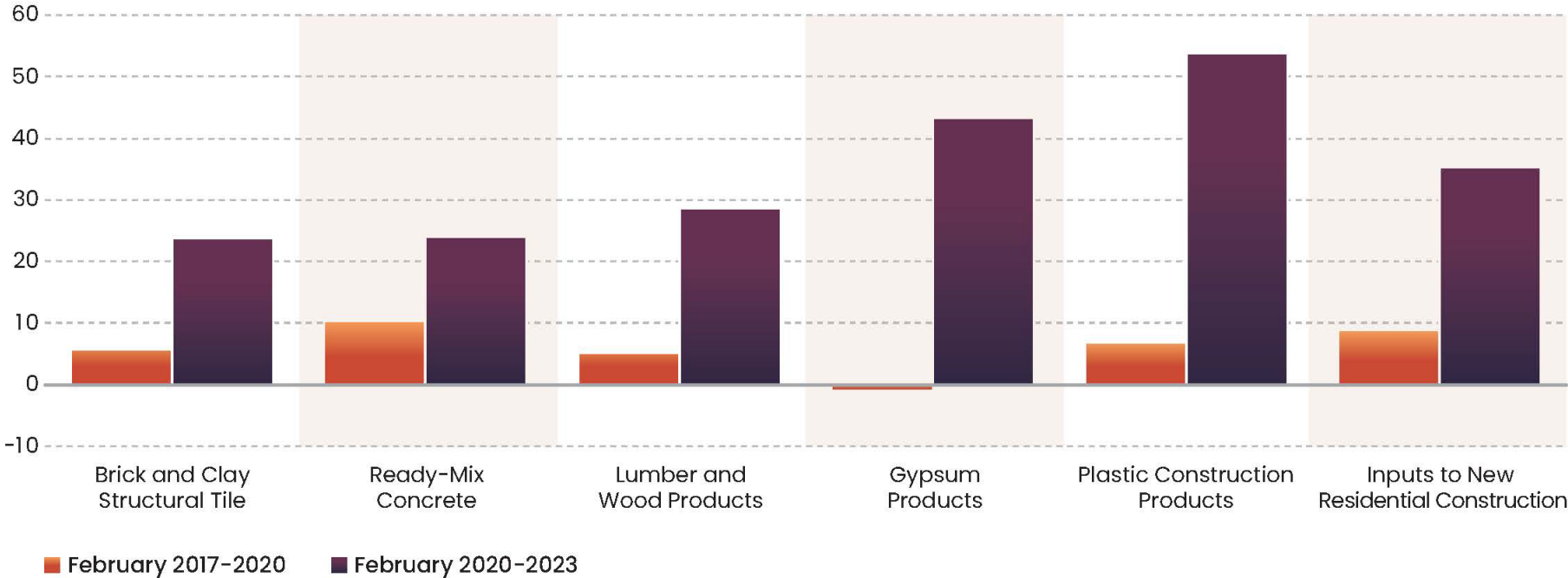
Single-Family Construction Dropped Dramatically, While Multifamily Development Remained Strong

New homes permitted in Vermont



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.

Middle-Income Homeownership Development Program awards all funds in 2023

2022

Program created to support building & rehabilitating homes for middle and lower income buyers.

March 2023

First set of awards made through \$14.2 million in ARPA funds for 92 homes.

September 2023

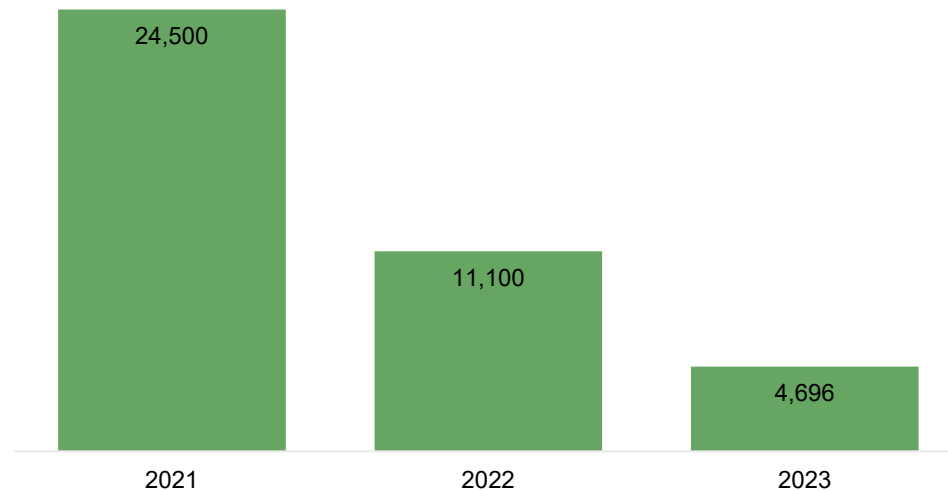
Awards made through \$9 million from 2023 BAA for 180 homes.



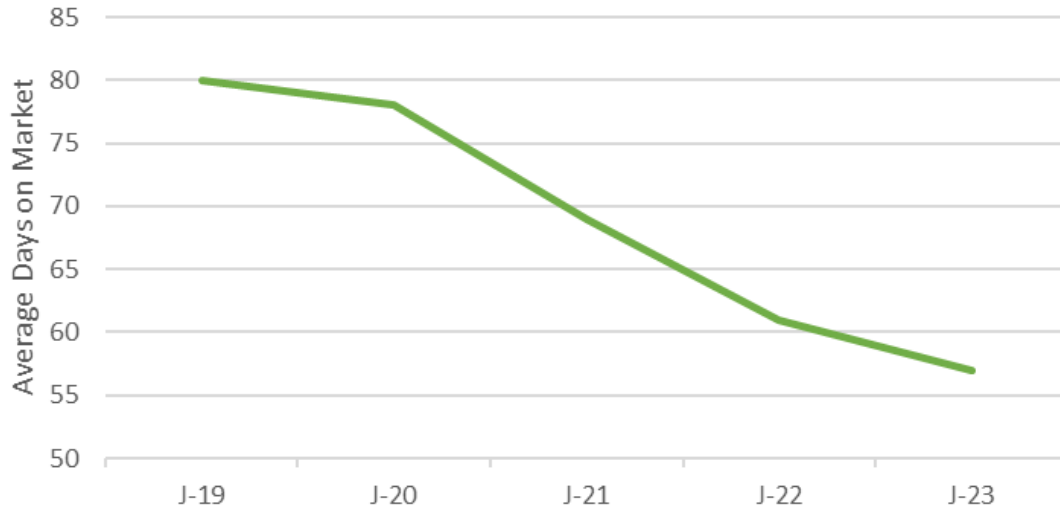
*Homes completed in 2023
in Londonderry and Rutland.*

	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

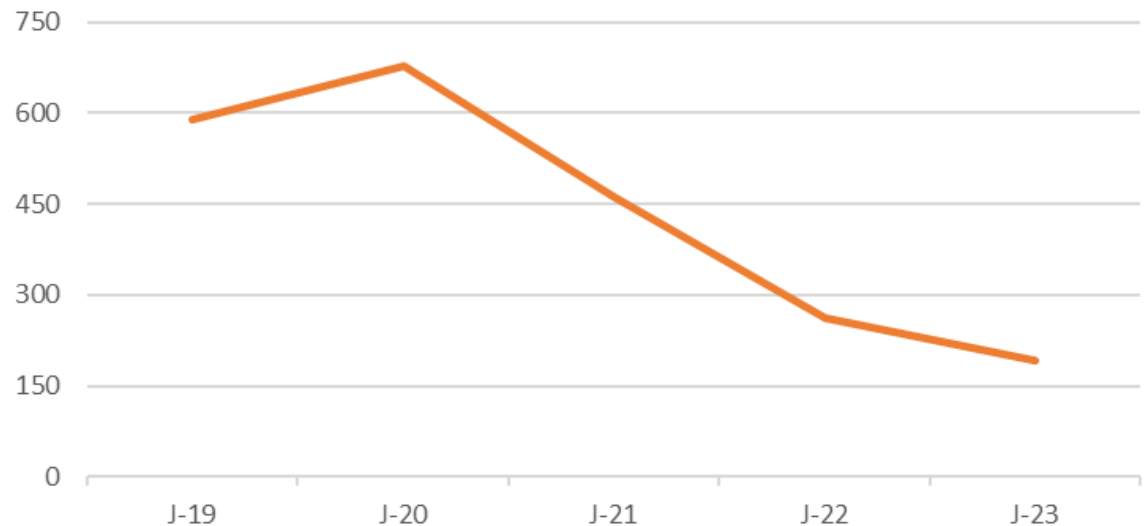


Average number of days homes were listed in the MLS in July of each year

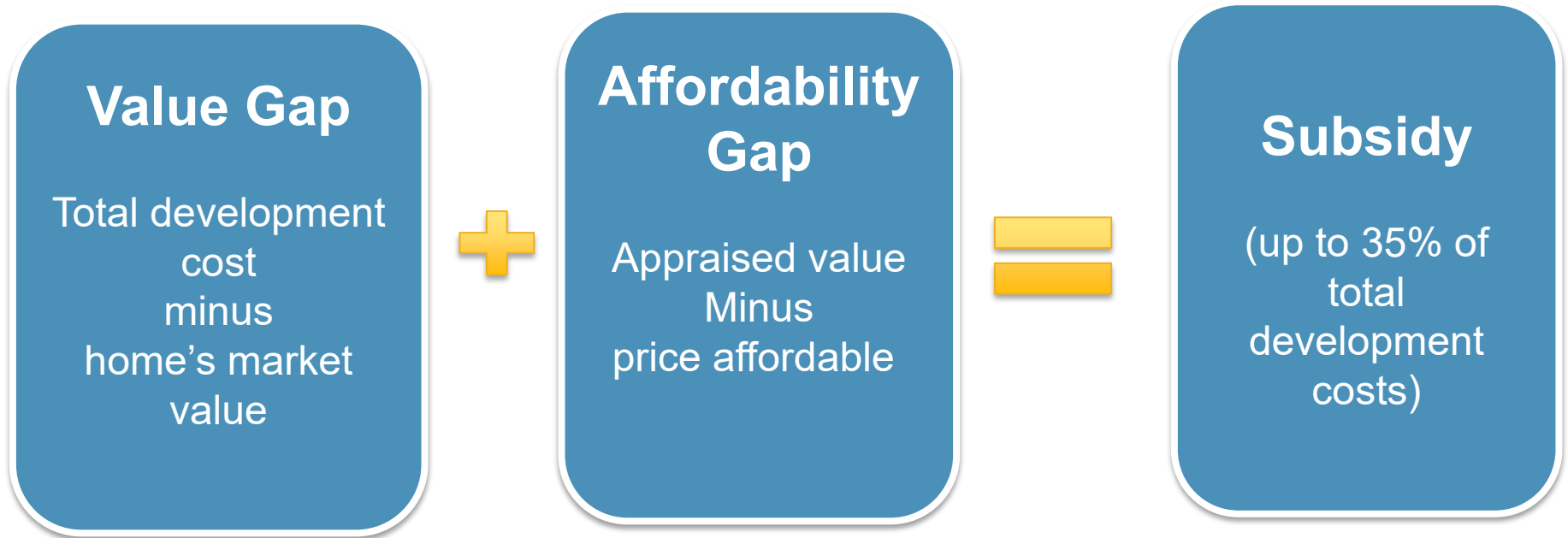


**According to
MLS Realtor
Data...**

Number of homes sold priced below \$300,000 in July of each year



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

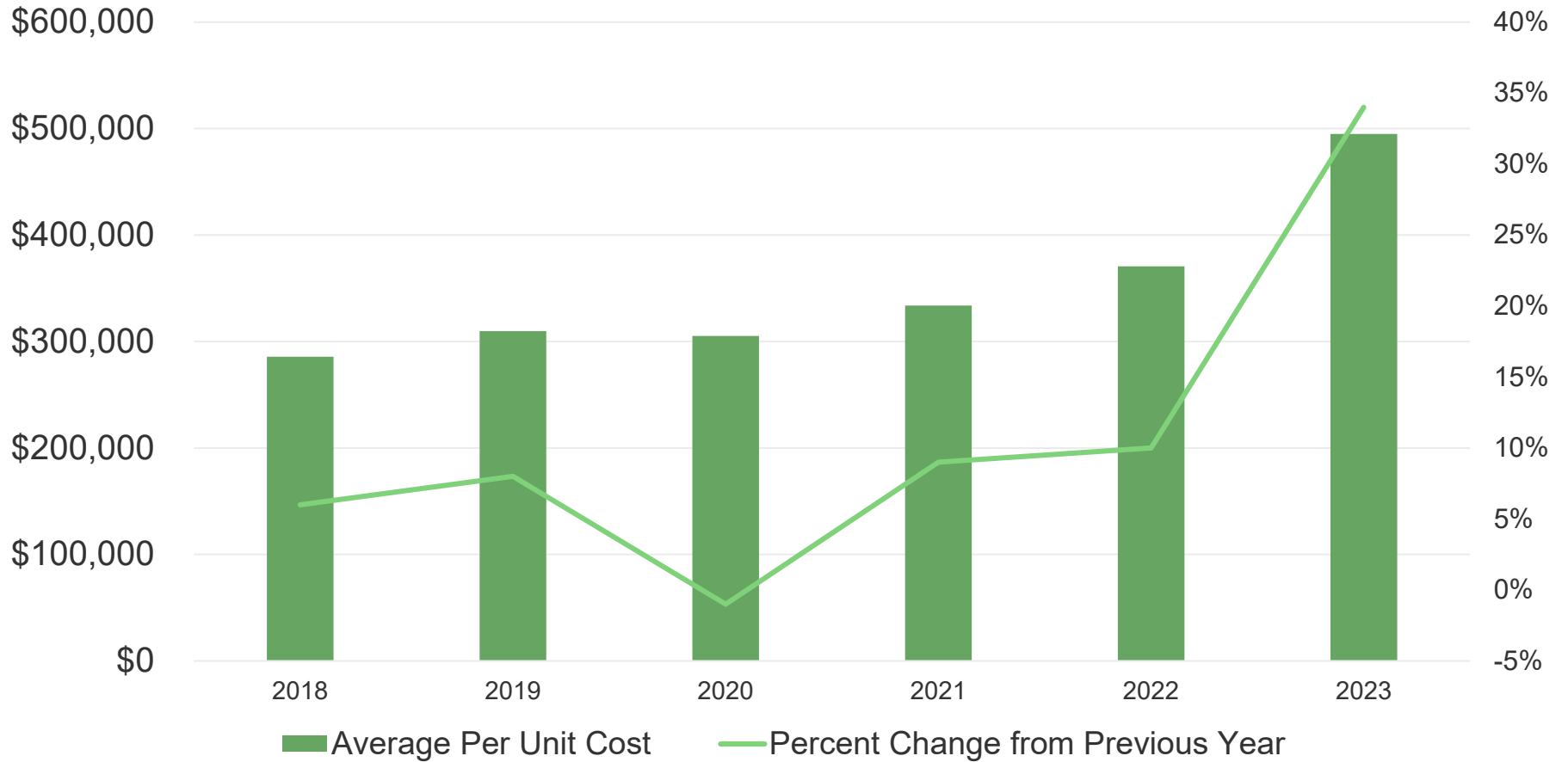


Why do these gaps exist?

Homes cost more to build than they will appraise for

Homes cost more to build than middle income buyers can afford

Cost Trends in Affordable Housing Projects



Homes underway in 20 Vermont 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



First home completed in Rutland



The Corlew family's new home in Londonderry

"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 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



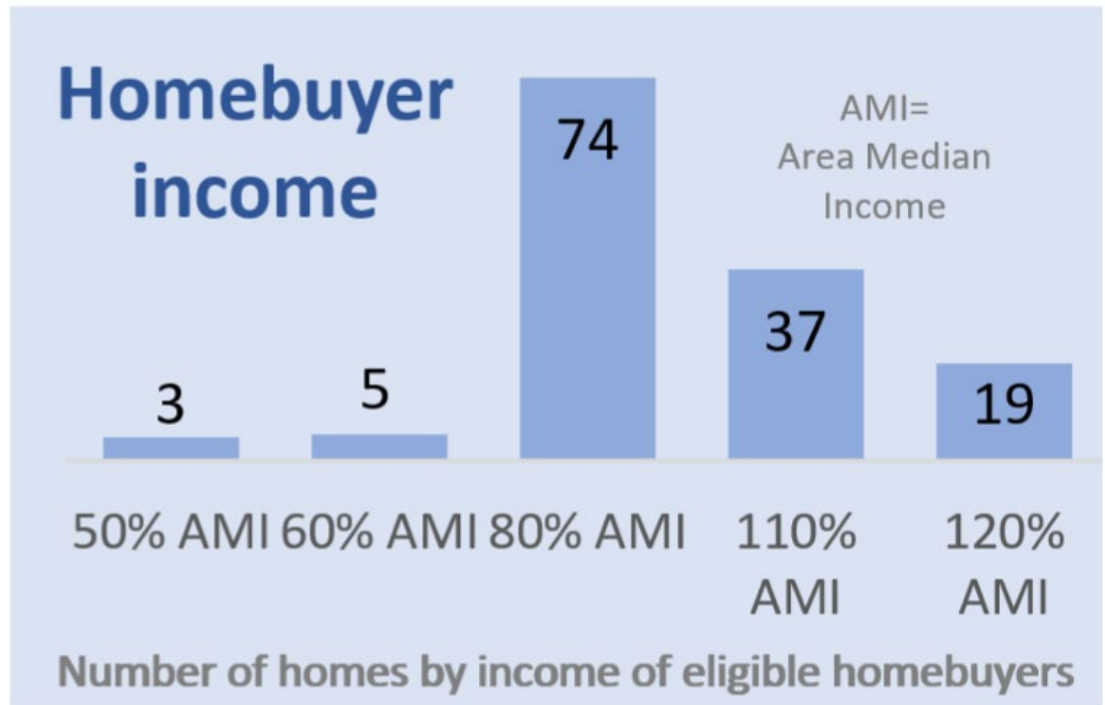
Upper photo: Addison County Habitat for Humanity volunteers and board with the Poquette family outside their home when they took ownership in July 2023.

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

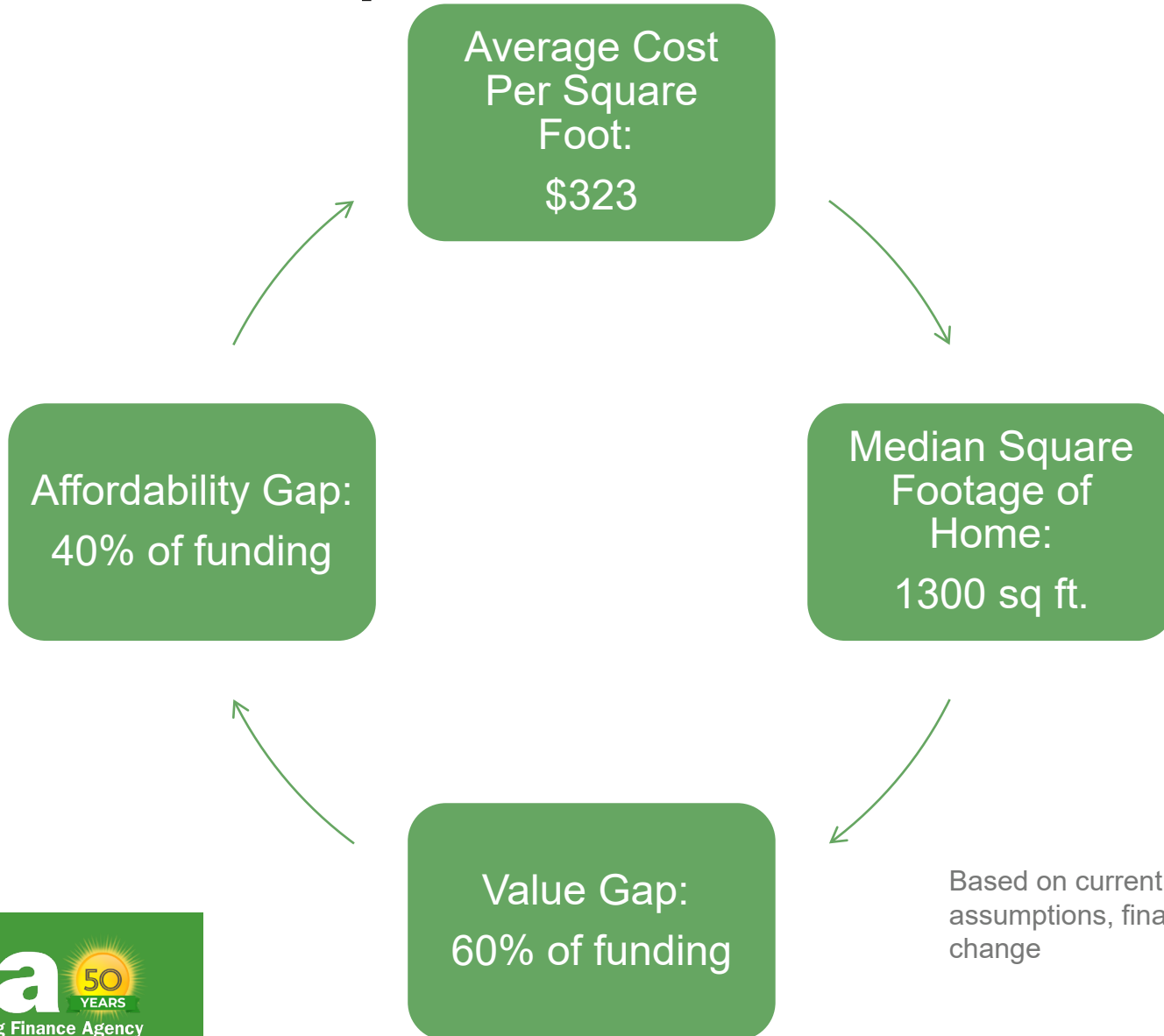


Program builds homes primarily for middle income homebuyers in 2023

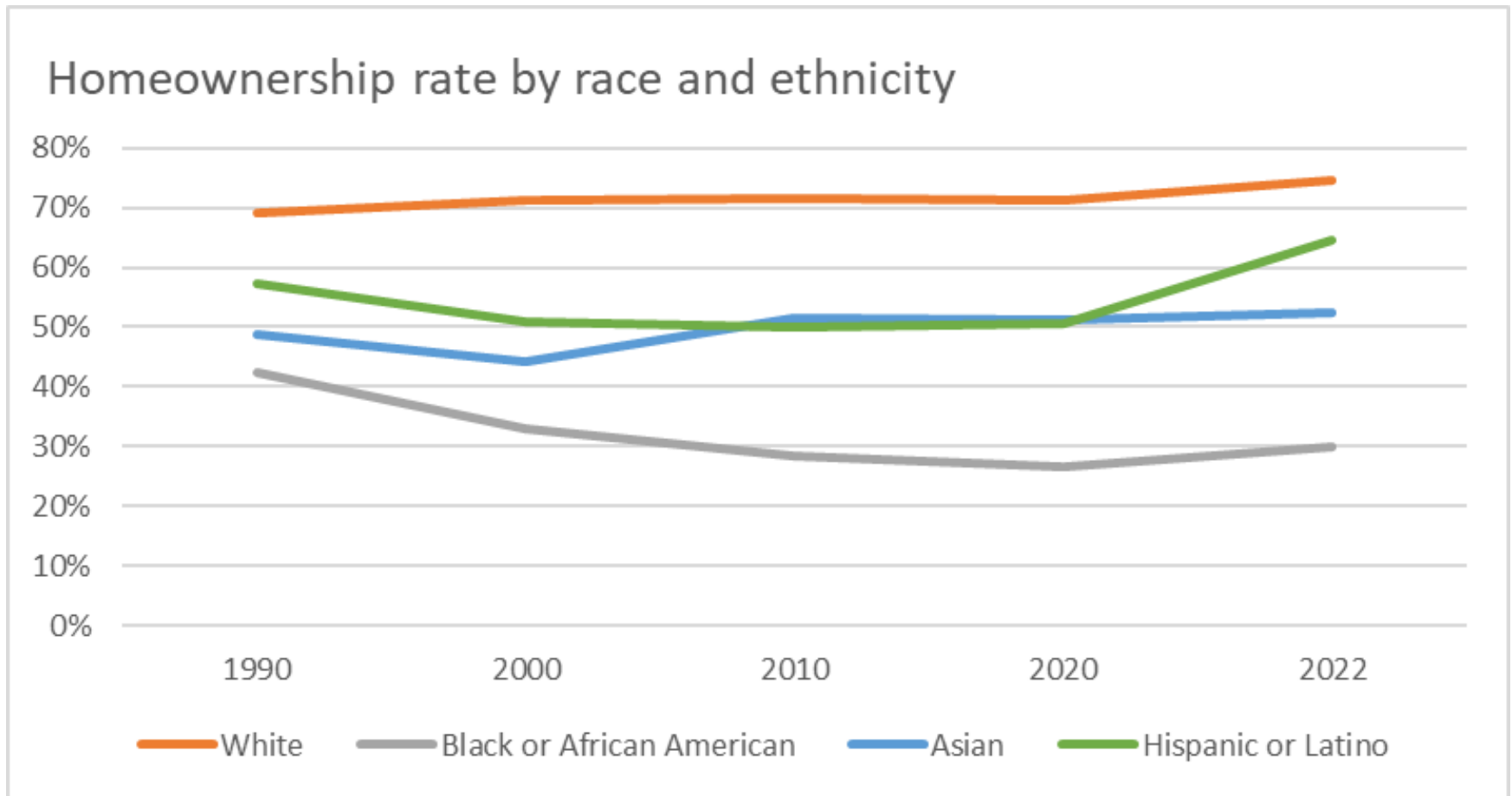
- Program provides long-term affordability for future homebuyers
- 49% of all homes funded in 2023 are shared-equity homes
- Subsidy retained for all homes developed through limits on future sales prices.
- Most homes awarded funds in 2023 (86%) will be for homebuyers at or below 110% of the area median income.



Continued construction price inflation led to larger Value Gap

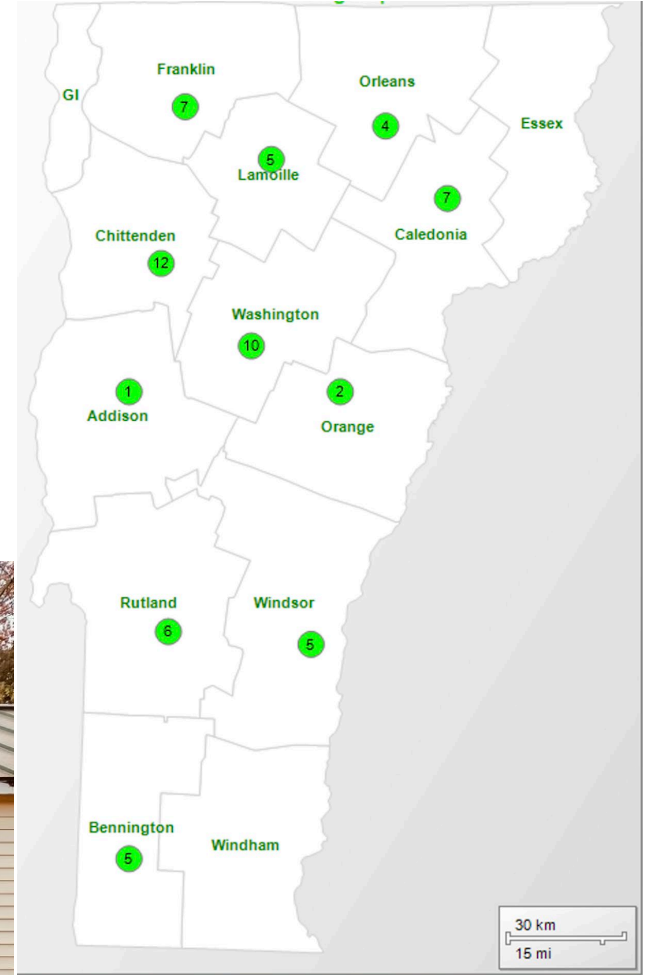


Large disparities remain

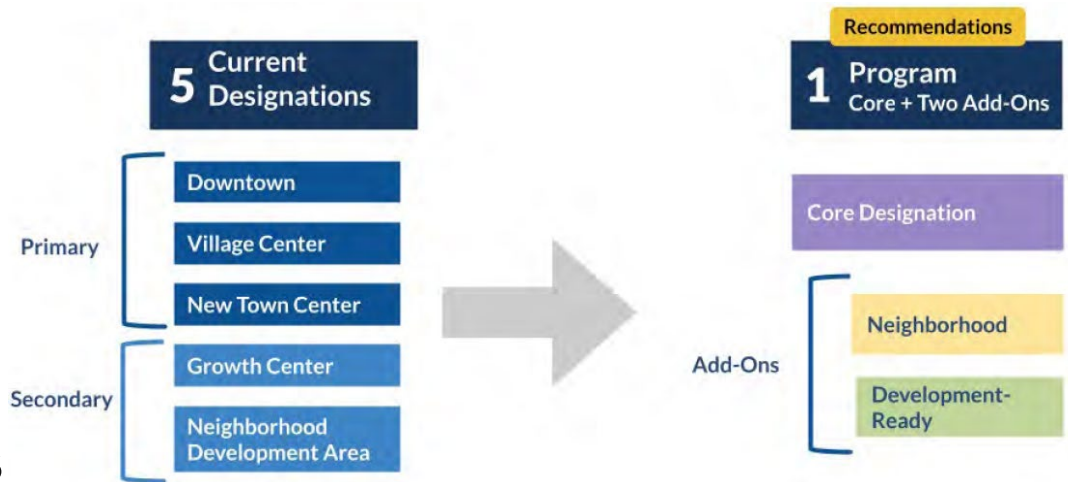


First Generation Homebuyer Grant Program outcomes

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



Important Policy Discussions



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