

**CHAMPLAIN
HOUSING TRUST**



Providing Permanently
Affordable Housing in
Northwestern Vermont

Conversation on Affordable Housing Programs

House Committee on General and Housing

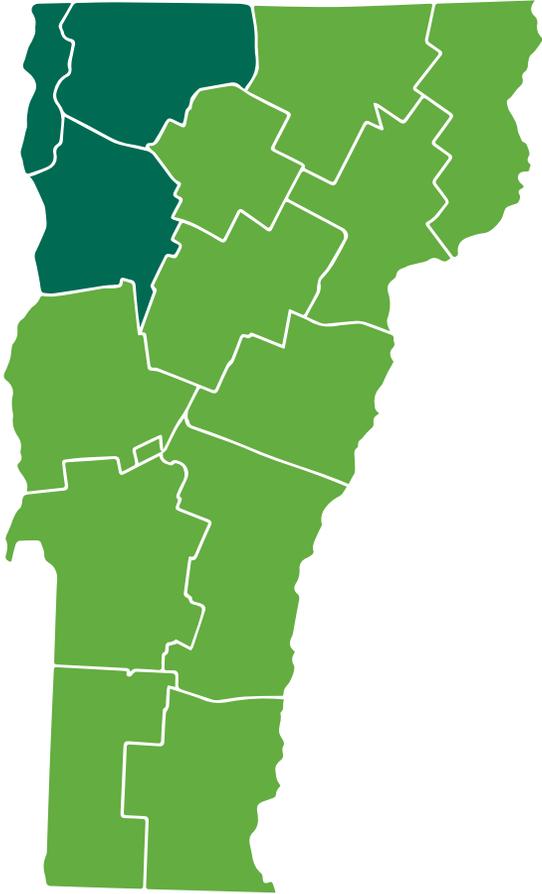
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Champlain Housing Trust



Champlain Housing Trust serves the three northwest counties of Vermont (primarily...)

- 2,700 apartments
- 685 shared equity homes
- 30 commercial spaces
- Five different loan programs
- \$300M+ community assets
- \$29M operating budget
- 150 staff

Housing Opportunity



2024 By the Numbers



466

HOUSEHOLDS

accessed Home Education
Programs



303

HOUSEHOLDS

rented a permanently
affordable apartment
108 had been unhoused



855

RESIDENTS

used Resident Services



\$4

MILLION

in loans distributed
140 projects completed



35

HOUSEHOLDS

bought a permanently
affordable home
13 identified as BIPOC

“Champlain Housing Trust
changed our lives...we intend
on living here a long, long time.”

Rose and Michael Jerome,
Residents, Burlington

Shared Equity Homeownership



Shared Equity Homeownership

Shared equity homeownership provides Vermonters with the opportunity for an affordable path to homeownership.

In exchange, shared equity homeowners agree to share this same opportunity with future buyers by sharing a portion of the market appreciation of their home.

The purpose is to balance individual benefits (homeowners) with the community benefits (taxpayers) in one program.

Buying a shared equity home

STEP ONE – Becoming mortgage ready

Aspiring homeowners take homebuyer education, and must become mortgage ready – meaning they can go to a bank or credit union and take out a loan.

STEP TWO – Finding a home

- Existing shared equity home up for sale
- Habitat for Humanity chapters
- New home being developed by nonprofit
- Acquisition – Rehab programs
- “Buyer Driven” program
- Conversion of rentals

Buying a shared equity home

STEP THREE – Preparing to buy

Prospective buyers hire own lawyer, home inspector and get their own mortgage through a bank or credit union.

STEP FOUR - Closing

The local nonprofit stewards a subsidy that's attached to the home. Original subsidies typically come from VHCB or State Affordable Housing Tax Credit.

Buyer secures their own mortgage, and covers their closing costs – and moves in.

Sample shared equity purchase

	Original Sale
Market Value / Appraisal	\$220,000
Original Public Subsidy	(\$60,000)
Sale Price to Buyer	\$160,000

Homeowner Rights and Responsibilities

- Pays Mortgage, Insurance and Property Taxes
- Pays any condo fees, lease/membership fee
- Maintains the property
- Can leave property to another in their Will
- Must notify local nonprofit in event of the decision to sell or refinance
- Agrees to a resale formula that preserves affordability

Shared Equity Homeownership



Sample resale of shared equity home

	Original Sale
Market Value / Appraisal	\$220,000
Original Public Subsidy	(\$60,000)
Sale Price to Buyer	\$160,000
	Second Sale
Market Value / Appraisal	\$300,000

Sample resale of shared equity home

	Original Sale
Market Value / Appraisal	\$220,000
Original Public Subsidy	(\$60,000)
Sale Price to Buyer	\$160,000
	Second Sale
Market Value / Appraisal	\$300,000
Original Public Subsidy	(\$60,000)

Sample resale of shared equity home

	Original Sale
Market Value / Appraisal	\$220,000
Original Public Subsidy	(\$60,000)
Sale Price to Buyer	\$160,000
	Second Sale
Market Value / Appraisal	\$300,000
Original Public Subsidy	(\$60,000)
75% of Market Appreciation (\$80K x 75%)	(\$60,000)

Sample resale of shared equity home

	Original Sale
Market Value / Appraisal	\$220,000
Original Public Subsidy	(\$60,000)
Sale Price to Buyer	\$160,000
	Second Sale
Market Value / Appraisal	\$300,000
Original Public Subsidy	(\$60,000)
75% of Market Appreciation (\$80K x 75%)	(\$60,000)
Option Price	\$180,000

Sample resale of shared equity home

	Original Sale
Market Value / Appraisal	\$220,000
Original Public Subsidy	(\$60,000)
Sale Price to Buyer	\$160,000
	Second Sale
Market Value / Appraisal	\$300,000
Original Public Subsidy	(\$60,000)
75% of Market Appreciation (\$80K x 75%)	(\$60,000)
Option Price	\$180,000
	Third Sale
Market Value / Appraisal	\$400,000
Existing Subsidy (\$60,000 + \$60,000)	(\$120,000)
75% of Market Appreciation (\$100K x 75%)	(\$75,000)
Option Price	\$205,000

Who buys shared equity homes?

- 37% of homes have children
- Average length of tenure is about 6 years
- Average Area Median Income: 68.8%
- In CHT's portfolio, about 40% of buyers in the last three years were people of color.
- Top five employment sectors:
 - Teacher/Aide
 - Health Care
 - Administrative
 - Manufacturing
 - Customer Service

Shared Equity Benefits

- Around 1,200 homes statewide have served about 2,000 households
- Protects neighborhoods from gentrification
- Helps build wealth: instead of paying rent, owners pay build equity by paying down a mortgage in addition to getting a portion of the home's appreciation when they sell.
- Enables mobility: over 60% use shared equity homeownership as a stepping-stone to the market
- Reduces foreclosures: national study showed homes were ten times less likely to be in foreclosure
- Preserves affordability and locks in the public subsidy forever

Bay Ridge, Shelburne



Affordability / Cost of State-Funded Programs

Housing Development Programs	Type	Affordability Term	Cost to state
Affordable Apartments (VHCB/State Tax Credits)	rental	forever	\$152,000
Vermont Housing Improvement Program (DHCD)	rental	5 or 10 years	\$45,000
Rental Revolving Loan Fund (VHFA)	rental	variety, loan term or repayment +3 years	\$125,000
Middle Income Homeownership Dev. Prog. (VHFA)	homeownership	Mix of permanently affordable and shallower subsidy	\$130,000

State Funded Housing Programs

Agency/Funding Source	Program	Permanently Affordable	Addresses Homelessness	Housing for the Workforce	Downtown/Neighborhood Revitalization	Environmental Remediation	Energy Efficiency	State Funds Per Unit
VHCB/State Tax Credits	Affordable Apartments	★	★	★	★	★	★	\$152,000
Dept. Housing Comm Dev	Vermont Housing Improvement Program	5-10 yrs ★	★	★	★		★	\$45,000
VHFA	Middle Income Homeownership	★		★	★	★	★	\$130,000
VHFA	Rental Revolving Loan Fund	10 – 33 yrs ★		★	★		★	\$125,000

What's Needed

- **Vulnerability** – Can we create a real system that prevents homelessness and makes it rare and brief when it occurs?
- **Building** – How do we further stimulate production of housing?
- **Affordability** – Where do we target public resources to ensure that the housing created addresses the needs of people who face economic barriers, or who are unhoused or disabled?
- **Services and Support** – What do people need to both access housing and be successful in it?

Cambrian Rise, Burlington



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