



# Affordable Housing Property Classification

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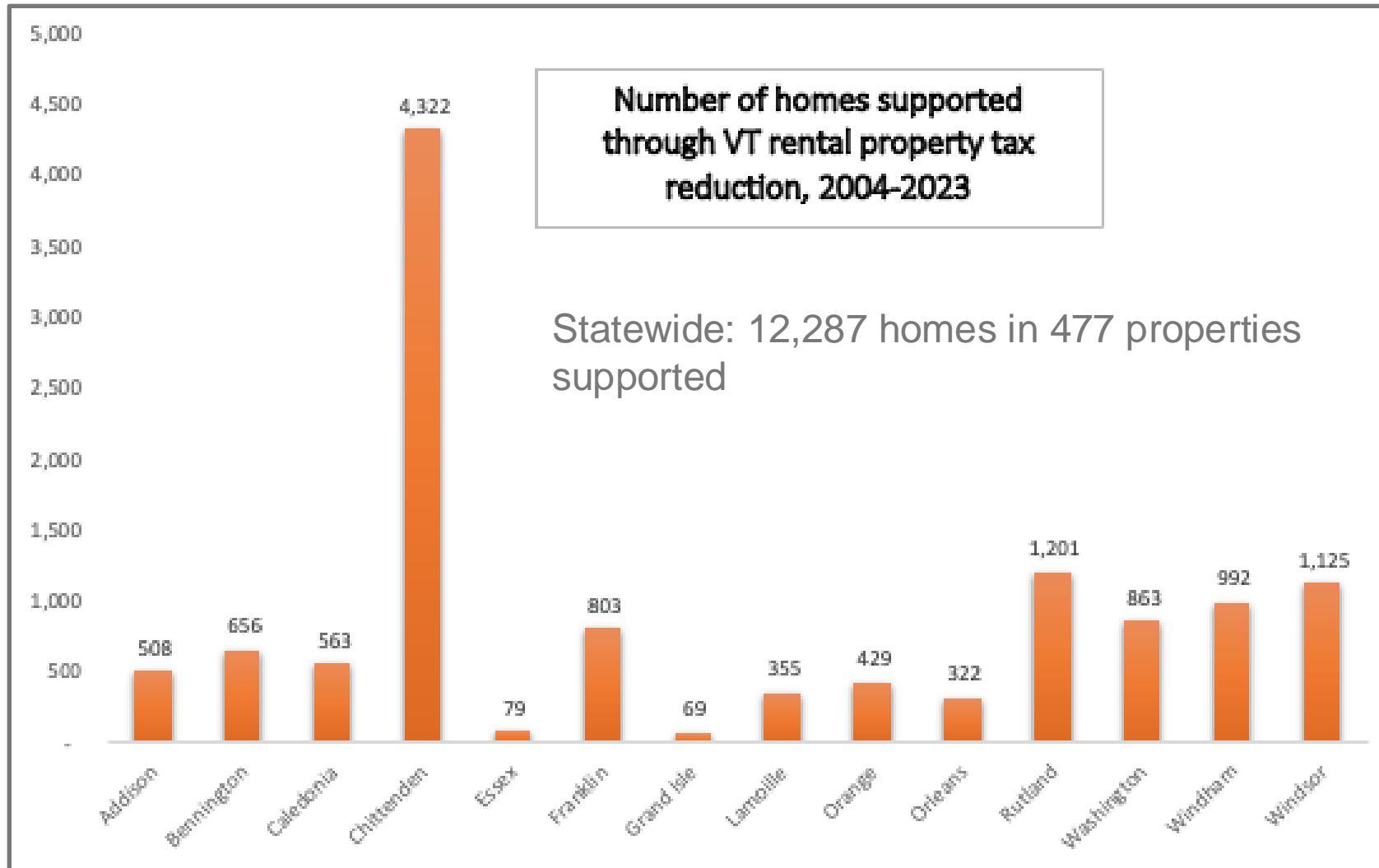
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# Current Law (Act 68 of '03) Affordable Rental Property Tax Reduction



- [32 V.S.A. § 5404a\(a\)\(6\)](#)
- Created in 2003. Updated in 2023.
- To protect the affordability of subsidized housing, allows certain developments to lower their assessed value by up to 10% based on the number of eligible units
- VHFA directed to certify eligible developments
- Eligible properties re-certified every 10 years.
- Does not sunset. Will continue for all new projects and existing properties
- In 2024, VHFA certified 646 buildings. In 2025, 35 buildings.

# Impact of the program 2004-2023



# Who lives in these homes?



- Typical Vermonter living in these buildings impacted has an income of \$18,000 and is 40 years old
- Average monthly rent for households assisted is \$445
- 11% of total operating expenses for properties assisted went towards property taxes (2019-2021)

# Proposed Bill Impact



- Would further protect the affordability of rental homes, operating with very thin margins and provide consistency
- VHFA supports the certification of "Affordable Housing" properties being done by a state agency
- VHFA would work with that agency to align certification processes and data maintenance, including VHFA continuing to maintain the [Directory of Affordable Rental Housing \(DoARH\)](#).



# Proposed Bill Impact

- Support inclusion of single-family homes used for year-round rentals in the classification of "Apartment".
- Applies to all rental properties that do not fall within "Affordable Housing". An estimated 23% of all year-round rental homes in Vermont are single-family houses and another 4% are manufactured homes.
- Inclusion of housing types in "Affordable Housing". Some housing types are currently not included as eligible properties (ex: VHIP, RLF, refugee housing\*, recovery housing\*). Providing Examples in statute may be helpful.
- Manufactured Housing Communities (mobile homes)



\*If no housing subsidy covenant (HSC) exists.  
Many of these types of properties have an HSC