



# VHFA's Middle Income Programs: Homeownership and Rental Housing

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# Employers need housing for their workforce



## Middlebury College, developer and town join forces on major housing project

Vermont Public | By Carly Berlin  
Published February 3, 2025 at 5:14 PM EST



## UVM Health Network opens 2nd apartment building for workers



## Cottages Industry: The Housing Crisis Complicates Hiring, Forcing Employers to Become Realtors and Builders

Locked Out Series, Part 3

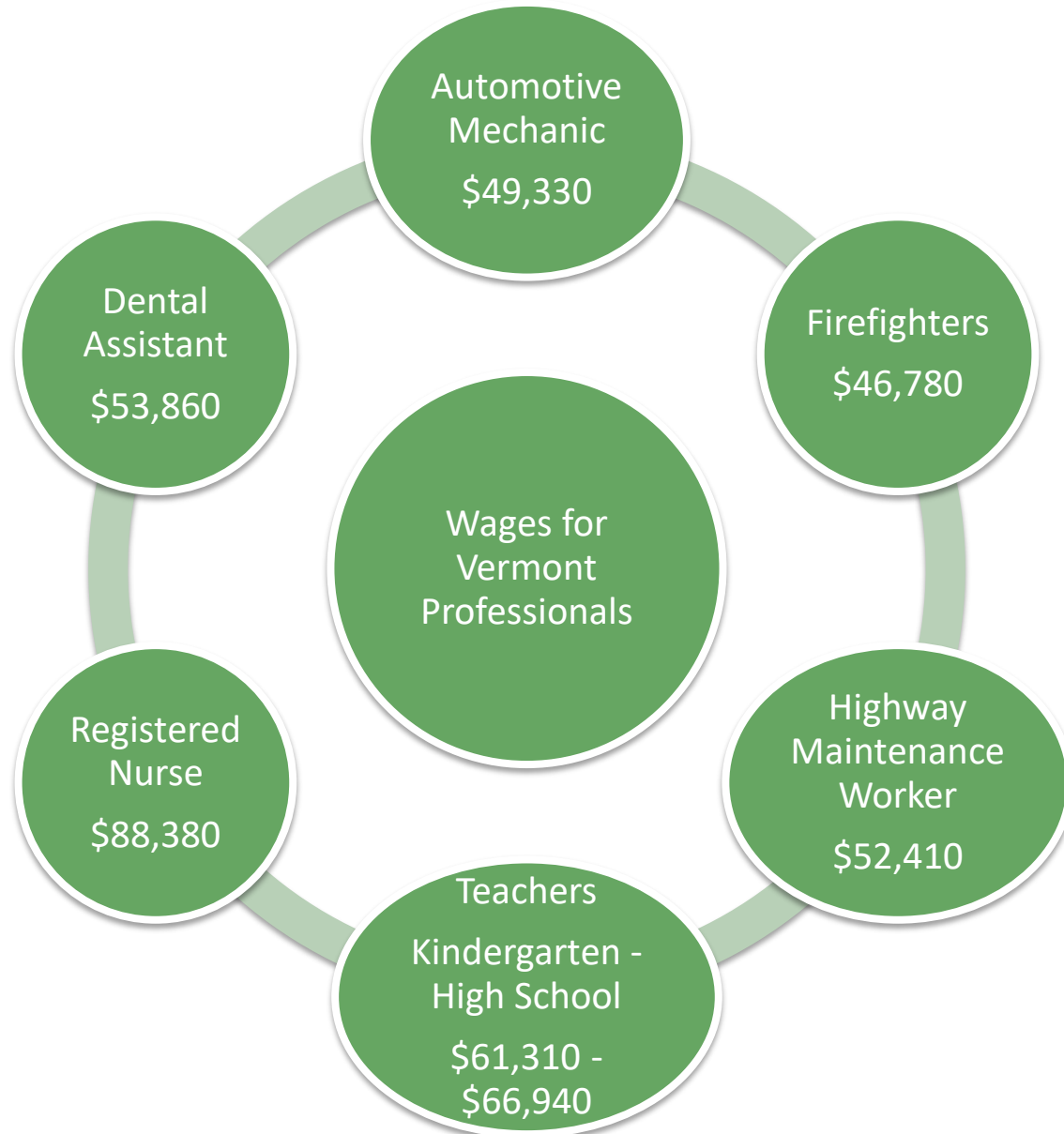
By ANNE WALLACE ALLEN



# Companies need workers. Where are the houses where they can live?

By Greg Sukiennik, Brattleboro Reformer Jul 23, 2021

# Middle-income households



## 2 Person Household Income Levels:

Homeownership program:

- Up to 150% AMI (\$110,000)

Rental program:

- 65% AMI (\$53,000)  
To
- 120% - 150% AMI (\$98,000 to \$120,000)

# Setting Rents: Banding to serve spectrum of affordability



Rent levels set at 65% AMI rents may serve up to 80% AMI Households

Rent Levels set at 80% AMI may serve up to 120% AMI Households

If serving households up to 150% AMI, consult with VHFA on area market rents to determine target rent levels

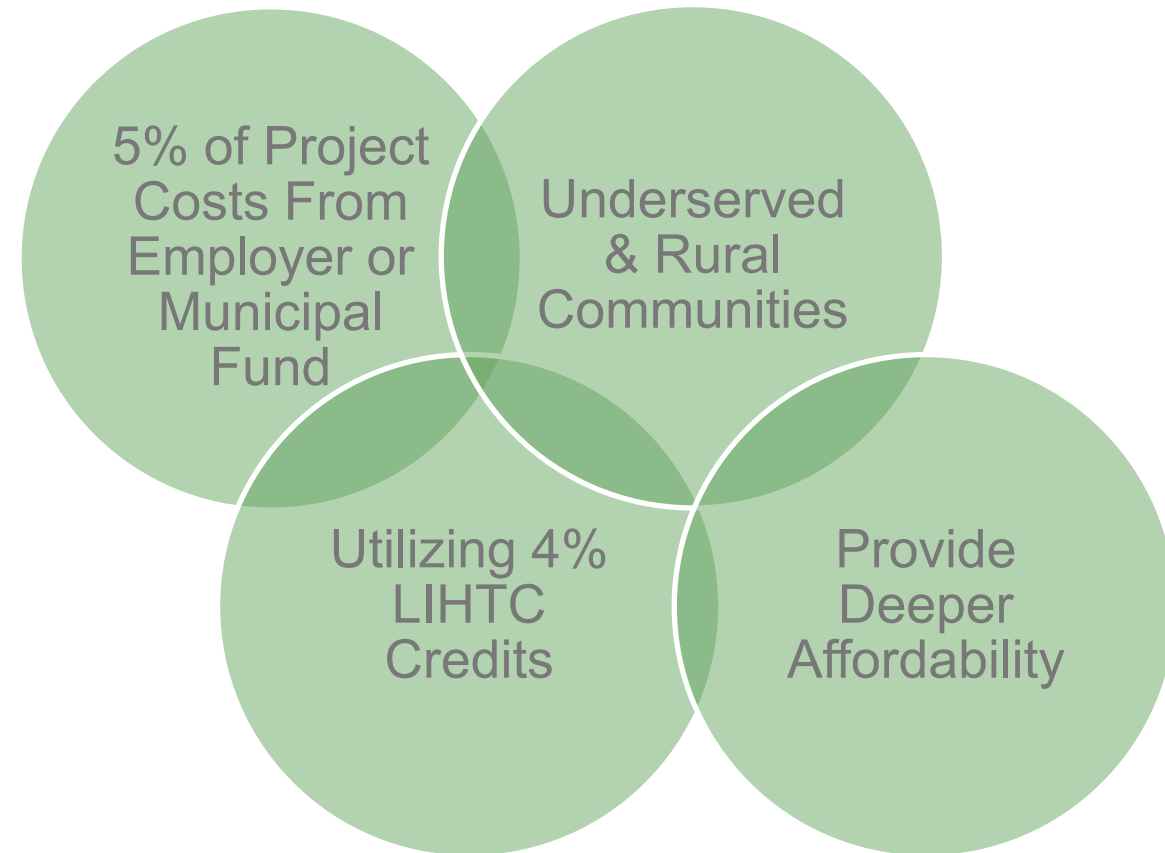
Sample 2 Bedroom Rents:

- 65% - 80% AMI: \$1,800
- 90% - 150% AMI: \$2,700

# Rental Revolving Loan Fund: Gap loan program

- ✓ Max loan = 35% of development cost
- ✓ Subordinate construction-to-permanent loan
- ✓ Terms from 3 to 30 years
- ✓ Interest rate as low as 0% for priority projects
- ✓ Interest-only options for projects that need extra support
- ✓ Minimum affordability period: Greater of 7 years, loan repayment, or term of the loan (between 7-30 years)
- ✓ Rent increases capped at **3% annually**, and rents certified annually by the agency
- ✓ Rents may not increase more than **3%** for 3 years after property exits the program
- ✓ Income certification is required only at move-in, tenants may not be displaced for income eligibility reasons
- ✓ Owners/Managers required to demonstrate continued relationships with local employers

Enhanced subsidy for project that meet one:





# Program impacts

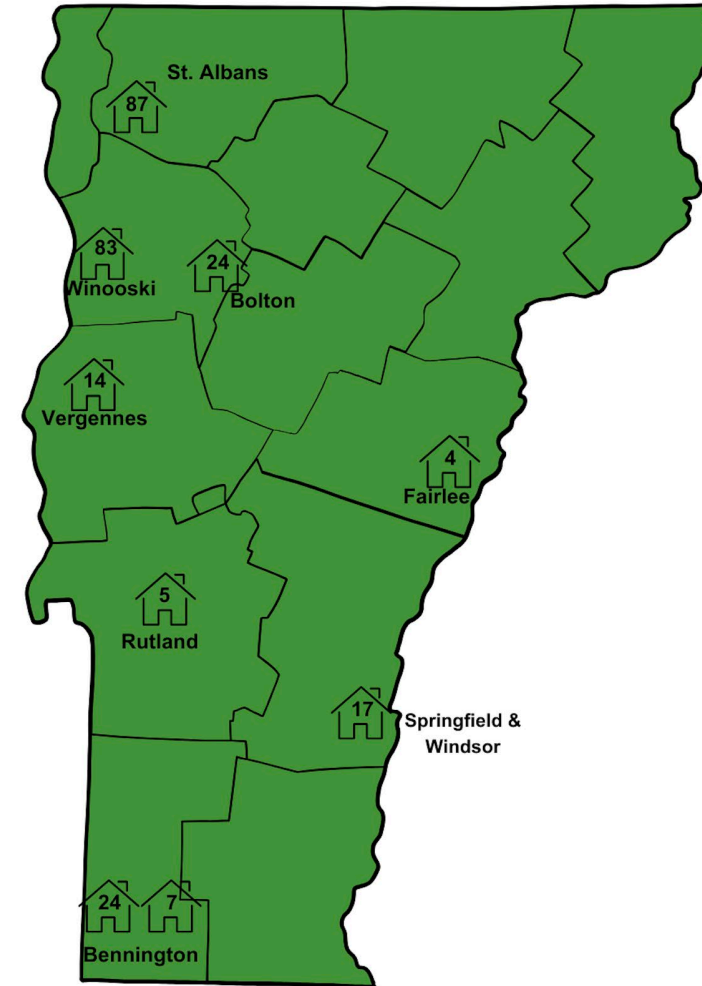


Appropriations deployed	\$10 million
Municipal & employer investments	\$21 million
Apartments funded	292 (259 affordable)
Incomes served (AMI)	85 @ 65%-80% AMI 174 @ 81%-150%
Communities	9

## Rents:

65% - 80% AMI: \$1,200 to \$1,500

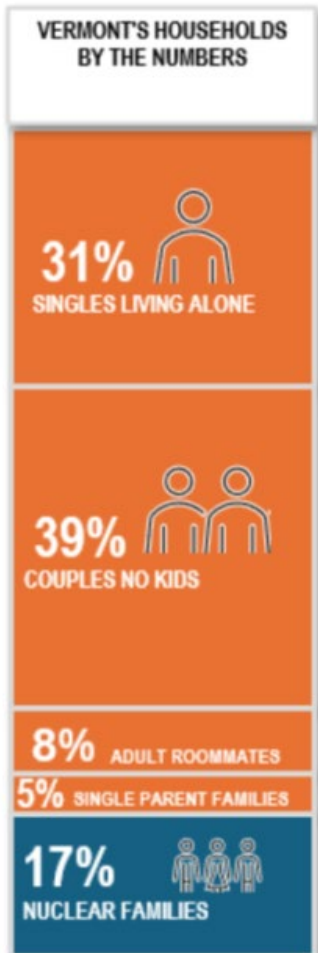
90% - 150% AMI: \$1,700 to \$2,700



Rehabilitation of Bradford Mill will create 24 apartments in Bennington.

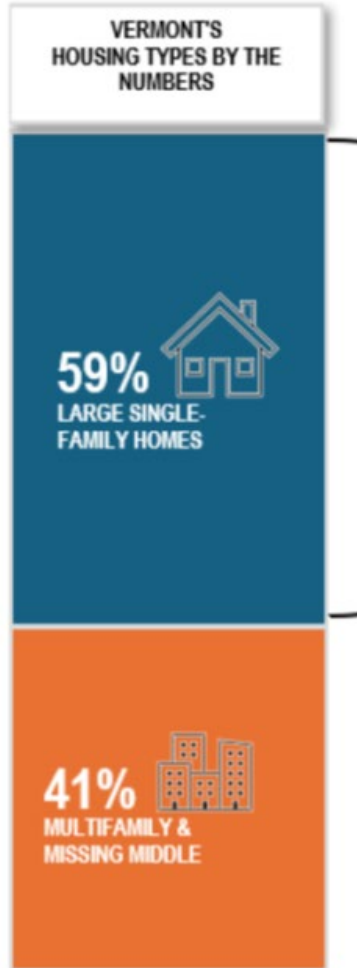
# Vermont's homes don't meet needs

## Supply vs Demand: Housing Type



83%

OF VERMONT HOUSEHOLDS ARE NOT TRADITIONAL NUCLEAR FAMILIES

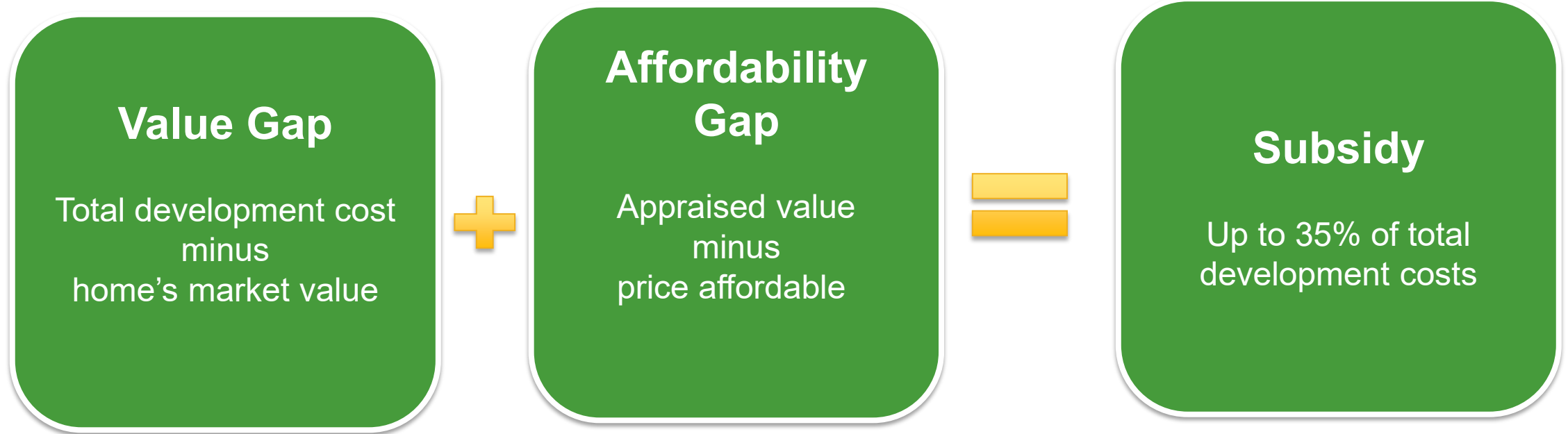


59%

OF VERMONT HOMES CATER TO TRADITIONAL NUCLEAR FAMILIES



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

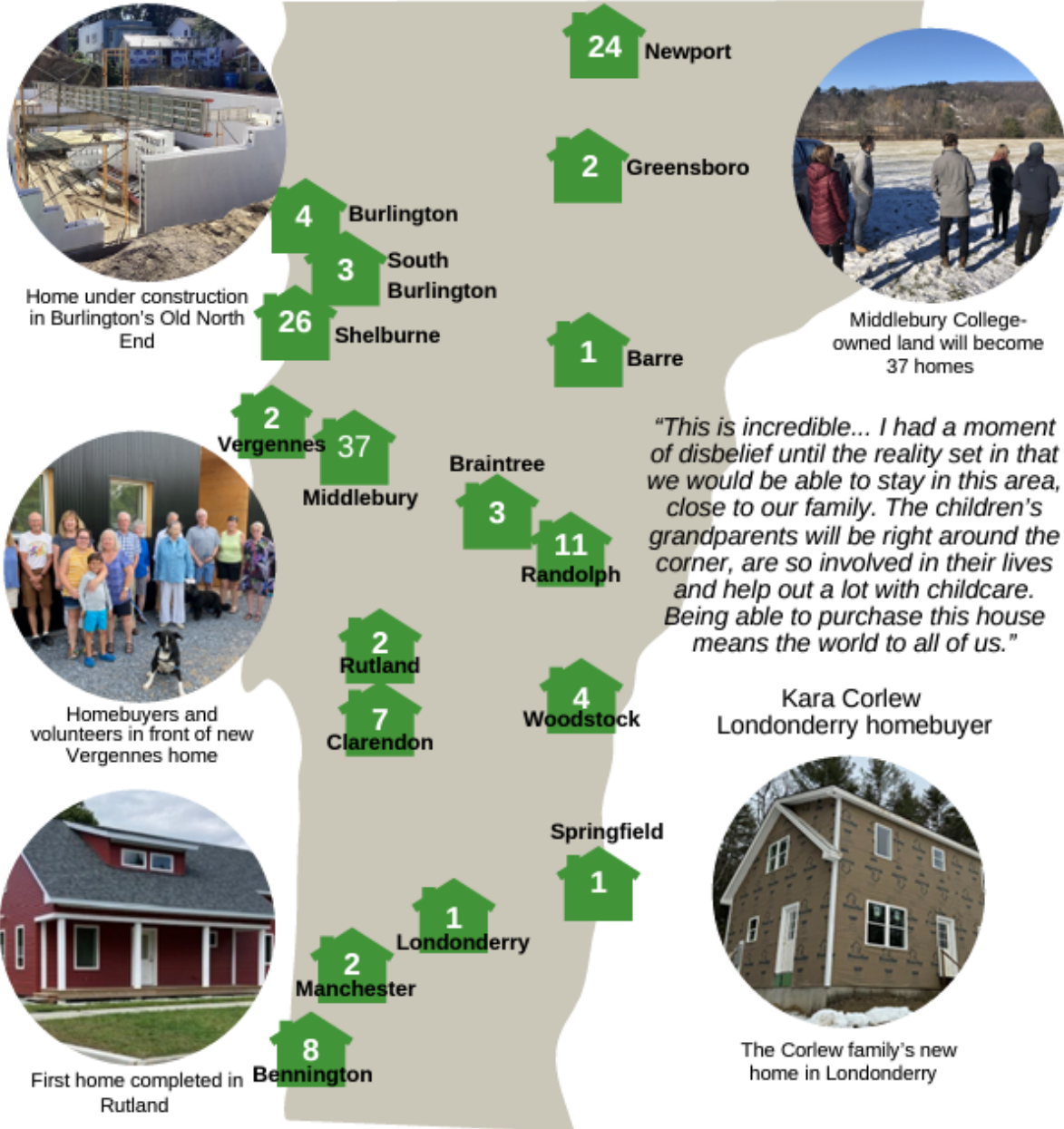


## Why do these gaps exist?

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



# Homes underway in 20 Vermont communities



# 125 for sale homes funded



Homes funded	125
Bedrooms built	322
Average subsidy per home	\$130,000
Average purchase price	\$195,000
Shared equity homes	69 (55%)
Neighborhoods expanded	20
Total funding deployed	\$24 million



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



Lower photo: Completed home in Burlington