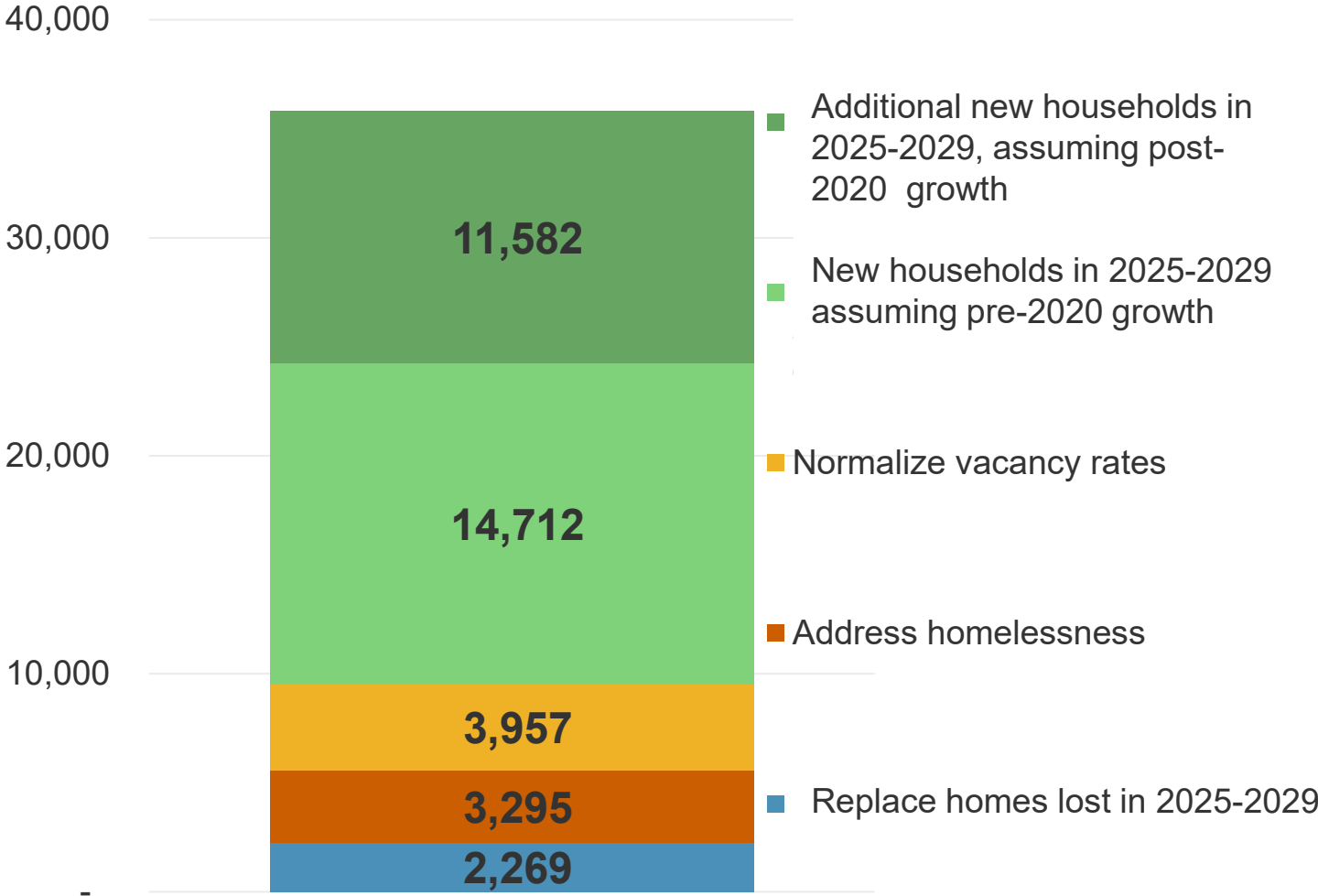




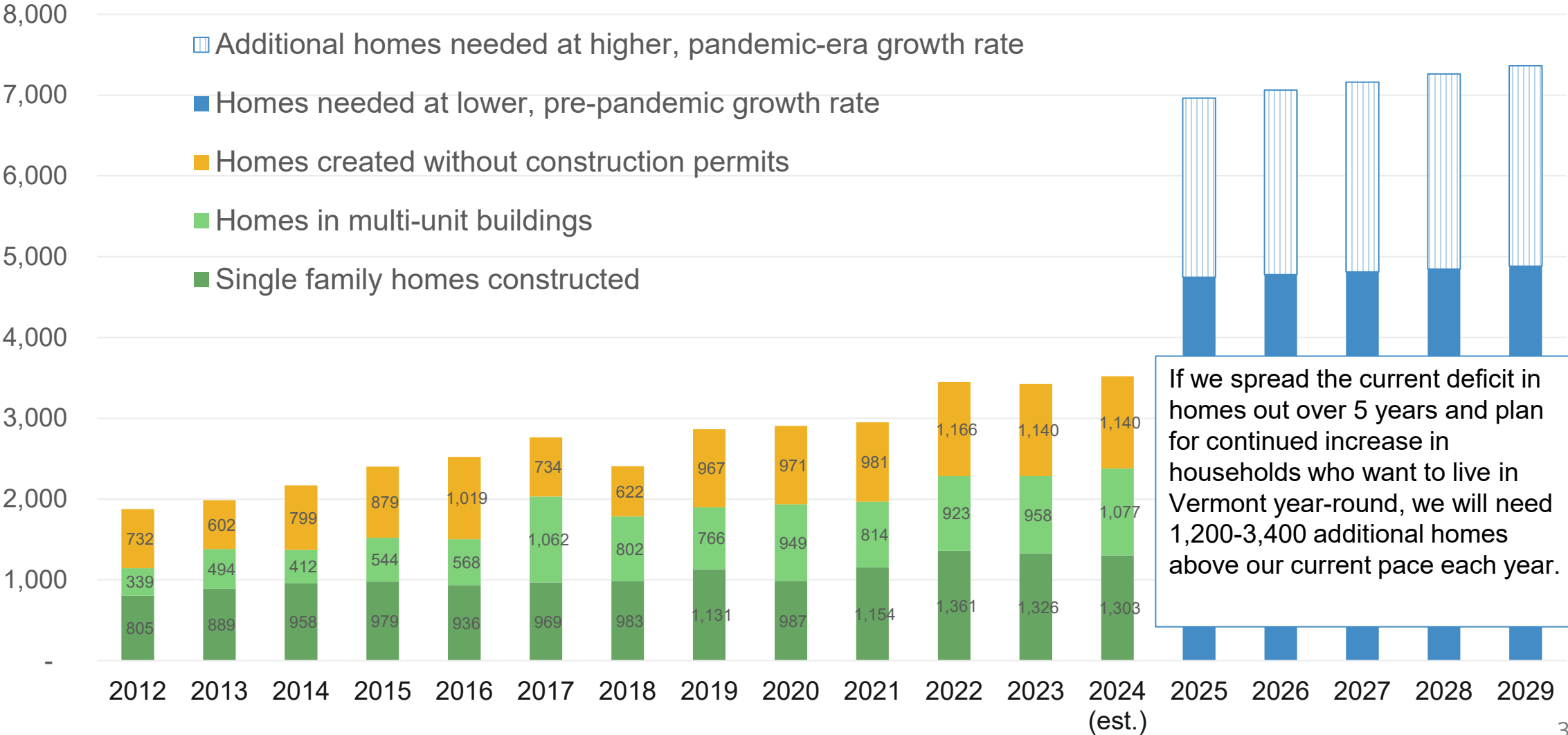
# Vermont's Housing Needs and How Vermont Housing Finance Agency is Meeting the Challenge

Maura Collins, Executive Director  
[mcollins@vhfa.org](mailto:mcollins@vhfa.org)

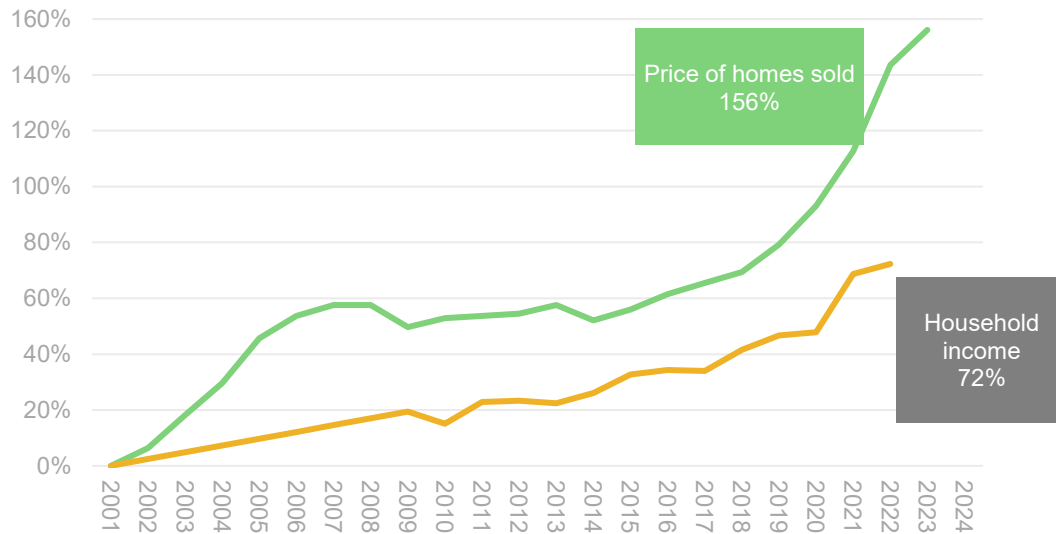
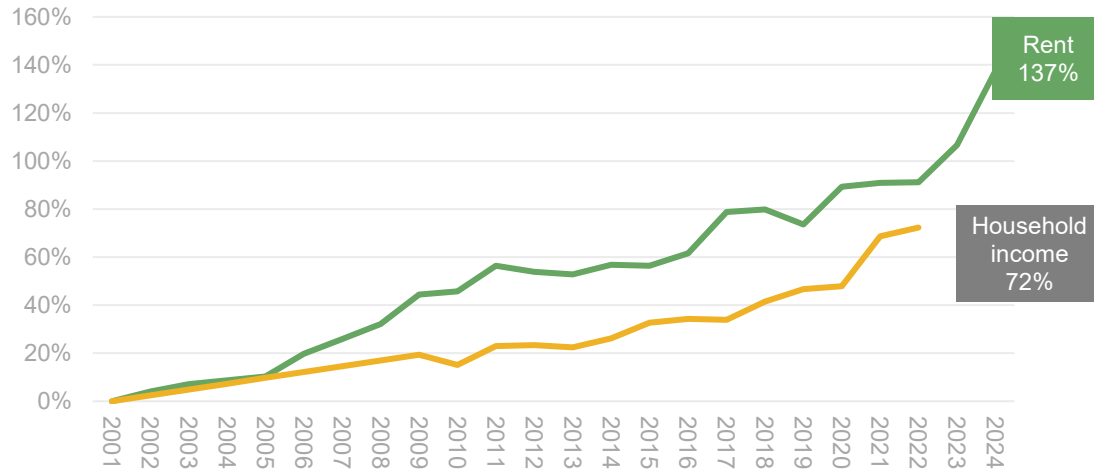
# How many more homes are needed by 2029



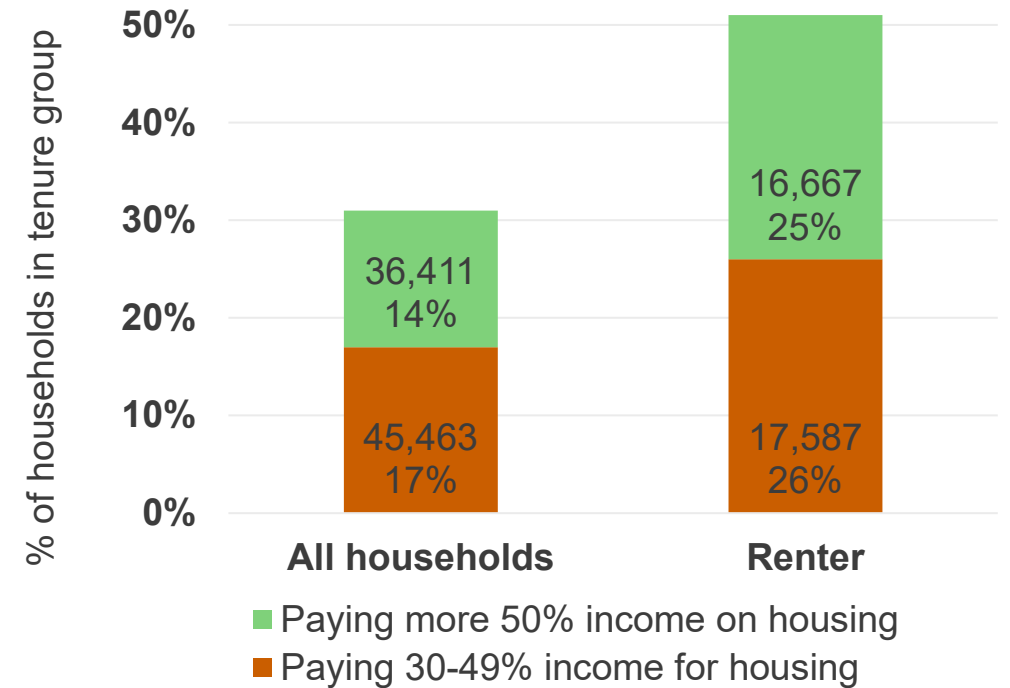
# Increase needed in pace of home building



# Cost-Burdened Households



Renters are more likely to be cost burdened

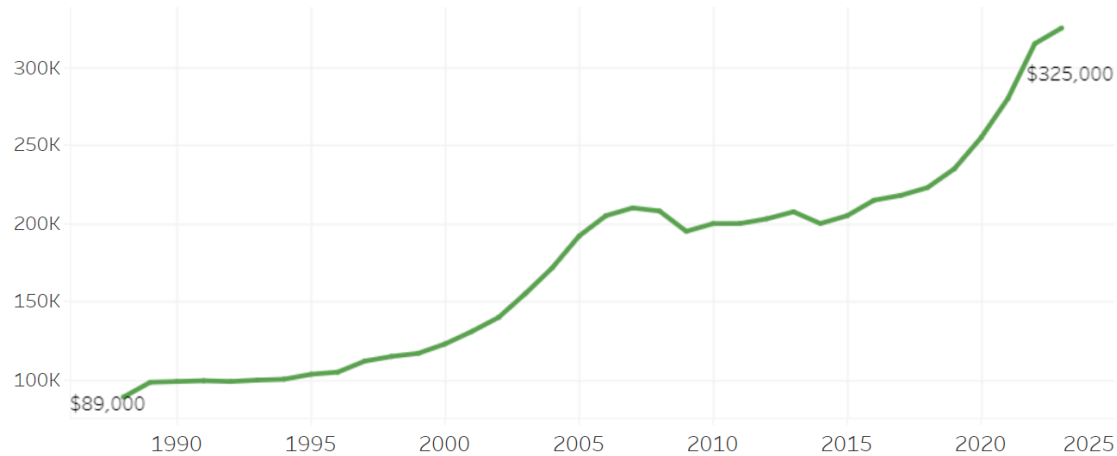


Source: U.S. Census Bureau, American Community Survey 5-year estimates 2018-2022

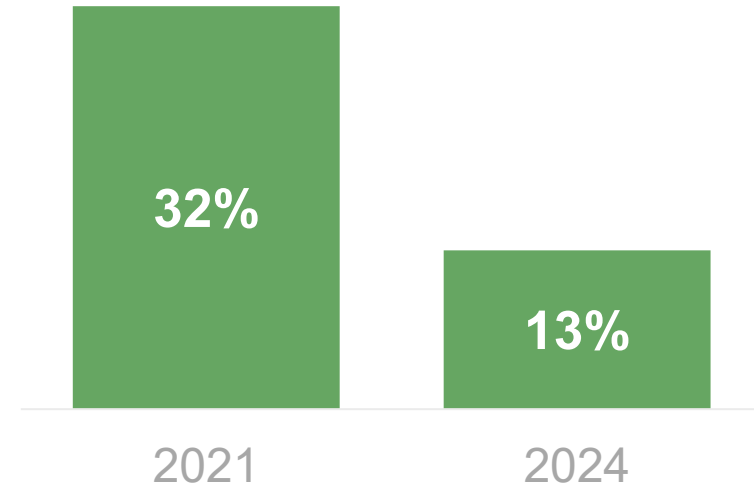
# Far fewer VT renters can afford to buy



Median home sale price  
Vermont  
Home type: Single family

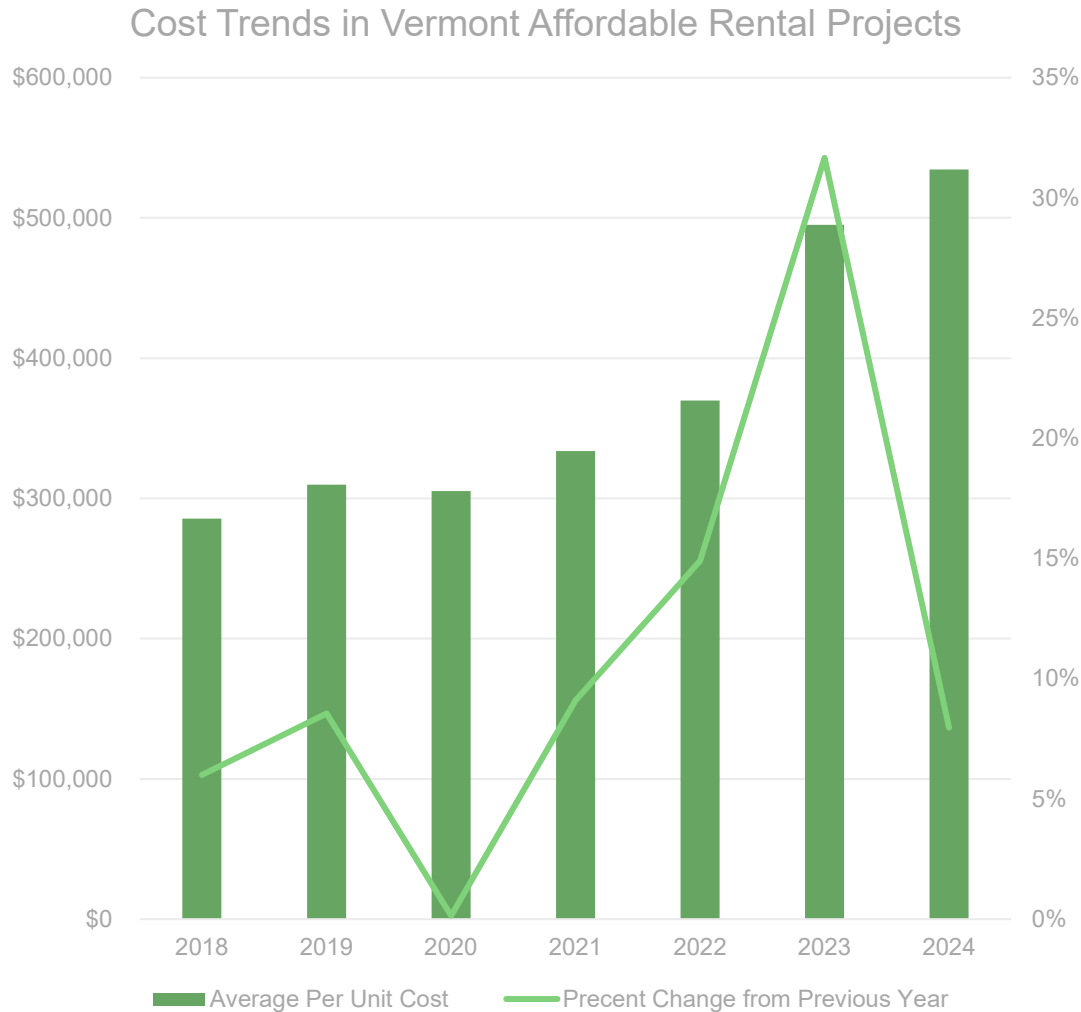


Percentage of renters who can afford to buy median home



|                                                           | 2021      | 2024      | Change |
|-----------------------------------------------------------|-----------|-----------|--------|
| Vermont median primary home price                         | \$259,900 | \$340,000 | 31%    |
| Average interest rate on 30-year mortgage, no points      | 3.11%     | 6.35%     | 104%   |
| Monthly mortgage payment                                  | \$1,710   | \$2,750   | 61%    |
| Income needed to afford                                   | \$68,394  | \$110,000 | 61%    |
| Renters with enough income to purchase median priced home | 24,500    | 9,320     | -62%   |

# Cost continues to be a key challenge



**Modest Homeownership Development:**  
\$323 per square foot

Modest homes with an upper for-sale limit, and includes VHFA's experience financing Shared Equity Homes

Flexibility in site selection, mostly located in easier to develop sites.

**Deeply Affordable & Subsidized Housing (9% Tax Credit Pipeline)**  
\$520 per square foot

Projects are typically 93-100% subsidized with restrictive and costly sources

Serve wide range of policy goals – location, energy, addressing homelessness

**Market and Middle-Income Rental Homes**  
\$375-\$400 per square foot

Market rate and middle-income projects that produce more revenue, don't require as complicated of resource stack

Not required to meet policy delivery requirements of publicly funded projects – location, energy, etc.

# Affordable housing development



- Building apartments
- Revitalizing downtowns
- Preserving historic structures
- Cleaning up dirty soils
- Platform for social services
  - Or funding services!
- Lowering thermal GHG emissions
- Lowering transportation GHG emissions
- Expanding infrastructure for future investments

# Vermont's top housing needs in 2025-2029



## Housing shortage

Vermont's housing shortage deepened in 2020 with rippling economic and social impacts.

## Hardest hit

Low-income households and renters are hardest hit by home shortage and increased housing costs.

## Housing quality

Thousands of Vermont homes have physical vulnerabilities, largely due to the old age of the housing stock.

## Service needs

The number of residents with needs for service-enriched housing is rising.

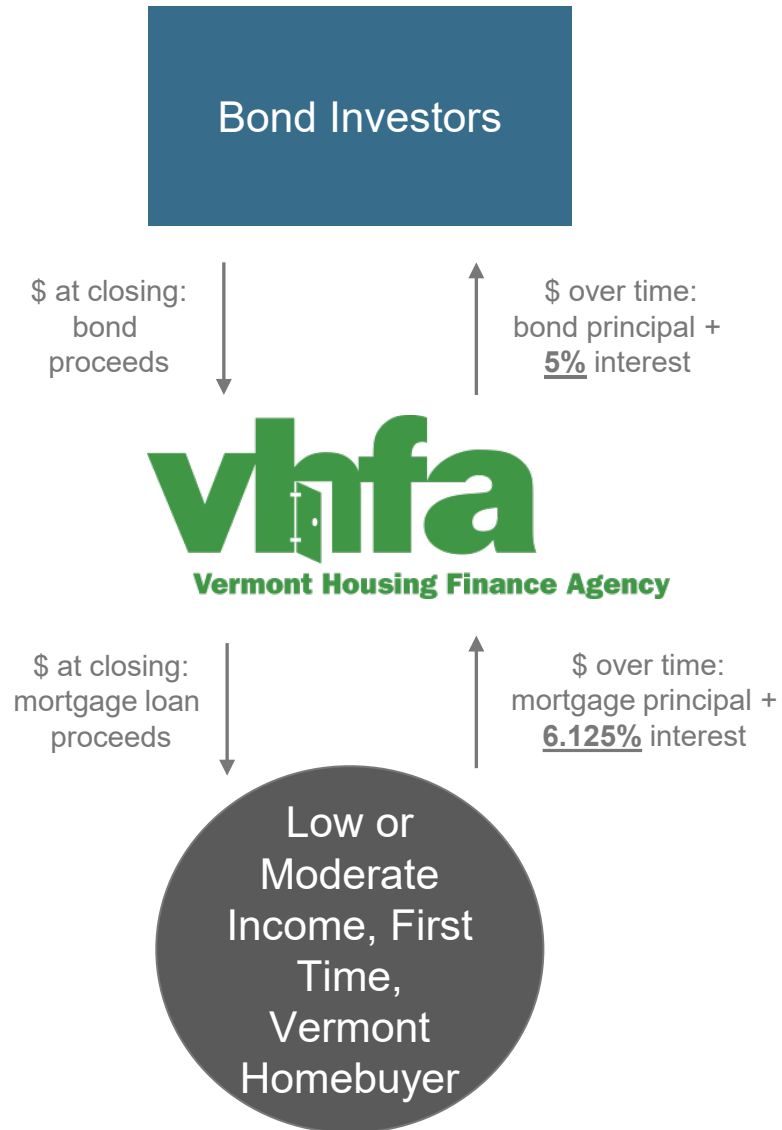


# About us

- 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



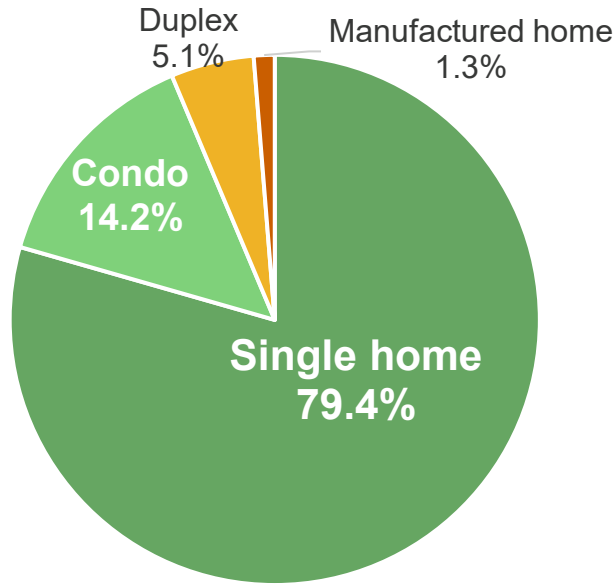
## VHFA Economics

- 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

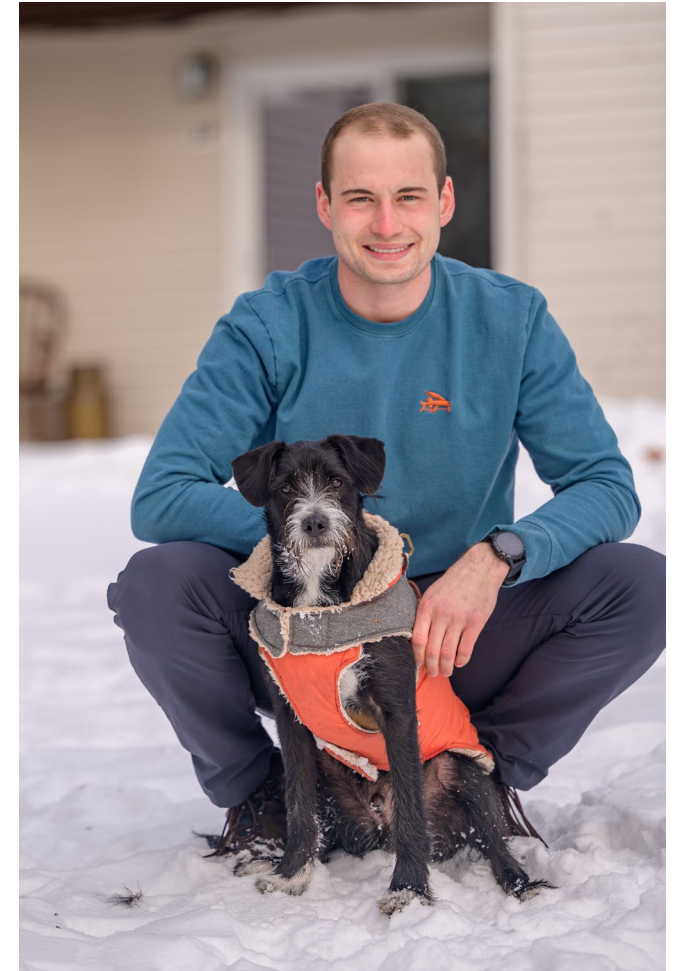
- 6.125% mortgage rate for borrower at a time when comparable mortgage rates in market are 6.50% or higher
- VHFA also offers up to \$15k in downpayment and closing cost assistance for qualifying borrowers plus another \$15k for First Generation borrowers.

# VHFA's Average Homebuyer



## Benefits of VHFA mortgage:

- Interest rate ~½ point less than others
- \$15,000 in down payment loan
- \$15,000 down payment grant for 1<sup>st</sup> Generation buyers
- Lower Property Transfer Tax



*Nathan Lalonde at his home near Bolton Valley Resort*

**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**

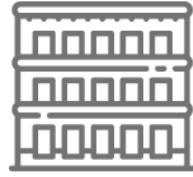
Median VHFA home  
purchase price

**99.5%**

received pre-purchase  
homebuyer education

# Housing Development

**\$46 million**



in tax credit equity and long-term financing for affordable multifamily development projects

- Loans
- Tax Credits
- 10% for Vermont
- Housing Investments for VERmont (HIVE)
- Rental Revolving Loan Fund
- Middle-Income Homeownership Development

