



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

March 20, 2025

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### **H.479 – An act relating to housing**

**As recommended by the House Committee on Ways and Means<sup>1,i</sup>**

#### **Bill Summary**

**T**his bill would fund and modify existing programs, create new ones, and establish various policy directives aimed at increasing the supply, affordability, and accessibility of housing in Vermont.

#### **Fiscal Summary**

The bill's total fiscal year 2026 cost is \$71,846,500. Of that, \$71,596,500 is for appropriations for new and existing housing programs, staff positions, and studies. The remaining \$250,000 would cover the fiscal year 2026 cost of the affordable housing tax credit used to fund the First-Generation Homebuyer Program.

While this bill would reauthorize Down Payment Assistance Program tax credits and newly authorize First-Generation Homebuyer Program tax credits, the \$250,000 cost of affordable housing tax credits in fiscal year 2026 results solely from the latter. Fiscal year 2026 tax credit allocations for the Down Payment Assistance Program were previously authorized and are not a new expense in this bill. New costs from the bill's five-year reauthorization of the Down Payment Assistance Program tax credit would begin in fiscal year 2027.

#### **Background and Details**

This bill appropriates \$71,596,500 for State housing programs in fiscal year 2026. These appropriations include:

- The creation of a new Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank;
- The continuation of various existing programs;
- Five State positions to support housing programs;
- One-time grants to housing service providers outside of State government; and
- Studies of new strategies to increase housing supply and affordability.

The bill as recommended also proposes to authorize the First-Generation Homebuyer tax credit for fiscal years 2026 through 2030 and reauthorize the Down Payment Assistance tax credit for fiscal years 2027 through 2031. As introduced, the bill would have authorized the First-Generation Homebuyer tax credit indefinitely.

The total cost of both credits is \$250,000 in fiscal year 2026. The total cost of the credits increases by \$500,000

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<sup>1</sup> *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

each fiscal year until it reaches \$2,250,000 in fiscal years 2030 and 2031 (see Table 2). The total cost then declines to \$0 by fiscal year 2036 as previously-awarded credits – which are claimed in equal increments over five years – are retired without replacement (see Table 3 on the following page).

**Table 1. Summary of Fiscal Year 2026 Appropriations in H.479**

Entity/Section	Program	Appropriation Amount (General Fund unless otherwise specified)
DHCD – Section 4	Universal Design Study Committee	\$15,000
DHCD – Section 19	VHFA Off-Site Construction Report	\$250,000
DHCD – Section 20	Classified positions (3)	\$450,000
	Limited-service positions (2)	\$300,000
DHCD – Section 21	Infrastructure Sustainability Fund (funds to be granted from DHCD to Vermont Bond Bank)	\$15,000,000
	MHIR	\$2,000,000
	Middle-Income Homeownership Development Program and Rental Housing Revolving Loan Fund	\$20,000,000
	VHIP	\$4,000,000
VHCB – Section 21	General housing production and preservation programs	\$25,000,000
	Resident Services Program	\$2,000,000
DHCD, AHS, VSC, DOL, VDH – Section 21	Grants & Appropriations to non-Governmental Service Providers	\$2,581,500
<b>Total Appropriations</b>		<b>\$71,596,500</b>

**Table 2. Affordable Housing Tax Credit Costs, FY 2026 – FY 2031**

Tax Credit	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Down Payment Assistance Program – Section 6	\$0	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000
First-Generation Homebuyer Program – Section 6	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000	\$1,000,000
<b>Total Cost</b>	<b>\$250,000</b>	<b>\$750,000</b>	<b>\$1,250,000</b>	<b>\$1,750,000</b>	<b>\$2,250,000</b>	<b>\$2,250,000</b>

**Table 3. Affordable Housing Tax Credit Costs, FY 2031 – FY 2036**

Tax Credit	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Down Payment Assistance Program – Section 6	\$1,250,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$0
First-Generation Homebuyer Program – Section 6	\$1,000,000	\$750,000	\$500,000	\$250,000	\$0	\$0
<b>Total Cost</b>	<b>\$2,250,000</b>	<b>\$1,750,000</b>	<b>\$1,250,000</b>	<b>\$750,000</b>	<b>\$250,000</b>	<b>\$0</b>

## Descriptions of Appropriations and Other Provisions with a Fiscal Impact

### Universal Design Study Committee

Section 4 appropriates \$15,000 from the General Fund to the Department of Housing and Community Development (DHCD) in fiscal year 2026 for a Residential Universal Design Study Committee to explore the implementation of statewide universal design standards for all residential buildings. This appropriation would cover per diems and expense reimbursements for Committee members.

### Affordable Housing Tax Credits

Section 6 authorizes two affordable housing tax credit programs administered by the Vermont Housing Finance Agency (VHFA): the Down Payment Assistance Program and the First-Generation Homebuyer Program.

Authorization for the Down Payment Assistance Program tax credit currently expires at the end of fiscal year 2026. The bill would extend this credit through fiscal year 2031. Because the program was set to expire in fiscal year 2026, all credits awarded beginning in fiscal year 2027 represent a new fiscal cost to the State in the form of forgone revenue.

The bill would also fund the First-Generation Homebuyer Program through a five-year authorization of the First-Generation Homebuyer tax credit. Since VHFA was not previously authorized to award this credit in fiscal year 2026 or beyond, this represents a new cost to the State in the form of forgone revenue. As recommended, authorization for the issuance of new First-Generation Homebuyer Program tax credits would sunset on July 1, 2030 (see Tables 2 and 3).

### VHFA Off-Site Construction Report

Section 19 appropriates \$250,000 in fiscal year 2026 from the General Fund to DHCD for a grant to VHFA to further develop recommendations from the 2025 “Opportunities to Utilize Off-Site Construction to Meet Vermont’s Housing, Workforce and Climate Goals” report. The bill would require VHFA to submit an interim report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs by January 15, 2026 and a final report by December 15, 2026.

### New Full-time Classified Positions at DHCD

Section 20 appropriates \$450,000 in fiscal year 2026 from the General Fund to DHCD for the creation of three full-time, classified positions. Of these, two positions would support the administration of the Vermont Rental Housing Improvement Program (VHIP) and one would support the Manufactured Home Improvement and Repair Program (MHIR).

### Extension of Limited-Service Positions at DHCD

Section 20 also appropriates \$300,000 from the General Fund to DHCD in fiscal year 2026 to fund two

existing limited-service positions in fiscal year 2026.

One position provides technical assistance to municipalities, nonprofit organizations, and private developers in developing infill and middle-income housing through the Homes for All initiative. The other position coordinates funding for distribution among State entities and oversees housing data collection and analysis to ensure the efficient use of Homes for All funds.

### **DHCD Programs**

Section 21 appropriates \$15 million to DHCD from the General Fund in fiscal year 2026 for a grant to the Vermont Bond Bank to implement the Vermont Infrastructure Sustainability Fund.

Section 21 also appropriates \$26 million to DHCD from the General Fund in fiscal year 2026 for existing programs:

- \$20 million for a grant to VHFA for the Middle-Income Homeownership Development Program and the Rental Housing Revolving Loan Fund;
- \$4 million for the Vermont Rental Housing Improvement Program (VHIP); and
- \$2 million for the Manufactured Home Improvement and Repair Program.

### **Vermont Housing and Conservation Board (VHCB) Appropriation**

Section 21 appropriates \$27 million to VHCB from the General Fund in fiscal year 2026. Of that appropriation, \$25 million is to provide support and enhance capacity for the production and preservation of affordable mixed-income rental housing and homeownership units and \$2 million is to implement the Resident Services Program established in Section 88 of Act 181 (2024).

### **Grants to Non-Governmental Housing Service Providers**

Section 21 appropriates \$2,581,500 from the General Fund in fiscal year 2026 to various State entities for grants to non-governmental housing service providers and to the Vermont State Colleges. These appropriations are:

- \$500,000 to DHCD to grant to five NeighborWorks America-affiliated homeownership centers for the purpose of providing homebuyer education, financial literacy counseling, and foreclosure prevention programs;
- \$235,000 to DHCD to grant to HomeShare Vermont for the purpose of funding case management positions and an intake coordinator;
- \$400,000 to the Agency of Human Services (AHS) to grant to Cathedral Square to continue the Support and Services at Home (SASH) for All pilot program;
- \$373,000 to the Vermont State Colleges (VSC) for new apprenticeships, curriculum development, employer partnerships, and faculty training in the field of heating, ventilation, and air conditioning (HVAC);
- \$448,500 to the Department of Labor (DOL) for a three-year grant to the Associated General Contractors of Vermont to promote and expand training and certification programs for the construction and building trades; and
- \$300,000 to the Department of Health (VDH) for recovery residences certified by the Vermont Alliance for Recovery Residences, including at least three new certified recovery residences; and
- \$325,000 for first month fees for individuals entering a certified recovery residence in Vermont.

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<sup>i</sup> The bill as originally introduced by the House Committee on General and Housing can be found [here](#). The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be accessed through a bill number search on the JFO page.